*We affirm.*

## Contention One is Free Trade

If the European Union were to join the Belt and Road Initiative, a multitude of trade opportunities would be opened up.

**Kohl '18 of the Cambridge Journal** writes that the BRI would establish trade between China and Eurasia, stimulating economic cooperation and international trade among participating countries.

Specifically, China uses the BRI to promote a multilateral trade system which would facilitate a liberalization of trade, as it reaffirms their desire to trade with the European Union.

Indeed, **Herrero '16 of Econstor** confirms that overall EU trade would rise by 6 percent as a result of joining the BRI and the EU has the most to gain from the program.

***The impact is global growth***

Because the EU's economy is interconnected across the world through an array of bilateral and multilateral trade agreements, EU growth is inherently beneficial for most countries.

Indeed, **Arora '05 of the IMF** quantifies that a 1% increase in economic growth for developing nations' trading partners leads to a .8% growth in the domestic economy.

Holistically, **Ruta '18 of the World Bank** writes that the Belt and Road Initiative couldw lift 32 million out of poverty.

## Contention Two is Overcapacity

**Cai '17 of the Lowy Institute** explains that in order to stimulate the economy in response to the 2008 financial crisis, China prematurely planned numerous infrastructure projects, resulting in an overestimation of demand and thus an excess of steel and other industrial materials. However, the problem has not been alleviated, with many companies are at risk of defaulting on loans.

Even worse, **Reuters '18** writes that regional governments, independent of the central government, continue to invest in their own steel projects in order to boost growth.

Thus, **Seth '19 of Investopedia** writes that steel oversupply is uncontrollably increasing in China ***despite*** attempted reforms.

Critically, **The BRA '19** furthers that while China is trying to use the BRI to solve the overcapacity problem, the current BRI is not providing that. The bankable projects have been invested in already, and new markets can't be reached because the BRI has expanded to its peak.

Indeed, **Cai** continues that while Chinese investors are forced to keep investing into the BRI, they invest as little as possible because of the political and financial instability that shrouds them.

However, the EU joining the BRI opens up their market to BRI expansion. **Le Corre '18 of the South China Morning Post** writes that China is uniquely interested in investment into Europe because they are the most stable and secure investments.

*The EU joining the Belt and Road is crucial to solve China's problem of overcapacity of steel in two ways:*

***First, infrastructure development***

Currently, **Jones '17 of the Financial Times** finds that European countries chronically underinvest in infrastructure, with investment at a 20 year low.

The Belt and Road in the EU would bring new infrastructure projects, allowing China to reduce oversupply. **Freeman '17 of Brown University** explains that the infrastructure investment in BRI projects such as roads and railways is key to reducing China's steel oversupply.

He quantifies that just a **5% increase in infrastructure assets would create 137 million tons of demand** for Chinese steel, which would thus reduce oversupply from 22 to 8 percent, a 63% decrease.

Thus, **The Straits Times '16** concludes that the BRI could help solve China's overcapacity problem by using overproduced materials in the construction of overseas infrastructure.

***Second, exporting production facilities***

**Cai '17 of the Lowy Institute** explains that China has a strong economic incentive to export their steel production facilities to countries where the demand is larger, solving the overcapacity problem and also promoting Chinese political clout.

**Kostecka '18 of the University of Bialystok** confirms that the relocation of labor-intensive factories with excess capacity to the countries along the BRI would solve China's oversupply of steel.

***The impact is a recession.***

**Yeung '19 for the SCMP** writes that when one steel company defaults on its debt, it also reneges the debt it has guaranteed for other companies, setting off a chain reaction of corporate debt defaults, aggravating market risks.

As a result, **Cheng '15 of the SCMP** concludes that such a massive wave of firm closures would reverberate through China's economy, necessitating recession.

Problematically, **Rogoff '18 of the Boston Globe** explains that a Chinese recession will reverberate globally due to the nation's vast economic linkages and **Blanchard '13 of the IMF** confirms that the next economic shock would push 900 million people into poverty, many of whom are already living on just one dollar a day.

*Thus, we affirm*