We Negate, *Resolved:* The European Union should join the Belt and Road Initiative

Our First Contention is maintaining peace across the Atlantic.

Helen of DPA International writes that the EU and the US are seeking a reset in trade relations, eager to enter negotiations on trade.

In fact, **Al Jazeera in 2019** reports that both the EU and the US are close to a massive trade deal.

However, in a world where the EU joins China's Belt and Road Initiative, the economic relationship would crater.

Thomas of Foreign Policy in 2019 writes that because the Belt and Road runs counter to Trump's geopolitical interests, the EU joining the BRI would inflame tensions in the transatlantic trade relationship.

The impact is Auto Tariffs.

Thomas indicates that the only form of incentive left for Trump to punish Europe are tariffs on European Cars.

This would be disastrous for economic growth. **Heeb of Market Insider in 2019** writes that European car exports to the US are a huge part of the EU economy, and as a result cause a global recession, depressing global economic growth by 1.2%.

Even worse, because both economies are globally intertwined, **Kituyi of Aerta News in 2019** finds that trade tensions between the EU and the US would make it harder and nearly impossible to uplift hundreds of millions of people out of poverty around the world.

Contention 2 is Unequal Development.

The Belt and Road would expand with Europe's help in two ways.

First by co-financing BRI projects.

The EU has recently unveiled a large-scale infrastructure project called the Juncker Plan.

Casarini 15 of the Institute for International Affairs writes that the EU plan totals more than 300 billion euros, and that policymakers have suggested a joint BRI-EU investment fund to allow for co-financing.

Hererro 17 for the University of Hong Kong confirms that it makes sense for the EU to fill in the funding gap - it would allow them to further their own interests of international infrastructure for trade. As part of the BRI, the EU would help fund projects around the world.

Second by bringing on European Experts.

Landry in '18 of Foreign Policy writes that Chinese investors do not know the areas and geopolitical feel of the regions in which projects are planned in, thus being unable to expand.

The EU would change this. Lan in 2018 confirms that because the EU has deeper and historical understandings of regional areas, they would expand the BRI to a large number of countries along the Belt and Road.

This is critical, as Andrea of Asian Dialogue in 2017 writes that because of risk issues still associated with the Belt and Road, Chinese domestic investment into the belt and road dropped nearly 20% in just three months. With the EU joining the BRI, we would see Chinese domestic funding for the BRI increase.

Overall, the incentive for European cooperation, whether it be co-financing or giving expert advice, is to connect more routes towards EU markets.

In fact, Foreign Policy in 2019 finds that the **end goal** of the Belt and Road is to build new trade and infrastructure links to Europe's massive consumer market.

Unfortunately, more money, means more BRI projects, which only means more trouble for developing nations.

Moody Analytics writes in 2019 that developing countries would serve as a just waystation or stopping point for trade, rather than being a direct participant in the movement of goods.

As a result, Moody writes that Developing Nations shouldn't expect any economic benefit from the projects, as the trade is just flowing through, not originating from, the host country.

Critically, because the host country for these projects are left with the bill for the project without getting any real economic benefit, they are forced to take on large amounts of debt.

For example, The World Bank in 2019 found that of 9 sampled Low Income Developing Countries participating in the Belt and Road, 7 have seen their GDP to debt ratio rise.

For more context, Sharma of Bloomberg in 2019 writes that countries that see the most BRI investment are seeing their debt levels skyrocket, on path to reach the 1980s debt crisis levels.

Debt is extremely dangerous for developing nations.

Moody Analytics in 2019 finds that the debt undermines spending on other areas of the economy and overall hurts growth prospects in the long term.

For example, World Finance in 2019 writes that in Nigeria, because of the Belt and Road, 60% of revenue now goes towards debt servicing, cutting funding towards sectors such as Education and Health, stopping the developmental process as most Developing countries have young populations.

Because of this tradeoff, Research Gate in 2018 confirms that a 1% increase in debt increases poverty by .35%.

History proves, as the last time developing nations neared a debt crisis, the JDC in 2012 found that nearly two hundred million people were pushed into poverty in the developing world.

Thus, we negate.

Cards

Tariffs

Helen of DPA International

Al Jareeza

https://www.aljazeera.com/ajimpact/trump-eu-trade-deal-close-190826195414136.html

United States President Donald Trump said on Monday that he thinks the US will be able to reach a fair trade agreement with the European Union without imposing threatened tariffs on car imports.
Trump said it had been difficult negotiating with the European Union on trade issues, **but he struck an upbeat tone on the prospects for a broad agreement with Brussels** that would offer a potential lifeline to German carmakers.
"We're very close to maybe making a deal with the EU because they don't want tariffs," Trump said at a news conference at the end of the G7 summit in Biarritz, France. "I think we're going to make a deal **with the EU without having to go that route."**
Merkel told reporters on Monday that Germany wants **the European Union to reach a trade agreement with the US as quickly as possible. "We want to talk now about the EU and the United States having deeper talks as quickly as possible,"** Merkel told reporters at a briefing with Trump on the sidelines of the G7 summit. "**We have a great interest in our trade being intensified. I think we can find solutions,**" Merkel added. "Germany, within the framework of the EU, is working hard on this."

Thomas of Foreign Policy

https://foreignpolicy.com/2019/04/05/trans-atlantic-trade-is-headed-toward-disaster/
Unfortunately, some EU leaders in recent weeks have further raised tensions by promoting subsidized industries, as they did with Airbus and contemplate doing for artificial intelligence and electric batteries, in the guise of national champions; renewing an easy money policy that weakens the euro; siding with the Chinese mobile communications powerhouse Huawei in the dispute over 5G deployment; **and joining China's multibillion-dollar Belt and Road Initiative.**

This may be enough to provoke Trump into pulling the trigger on auto tariffs and send the global economy into a tailspin.

Heeb of Market Insider

https://markets.businessinsider.com/news/stocks/trump-tariffs-cars-could-trigger-global-growth-recession-baml-2019-2-1027973273?fbclid=iwar031egstiho0acedn5vpgw5xpozkrwh2971t2h1mdssxtvnnrb1ac1rykm

While that could benefit some American automakers and reduce bilateral trade deficits, it would also risk adding thousands of dollars to the price of vehicles, and raises **the threat of retaliatory duties that could worsen global trade tensions.**

"In a worst case scenario, fullblown titfortat auto tariffs could trigger a global recession," analysts at Bank of America Merrill Lynch wrote in a research note out this week, **adding they would expect growth in the world economy to fall nearly a percentage point to 1.2%.**

Kituyi of Aerta News

https://aretenews.com/trump-trade-war-erodes-anti-poverty-goals/

GENEVA — **Trade conflicts sparked by U.S. President Donald Trump's tariffs** against China, **the European Union and others threaten to undermine the work of international organizations trying to lift the world's poorest out of poverty.**

Leaders of international organizations that promote global trade and investment said their **efforts are at risk of stalling or failing because of the trade war between the United States** and China and trade tensions between the United States **and many of its most important trading partners.**

When the United Nations said in 2010 it reached one of its Millennium Development Goals five years early — halving extreme poverty from 1990 to 2015 — that achievement was a credit to international trade. The U.N.'s next-phase Sustainable Development Goals aim to end poverty and hunger everywhere by 2030.

Whether that is achievable remains to be seen. **But for international organizations, it is clear that a trade war and other trade tensions around the globe will make it that much more difficult — maybe impossible — to lift up the world's 800 million people** who are living in extreme poverty on less than $1.90 a day.

World

Debt

Casarini 15’

Nicola **Casarini**, Institute for International Affairs, "Is Europe to Benefit from China's Belt and Road Initiative?", October **2015**, https://www.iai.it/sites/default/files/iaiwp1540.pdf

Totalling 315 billion euros, Juncker’s plan aims at relaunching Europe’s growth and job creation in sectors ranging from innovation to research, education, and transport infrastructure. **The Belt and Road initiative, on the other hand, serves the purpose of reviving the Chinese economy,** now at a historical juncture transitioning from export-oriented growth to a new model based on consumption and outward investment. Loans for infrastructure projects abroad are expected to contribute to upgrading the Chinese economy at a time of domestic overcapacity and to the restructuring of various sectors, including heavy industries involved in the building and maintenance of transportation and energy infrastructure. Trade financing would serve to maintain existing – as well as find new – markets for Chinese products. **Policymakers in Brussels and Beijing are currently identifying appropriate cooperation mechanisms between Xi’s Belt and Road and Juncker’s Fund. Ideas presented so far include the establishment of a China-EU joint investment fund to support project shareholding, joint contracting and co-financing.**4 Infrastructure projects in Southeast Europe and the Mediterranean are likely to become the first concrete examples of this enhanced Sino-European connectivity

Herrero 17’

https://iems.ust.hk/events/academic-seminar/2016/the-belt-and-road-from-the-other-end-a-european-perspective-alicia-garcia-herrero

Currently, Europe has not given much thought to the Belt and Road project. **Interestingly, an analysis of the trade impacts of the Belt and Road project finds that trade of European countries will benefit the most from the project,** while some Asian countries may actually see reduced or little change in trade. **For this reason, Europe should pay more attention to how it can maximize benefits from the Belt and Road initiative.**

Landry of Foreign Policy

Landry, David. “The Belt and Road Bubble is Starting to Burst.” Foreign Policy. June 2018. https://foreignpolicy.com/2018/06/27/the-belt-and-road-bubble-is-starting-to-burst/ //RJ

The Sicomines case is not unusual. China's mammoth firms frequently make massive losses on foreign investment ventures. A recent Foreign Policy piece points out that **individuals and firms have made up an increasingly large share of China's total foreign asset purchases in recent years**, from 12 percent in 2011 to nearly 40 percent in 2017, as the People's Bank of China's share of total foreign direct investment shrank. **It turns out that these new investors are poor asset judges. As their share of China's portfolio grew, its aggregate returns dwindled. In 2016, the total return on Chinese foreign investment was 0.4 percent, which is dramatically lower than the 4 percent earned by foreign reserves. Through** the Go Out policy and **the Belt and Road Initiative, China's firms have been economically and politically incentivized to invest in countries where they have little to no experience. Chinese President Xi Jinping's trillion-dollar Belt and Road Initiative has backed the Go Out policy's economic incentives with a healthy dose of political pressure**, **reflecting China's desire to have its economic rise matched by political clout. Chinese firms lack the experience of their Western counterparts when investing abroad; some Western investments date back to colonial times**. Because of their late entry into new markets, Chinese firms may also be more likely to invest in lemons — projects deemed too unprofitable or risky by other investors. **Chinese firms have also been taking on projects that are far outside their field of competence**. The Sicomines deal is a case in point, resulting in two Chinese construction giants now sharing a controlling stake in a copper mine. The possibility has been raised that Chinese firms may be in a haste to invest in large projects, regardless of risk, because they aim to become too big to fail, with the expectation that they will be bailed out even if they throw money down the drain. They may also be seeking to transfer assets abroad to shield them from the state's prying hands should their political fortunes turn. Regardless of Chinese firms' motives for undertaking such risky projects abroad, **failed investments are now fixtures of China's foreign investment portfolio**. Furthermore, **many of these projects are on the books of the Chinese policy banks that finance them. These banks expect all their loans to be repaid — and are unlikely to forgive them. However, they will likely be forced to renegotiate or even reschedule many loans down the line. The new rules the Chinese government has recently imposed on policy banks suggest that Beijing believes their lending poses a risk to the broader Chinese economy.** Meanwhile, **risky ventures such as Sicomines carry a huge opportunity cost. While Go Out has funneled billions of dollars out of the Chinese economy, vast swaths of China remain underdeveloped**. It's true that much of the Chinese market is saturated. But **investments in Tibet and Xinjiang would likely yield better returns than those in Congo and South Sudan**. As a bonus, **they would also contribute to China's development and help ease some of its domestic tensions.**

Lan of SCMP

https://books.google.com/books/about/Belt_And_Road_Initiative_Chinese_Version.html?id=8buSDwAAQBAJ&printsec=frontcover&source=kp_read_button

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proposition, China intends to partner with Europe in joint bidding, joint production and joint investment in a third party, which usually is a developing country. It is through this process that China intends to develop a win-win-win outcome among all three components.

Within the BRI framework, the "third party market cooperation" of China and Europe are more of a hedge nature than confrontation. This is because due to historical reasons, leading European nations, compared to China, generally have a deeper and historical connections with a large fraction of the nations along the BRI route. Therefore, such European nations have a deeper understanding, stronger human connectivity and more robust operation and management in those countries. Furthermore, by introducing "third party market cooperation" China and Europe can spread risks incurred in their investments. It is worth underscoring that unlike investing separately, which will inevitably end up in confrontations, this collaboration can enhance the hedging and collaborative space, and locate and incubate new economic possibilities.

Of course, the "third-party market" is not without its own needs. To upgrade and transform its economy, it will urgently require cheaper products, medium- and high-end manufacturing capabilities from China, and high-end technologies, as well as advanced concepts from Europe. With this as preamble, attracting a collaborative investment from China and Europe is obviously the best choice. Thus, under this scenario, China had already initiated joint three-way collaborations with European nations, such as France, England, Spain, Germany, and so on, and with Asia Pacific nations such as South Korea and Australia. No doubt, as time goes on, there will be more and more European nations and other developed nations who will join in as well.

Therefore, leveraging "third-party market cooperation" for China and European nations will not only be a breakthrough of the collaboration model, but also a new method of international collaborations. It will undoubtedly be beneficial to BRI developments.

Finally, there is a completely different scenario when China collaborates with newly emerging and developing nations. Generally speaking, since most of such nations are still economically at the

Andrea of Asian Dialogue

https://theasiadialogue.com/2017/06/07/the-domestic-drive-behind-chinas-belt-and-road-initiative/

Creating new policies and simultaneously managing colossal investments in many high-risk regions is no easy task for any country. However, since policy implementation rests primarily in the hands of domestic institutions, and experts spearheading policy innovation have shown a preference for past policy ideas, some of the same issues that have plagued the expansion of China's economic footprint abroad remain unresolved. **Hence, after years of investments in risky areas, Chinese companies are less willing than in the past to strictly follow general policies that might lead to the repetition of the same mistakes.**

Indeed, according to data from the Chinese Ministry of Commerce, while in 2014 and 2015 **Chinese investments in BRI countries** respectively accounted for 12.2 percent and 12.6 percent of total Chinese non-financial direct investments abroad (+18.2 percent growth from 2014 to 2015), in 2016 **their share decreased to 8.5 percent** (-2 percent year-on-year). **During the first three months of 2017 the investments further decreased by 17.8 percent** in comparison to the same period of the previous year despite the fact that their share grew to 14.4 percent. The situation looks better if one looks at the loans provided by the Chinese "policy" banks (政策性银行) for BRI-related projects. For example, 30 percent of the overseas lending of the China Development Bank in the 2013-2016 period went to projects in the 64 BRI countries. **The disparity between investments made by companies and loans provided by "policy" banks shows that Chinese companies are not so easily swayed into investing in risky countries.**

Foreign Policy (end goal)

https://foreignpolicy.com/2019/10/07/does-the-worlds-longest-undersea-tunnel-have-a-china-problem/

Economic relations between Europe and China have expanded dramatically over the last decade, with the EU becoming China's largest trading partner and China becoming the EU's second-largest after the United States. **Building new trade and infrastructure links to Europe's massive consumer market is the end goal of Belt and Road**, and Beijing has taken a stronger interest in Northern Europe in recent years as it looks to expand its presence in the Arctic. But China's rise has also led to a swift learning curve about Beijing's intentions amid concerns that its economic weight will be used to build up political influence among EU member states.

Moody Analytics

https://www.moodysanalytics.com/-/media/article/2019/belt-and-road-initiative.pdf

Although the benefits of **improving infrastructure** are not in question, doing so **while incurring a rising debt burden can have negative implications for a country**. **Large debt** overhangs **could undermine spending on other areas of the economy** that are also **in need and hurt growth prospects in the process. Instead of benefiting** from the infrastructure

investments made by China, they **[countries] could end up treading water in economic development** and serving more as a way station for transient goods destined for richer, and perhaps less indebted countries. This is especially relevant given that participants are overwhelmingly developing economies.

World Bank

http://documents.worldbank.org/curated/en/723671560782662349/pdf/A-Framework-to-Assess-Debt-Sustainability-and-Fiscal-Risks-under-the-Belt-and-Road-Initiative.pdf

This paper finds that 28 percent of BRI investment recipients (12 out of 43 countries considered) are likely to experience increased debt vulnerability as a result of BRI in the medium term. **These includes 7 LIDCs** and 5 EMs. **Long-term debt sustainability projections find that 37 percent of countries** (11, out of 30 countries, **of which 5 LIDCs** and 6 EMs) are likely to experience an increase in their debt-to GDP ratio as a result of BRI investment and financing, and 8 among them would be vulnerable to changes in the cost of financing.

The comparison is limited to 9 LIDCs and 15 EMs countries compared to a total number of 43 countries with identified BRI investment either planned or under construction during the period 2013-2017.

Sharma of Bloomberg

https://www.bloomberg.com/opinion/articles/2019-07-17/chinese-loans-hold-developing-world-in-hrall

Worse, it looks like Chinese capital flows disproportionately to the poorest countries; to those in crisis, such as Zimbabwe and Iran; and to oil exporters such as Angola or Venezuela. For **many "highly indebted poor countries" that** finally **freed themselves of debt in the 2000s,** it looks like **the nightmare of the 1980s debt crisis may return.** The Kiel researchers say debt in **"a subgroup of low-income countries is close to reaching pre-HIPC levels, with Chinese lending being one of the main drivers."** Regardless of what Chinese leaders say, this isn't a pretty picture. The **best-case scenario is** that **a subset of BRI countries will be pushed into** another **debt crisis, and** we **will** have to **rely on China's goodwill** to pull them out of it**. Or**, as is feared in the case of **the International Monetary Fund's bailout of Pakistan, multilateral bailout money may ultimately be used to rescue Chinese state creditors**. And **the worst outcomes aren't off** the table either. **The direction of Chinese lending** -- towards countries on its periphery, those with resources its economy needs, those with poor domestic institutions or unstable politics -- **means** that **we simply can't assume that the BRI is just like any other infrastructure finance project.** This is not the Marshall Plan.

World Finance (undermine/Nigeria)

https://www.worldfinance.com/special-reports/is-a-new-debt-crisis-mounting-in-africa

With debt becoming a growing burden on government revenues, Ekeruche told *World Finance* that **another important factor to consider is the opportunity cost of loan repayments – in other words, identifying which sectors are missing out on funding**. **"In Nigeria, for instance, 60 percent of our government revenues go towards debt servicing,"** Ekeruche said. "To contextualise this, imagine that an **individual making £1 [$1.27] pays £0.60 [$0.76] to creditors.** "I think that **critical development sectors are being underfunded as a result of the large amount going towards servicing debt. Education and health sectors are critical sectors for**

us, particularly since we have a very young population. Failure to pay sufficient attention to these sectors will have long-term consequences."

Research Gate

https://www.researchgate.net/publication/316145520_Does_external_debt-poverty_relationship_confirm_the_debtoverhang_hypothesis_for_developing_counties

This paper explores the casual relationship between external debt and poverty using panel data for 25 developing countries over the period 2000-2015. The results for the heterogeneous panel cointegration test reveal a long-run equilibrium relationship between poverty, external debt, GDP per capita, gross domestic fixed investment,education level, infrastructure, health condition and openness. **This long run relationship indicates that a 1 percent in external debt increases poverty by 0.35 percent; a 1 percent increase in GDP per capita increases poverty by 1.76 percent; a 1 percent increase in real gross fixed capital formation increases poverty by 3.63 percent;** a 1 percent increase in health condition decreases poverty by 1.68 percent; a 1 percent increase in infrastructure decreases poverty by 4.53 percent; and a 1 percent increase in trade openness decreases poverty by 1 percent. The estimation of a panel vector error correction model indicates the presence of both short-run and long-run bidirectional causality between external debt and poverty.**This result shows that a higher external debt increases poverty.** T**hus, a high debt service impacts negatively the social spending by reducing government resources allocated to poor such as education and health. Moreover,in the long run, high indebtedness decline capital inflows, reduce investment in social sectors and affect poverty through income. In addition, country with high external debt are perceived as risky for investment by financial markets and donors. Thus, reduce growth and economic infrastructure expenditures. However, resources misallocation, political instability and corruption, increase social inequalities and poverty.**

JDC 12'

https://eurodad.org/files/pdf/1542996-the-state-of-debt-putting-an-end-to-30-years-of-crisis.pdf

The results of governments making payments on the debt, continued low commodity prices, and implementation of IMF and World Bank economic policies, were disastrous. Between 1980 and 2000, economic 'growth' per person, per year was -0.5 per cent in Latin America, and -1.5 per cent in Africa.11 **Between 1980 and 1990 the number of people living in poverty in Latin America increased from 144 million to 211 million.12 In Africa, the number of people living in extreme poverty (on less than $1.25 a day) increased from 205 million in 1981 to 330 million by 1993.**13 But, the debt was not reduced. Across Latin America and Africa, government foreign owed debt increased from 17 per cent of GDP in 1980 to 33 per cent in 1990.14 Jose Antonio Ocampo, the former Colombian minister of finance, says the response in the 1980s "was an excellent way to deal with the US banking crisis, and an awful way to deal with the Latin American debt crisis". 15 **The debt crisis of the 1980s and 1990s became known as the Third World Debt Crisis.** It has been followed by a succession of other debt and financial crises, partly caused by the debt or other foreign obligations owed by governments, private sectors, or both.

Severity Weighting

1. A dollar a day going to the developing world matters a lot more than more money to much more developed nations. In these countries they have much more effective safety nets and more political focus on the poor than in the countries we talk about.

Weighting vs. Recession

1. Our link into the impact is a lot bigger, a global recession that trickles down slowly to the developing is not going to be as significant as a debt developing world crisis which pushed hundreds of millions of people into poverty.
2. Recessions are going to be occurring all the time as part of the natural business cycle, but by having higher amounts of debt you make it much harder to get out of a recession and ensure that future recessions become ***PROLONGED*** recessions.

Weighting vs. BUILD ACT

1. On time frame our impact happens first, the BUILD act hasn't even been instituted in the first place, if we affirm it would take a lot more time for their to be a push for more funding given the current political climate. Within that time period there are so many political factors that could prevent that drastic increase while there is a 100% probability that as soon as the projects get assigned countries take on debt and our impact triggers.
    a. Also before the infra. Could be build our impact of a crisis and social safety nets would trigger.

2. Mag:the fund is spread out over numerous different countries that each get a variable amount of investment based upon investor confidence, where as our impact guarantees create economic downturn by limiting economic activity

Weighting vs. Globalization

1. Mag:Such a huge direct effect to developing nations through recessions and cut economic stimulus is always going to outpace a slow trickle down from european nations.
2. A debt crisis and higher debt would cause capital flight and shut out all current investment and future investment.

Frontline to Econ benefits reduce Debt Problems

1. The underdeveloped countries aren't getting access to the economic benefits as the moody evidence says they are just pit stops on the way to richer markets. The infra. Is not being built to trade with the underdeveloped nations its to get access to richer consumer markets.
2. The ifw finds that China loans at high interest rates and short repayment periods. This means that within the 4 to 5 years it takes to build the infrastructure, countries would already have been making significant debt repayments and have significant cuts to their safety nets coupled with an economic downturn.
3. The high interest rates also mean that even if there is a long term benefit of infrastructure they are offset by the debt repayments and diversion of money away from economic development.

Frontline to EU leverage solves.

1. The BRI is China's biggest economic initiative they won't just relinquish control of how they operate their investments. That's why the independent in 2019 writes that even as more european countries join the BRI there will be no change in control or transparency or projects. That's why even in the status quo there is still countries going to debt crisis with high amounts of foreign investment.
2. The EU has an incentive to build projects that don't necessarily work and only increase debt for developing countries. The Foriegn policy evidence says the end goal of the BRI is to connect european markets, these european invests are always going to have an incentive to get quicker to more rich market to trade especially given they are an export economy.
3. Even if the EU wants to reforms the BRI they would just impose their will on China to just use things like IMF loans which they are heavily aligned with. Unfortunately these imf loans are alsot terrible for the developing world.

a. The IMF gives conditional loans, which require countries to liberalize their economy before receiving the loan. This is problematic as Anup Shah of the Global Issue in 2013 finds poor countries are forced into the global marketplace, before they are economically and socially stable and ready, and are forced to sell goods that are common on the market, resulting in pricing wars with other nations. The pricing war causes countries to lose needed money, reducing the countries net income and social unrest, leading to more death and economic struggles.
b. The IMF mandates that countries to shift funding away from health, education, and infrastructure as John McMurtry of the Global Issue in 2013 explains that in Africa structural adjustment program placed by the IMF have reduced spending on health care by 50% and spending on education by 25%. Jeremy Brecher futhers that in the Philippines, IMF-imposed cuts in preventative medicine will result in 29,000 deaths from malaria and an increase of 90,000 in the number of untreated tuberculosis cases.

Anup Shah, Global Issue, "Structural Adjustment—a Major Cause of Poverty — Global Issues", 3-24-2013, http://www.globalissues.org/article/3/structural-adjustment-a-major-cause-of-poverty, 4-1-2019, MS

The impact of these preconditions on poorer countries can be devastating. Factors such as the following lead to further misery for the developing nations and keep them dependent on developed nations:

- Poor countries must export more in order to raise enough money to pay off their debts in a timely manner.
- Because there are so many nations being asked or forced into the global market place—before they are economically and socially stable and ready—and told to concentrate on similar cash crops and commodities as others, the situation resembles a large-scale price war.
- Then, the resources from the poorer regions become even cheaper, which favors consumers in the West.
- Governments then need to increase exports just to keep their currencies stable (which may not be sustainable, either) and earn foreign exchange with which to help pay off debts.
- Governments therefore must:
    - spend less
    - reduce consumption
    - remove or decrease financial regulations
    - and so on.
- Over time then:
    - the value of labor decreases
    - capital flows become more volatile
    - a spiraling race to the bottom then begins, which generates
    - social unrest, which in turn leads to IMF riots and protests around the world
    - These nations are then told to peg their currencies to the dollar. But keeping the exchange rate stable is costly due to measures such as increased interest rates.

- Investors obviously concerned about their assets and interests can then pull out very easily if things get tough

John McMurtry, Anup Shah, Global Issue, "Structural Adjustment—a Major Cause of Poverty — Global Issues", 3-24-2013, http://www.globalissues.org/article/3/structural-adjustment-a-major-cause-of-poverty, 4-1-2019, MS

Such systematic overriding of life requirements is now clearly evident from the most undeveloped to the most advanced societies of the world. In the case of Canada, again, infant mortality rates, the quintessential indicator of social health, rose an astonishing 43 per cent in the 1995 Statistics Canada figures, the first recorded rise in over thirty-one years, while child poverty had increased by 46 per cent since 1989. In Africa an estimated 500,000 more children died from the imposed restructuring of their countries' economies to ensure increased flows of money to external banks, while spending on health care declined by 50 per cent and on education by 25 per cent since these structural adjustment programs began.

Jeremy Brecher, Anup Shah, Global Issue, "Structural Adjustment—a Major Cause of Poverty — Global Issues", 3-24-2013, http://www.globalissues.org/article/3/structural-adjustment-a-major-cause-of-poverty, 4-1-2019, MS

Oxfam International estimates that, in the Philippines alone, IMF-imposed cuts in preventative medicine will result in 29,000 deaths from malaria and an increase of 90,000 in the number of untreated tuberculosis cases. Tribunals investigating crimes against humanity take note!