# Plan

#### United States federal government should adopt the mandates of NADBank Enhancement Act of 2011 towards Mexico

# Relations Adv (9)

#### Contention \_\_\_\_\_: Relations

#### Rebranding US-Mexico relations reduces the US’ trade deficit with China and improves US-Latin American relations

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It is not common knowledge that Mexico is the United States’ third largest trading partner, behind Canada and China. Every day, at least a billion dollars of goods flows across the border. Yet, Mexico is frequently negatively caricaturized, primarily with images of migrants illegally crossing the border into the U.S. and stealing U.S. jobs. Instead of viewing Mexico as a valuable partner that can benefit the U.S. in many facets, it is perceived as a liability, a region that cultivates corruption and violence and is the root of the current U.S. immigration ‘problem’ that has spurred controversial rogue measures like Arizona’s SB 1070.

In matters of foreign policy, Mexico is an afterthought—our attention and resources are diverted to the Middle East or to grand strategies based on ‘pivoting’ our geopolitical and economical capacity towards Asia. With the U.S. economy performing at a snail-like pace, an emphasis on exports has re-emerged, but the bulk of the exporting narrative revolves around Asia. This is unfortunate, because our neighbor to the south has quietly positioned itself to be the next jewel in the emerging markets portfolio.

For example, Market Watch (a Wall Street Journal subsidiary) recently published a bullish article on Mexico with the following headline: “Mexico: Investor’s New China”. The Economist published an opinion piece titled “The Global Mexican: Mexico is open for business”, highlighting Mexican companies that are investing locally and in the U.S. and arguing that Mexico is fertile ground for more investment, especially in the manufacturing sector. And according to The Financial Times, BRIC countries (Brazil, Russia, India, and China) are no longer the flavor of the month; Mexico is now taking over that distinction.

In essence, immigration and the drug trade will no longer anchor the relationship between the U.S. and Mexico; instead, economics, finance, trade, and commerce will dictate the terms between the neighboring countries.

However, in order to move forward, undoubtedly the elephant in the room must be addressed promptly. Immigration—although the topic is polarizing, it is imperative that President Obama tackles this issue steadfastly and in the most bi-partisan manner possible. It can be seen as one-sided that the onus is on the U.S., while Mexico gets carte blanche in its contradictory policy with their border patrol methods towards Central American migrants entering through Guatemala. True, but when you are world’s super power, not all is fair in love and war.

Fortifying borders, beefing up security, creating walls that divide the two countries that mimic uncomfortable parallels between Israel and Palestine should not be the main focus. With the world becoming more flat, the emphasis in tackling the immigration quagmire should be trade and commerce. Engagement, interaction, and the exchange of ideas should be the picture we want to paint. We should not foster the argument that an open border policy and a global business paradigm will compromise American jobs and bite into our distinctive American competitiveness.

The reason Mexicans cross the border illegally into the U.S. is because of one desire: opportunity. If Mexico develops a lasting robust economy, Mexicans will no longer desire to come to the U.S. in such droves. According to Nelson Balido, President of the Border Trade Alliance, this already occurring: “Mexico’s economy has, for the most part, weathered the worst of the economic downturn, meaning that more young Mexicans can reasonably seek and find work in their patria rather than heading north.”

A strong American economy is extremely favorable for Mexico. Turn the tables a bit, and ponder what it means for the U.S. when a Mexican economy is robust and stable—more export possibilities for the U.S.; more investment from the U.S. to Mexico, and vice versa, creating a win-win situation. Less need for Mexicans to leave their homeland and look for jobs in the U.S.

Sounds familiar? The characteristics of many vibrant emerging markets such as China, Indonesia, Brazil, and India, are occurring right next door. Why go East when we can venture South? Or perhaps, approach both simultaneously. According to a Nomura Equity Research report, Mexico in the next decade will surpass Brazil in being Latin America’s largest economy. When comparing Mexico on a GDP per capita basis, Mexico happens to be less developed than Argentina, Chile, and Brazil. This might sound negative, but in actuality it should be music to investors’ ears: more catching up for Mexico, meaning more investment and business activity.

Moreover, Mexico’s economy is highly interconnected with the U.S. economy. Currently, Mexico sends almost 80 percent of its exports to the U.S., and roughly 50 percent of its imports are from the U.S. Manufacturing costs in Mexico are once again competitive compared to China. Ten years ago, China’s labor costs were four times cheaper than Mexico, but with labor wages in China inflating, Mexico now has a comparative advantage because its proximity to the U.S. Shipping cargo across the Pacific can be more expensive and arduous, versus trucking cargo from northern Mexico and delivering to Wisconsin in a matter of days.

However if the U.S. administration continues to close the borders, the exchange of commerce between Mexico and the U.S. will suffer due to setbacks of just getting goods to cross the border. Luckily, NAFTA is already in place, but both parties (and Canada) can do more to cut red tape and streamline the movement of trade and commerce.

Currently, Mexico is entering a perfect demographic storm. It has a young and growing population, which is expected to last for several decades. Mexico is no longer only looking north for economic advancement, as many of their multinational companies, such as Bimbo and Cemex, are currently doing business in Latin America and Spain. Mexico’s stock market is currently in talks to integrate their stock exchange with the MILA group—the established stock exchanges between Colombia, Peru, and Chile. The U.S. must act soon before it arrives at the party too late. It is in the U.S.’s interests to have Mexico think northward first, and then the other regions second, but the opposite is developing.

The interconnectedness between both countries strongly conveys why the dialogue should revolve around bilateral trade and commerce agendas. For Mexico, 30 percent of GDP is dependent on exports, and 80 percent of exports are tagged to the U.S. Most importantly, one of ten Mexicans lives in the U.S., accounting for nearly 12 million Mexicans that consider the U.S. their current residence. Add in their descendants, and approximately 33 million Mexicans and Mexican-Americans reside in the U.S. Let’s put this figure in perspective: Venezuela has a population of 29 million; Greece, 11 million; and Canada, 34 million. Essentially we have a ‘country’ within a country—the beauty of America—but it must be embraced instead of shunned or ignored. Economically, it is a plus for Mexico, because there is a market for Mexican products; it is also a plus for the U.S. in many areas, including soft power, diversity, direct linkages to Mexico and Latin America. A cadre of American-born and educated human capital are able to cross cultures into Mexico and Latin America to conduct business and politics.

The presidential election emphasized that Latinos in the U.S. are now a vital demographic when concerning local, Congressional, and Presidential elections. It makes practical sense for the U.S. (regardless of political party) to consider Mexico the front door to Central and South America. The most recent U.S. Census discovered that the Latino population in the United States: 1) now tops 50 million; 2) has accounted for more than half of America’s 23.7 million population increase in the last decade; 3) grew by 43 percent in the last decade; and 4) now accounts for about 1 out of 6 Americans. Latinos are now the largest minority group in the United States. These are extraordinary figures that should be leveraged into something positive.

President Obama cannot respond by merely paying lip service to the Latino community. Latino voters have overwhelmingly backed President Obama for two elections now, but no favor is done with complete altruism. Surprisingly, during President Obama’s first term, there were 30 percent more deportations than during George W. Bush’s second term. Yet there is hope that President Obama will fix the broken system with a more humane approach, contrary to laws that are being pushed and backed by the Republican Party in Arizona, Georgia, and Alabama. Some may ask—what does this have to do with Mexico, or even Latin America? It is all about messages, and in the next four years the President must use the available tools to solidify relationships with its partners, paving the road for more trade and commerce, which ultimately will further strengthen the U.S. economy. What happens in the U.S. means a lot to many countries, and immigration is perhaps one of the most important matters in Mexico, Central, and South America.

The U.S. must first focus on re-branding its relationship with Mexico. President Obama and Mexican President Peña Nieto need to formulate a new agenda between the two countries—one that resonates with the 21st century, linking the two countries economically; where the U.S. can envision Mexico as a vibrant emerging market in its own backyard. Obstacles do exist, like the current Mexican drug war and political corruption. But don’t India and China have corruption problems as well?

#### Trade deficit fuels China bashing

**Ramirez & Rong 12** – Professors of Economics @ George Mason University [Carlos D. Ramirez & Rong Rong “China Bashing: Does Trade Drive the “Bad” News about China in the USA?,” Review of International Economics, 20(2), 2012, pg. 350–363

Trade between the USA and China has been growing at a substantial rate over the last two decades (1990–2010). In 1990, total bilateral trade stood at US$20 billion. By 2008 this figure had risen to US$409 billion, implying an annual growth rate of over 4% in real terms—a rate faster than that of the US economy over the same period.1 It is very likely that Sino-American trade relations will continue to grow in the foreseeable future, although perhaps not at the same rate, given the gravity of the 2007–09 recession in the USA.

Despite the phenomenal rate of growth, trade relations between the two countries have been anything but smooth. Trade disputes have frequently surfaced, and over the years, as the size of the bilateral trade deficit has widened, economic relations have become tense: since 2005, the growing bilateral deficit has been linked to a variety of issues, including currency exchange manipulation, health and safety standards, and discriminatory regulation. Indeed, between 1990 and 2010, the tense trade relations¶ have lead to the introduction of numerous bills in Congress with explicit grievances against China.2

Intertwined with these trade-related complaints are other grievances that, though not necessarily directly related to trade issues, nonetheless form part of Sino-American relations. These other grievances relate to China’s political system, human rights, Tibet, repression, and so forth, and are frequently reported on in US media outlets, more often than not with a slant unfavorable to China.

The purpose of this paper is to investigate empirically the extent to which news reports of US grievances against China that are not necessarily directly related to trade (e.g. on the subject of human rights) are driven by cycles in the US–China trade deficit. Many scholars of Sino-American relations suspect that there is such a link. For example, these scholars see an ulterior motive behind the US preoccupation with China’s record on human rights (Wang, 2002).

To conduct this investigation, a China “bad news” index is constructed for the period January 1990–December 2008.3 To develop the index, a count is made of articles that talk about China in connection with one of the following grievance issues: “human rights,” “Tibet,” “child labor,” “democracy,” and “repression.”4 This paper then makes use of a parsimonious transfer model to examine the extent to which unexpected changes in the trade deficit explain movements in the bad news index. The results indicate that 3–4 months after an unexpected widening of the bilateral trade deficit, the frequency of bad news rises sharply, before subsiding in subsequent months. It is found that the likelihood of this relationship’s being purely coincidental is relatively low— about 1%. The relationship is robust to the choice of the model specification as well as to a variety of assumptions about the behavior of the lag structure.

Explaining the relationship between an unexpected widening of the bilateral trade deficit and an increased frequency of bad news is actually quite straightforward and does not rely on esoteric conspiracy theories. The timing of a decision to publish bad news about China can be explained by a publisher’s interest in readership and therefore in revenues. As the bilateral trade deficit unexpectedly widens, many US members of Congress respond to pressure groups by voicing their misgivings and trepidations on the subject. Indeed, this paper finds empirical support for this last argument. In particular, a positive and statistically significant correlation between the annual number of¶ Congressional hearings on China and the US–China bilateral trade deficit is detected. A regression analysis reveals that this relationship is robust to different functional forms.

The fact that Congress becomes more preoccupied about China, in combination with the fact that China is one of the largest US trading partners, makes China a more salient topic of discussion, so that the media find it more worthwhile to run stories about China with a negative slant. The old adage “there is no news like bad news” is illustrative in this regard. The notion that the US media, in deciding what is newsworthy, operate as profit-maximizing enterprises should not be controversial. Indeed, a substantial amount of research finds that this is the case.5

The results lend evidence to the proposition that the reporting of negative news about China may indeed be influenced by tensions arising from the widening bilateral trade deficit. This investigation gives empirical support to the suspicion of many Sino- American scholars that “China bashing” is, at least in part, a reaction to the widening US–China trade deficit. To the present authors’ knowledge, this is the first paper that empirically evaluates the linkage between US–China trade deficits and news— specifically bad news. Given that relations between the two countries are often at the¶ center of attention in US politics, it is believed that this is an important issue that needs to be elucidated. Pg. 350-351

#### Future China bashing will shatter US-China relations. Their ev will not account for China’s leadership transition

**Goldstein 12** - Professor of political science @ University of Pennsylvania [Avery Goldstein (Director of the [Center for the Study of Contemporary China](https://cscc.sas.upenn.edu/)) “The Election and U.S.-China Relations,” The Daily Pennsylvanian, November 5, 2012, 2:06 am, pg. http://www.thedp.com/article/2012/11/voters-guide-the-election-and-u-s-china-relations

First, the stakes in U.S.-China relations are higher than ever as a result of China’s rise and the closer intermingling of Chinese and American economic and security interests. These interests are not always open to “win-win” solutions — as reflected through the America’s decision to refocus its strategic attention to East Asia.

Second, with the stakes raised, the familiar pattern in which U.S.-China relations are only temporarily disrupted by the need for candidates to indulge in a little China bashing, may now be riskier than we’d like.

In the past, over the first year or two in office, newly elected presidents could gradually tack back toward the broad mainstream of U.S. China policy without much penalty. Given the current economic significance of China and the potential for crises or conflicts to arise over territorial disputes between China and some of its neighbors who are U.S. allies, the economic costs and military dangers of a chill in U.S.-China relations that lasts for many months are greater than ever.

Third, for the first time since 1992, China’s once in a decade leadership transition coincides with the U.S. presidential election cycle. The selection of Xi Jinping as the top leader in China at a meeting that convenes two days after the U.S. votes for president is almost certainly a foregone conclusion. Yet, he will rule in a polity that, while authoritarian, now requires even the top leader to accommodate competing public and private interests on economic and security policy.

As the transition to a new leadership group surrounding Xi Jinping emerges over the next year, the pressures facing him as he develops his foreign policy will in part be shaped by China’s reaction to the policies of the country most important to its future — the United States.

Consequently, to an unprecedented degree, the legacy of the U.S. presidential campaign immediately after January 20, 2013 has the potential to significantly affect U.S.-China relations and to do so at a time when the relationship is growing more important than ever.

**Extinction**

**Wittner 11** - Professor of History @ State University of New York-Albany. [Lawrence S. Wittner, “Is a Nuclear War with China Possible?,” Huntington News, Monday, November 28, 2011 - 18:37 pg. http://www.huntingtonnews.net/14446]

While nuclear weapons exist, there remains a danger that they will be used. After all, for centuries **national conflicts have led to wars**, with nations employing their deadliest weapons. The current deterioration of U.S. relations with China might end up providing us with yet another example of this phenomenon.

The gathering tension between the United States and China is clear enough. Disturbed by China’s growing economic and military strength, the U.S. government recently challenged China’s claims in the South China Sea, increased the U.S. military presence in Australia, and deepened U.S. military ties with other nations in the Pacific region. According to Secretary of State Hillary Clinton, the United States was “asserting our own position as a Pacific power.” But need this lead to nuclear war?

Not necessarily. And yet, there are signs that it could. After all, both the United States and China possess large numbers of nuclear weapons. The U.S. government threatened to attack China with nuclear weapons during the Korean War and, later, during the conflict over the future of China’s offshore islands, Quemoy and Matsu. In the midst of the latter confrontation, President Dwight Eisenhower declared publicly, and chillingly, that U.S. nuclear weapons would “be used just exactly as you would use a bullet or anything else.”

Of course, China didn’t have nuclear weapons then. Now that it does, perhaps the behavior of national leaders will be more temperate. But the loose nuclear threats of U.S. and Soviet government officials during the Cold War, when both nations had vast nuclear arsenals, should convince us that, even as the military ante is raised, nuclear saber-rattling persists.

Some pundits argue that nuclear weapons prevent wars between nuclear-armed nations; and, admittedly, there haven’t been very many—at least not yet. But the Kargil War of 1999, between nuclear-armed India and nuclear-armed Pakistan, should convince us that such wars can occur. Indeed, in that case, the conflict almost slipped into a nuclear war. Pakistan’s foreign secretary threatened that, if the war escalated, his country felt free to use “any weapon” in its arsenal. During the conflict, Pakistan did move nuclear weapons toward its border, while India, it is claimed, readied its own nuclear missiles for an attack on Pakistan.

At the least, though, don’t nuclear weapons deter a nuclear attack? Do they? Obviously, NATO leaders didn’t feel deterred, for, throughout the Cold War, NATO’s strategy was to respond to a Soviet conventional military attack on Western Europe by launching a Western nuclear attack on the nuclear-armed Soviet Union. Furthermore, if U.S. government officials really believed that nuclear deterrence worked, they would not have resorted to championing “Star Wars” and its modern variant, national missile defense. Why are these vastly expensive—and probably unworkable—military defense systems needed if other nuclear powers are deterred from attacking by U.S. nuclear might?

Of course, the bottom line for those Americans convinced that nuclear weapons safeguard them from a Chinese nuclear attack might be that the U.S. nuclear arsenal is far greater than its Chinese counterpart. Today, it is estimated that the U.S. government possesses over five thousand nuclear warheads, while the Chinese government has a total inventory of roughly three hundred. Moreover, only about forty of these Chinese nuclear weapons can reach the United States. Surely the United States would “win” any nuclear war with China.

But what would that “victory” entail? A nuclear attack by China would immediately slaughter at least 10 million Americans in a great storm of blast and fire, while leaving many more dying horribly of sickness and radiation poisoning. The Chinese death toll in a nuclear war would be far higher. **Both nations would be reduced to smoldering, radioactive wastelands**. Also, radioactive debris sent aloft by the nuclear explosions would blot out the sun and bring on a “**nuclear winter**” around the globe—destroying agriculture, [and] creating worldwide famine, and generating chaos and destruction.

Moreover, in another decade the extent of this catastrophe would be far worse. The Chinese government is currently expanding its nuclear arsenal, and by the year 2020 it is expected to more than double its number of nuclear weapons that can hit the United States. The U.S. government, in turn, has plans to spend hundreds of billions of dollars “modernizing” its nuclear weapons and nuclear production facilities over the next decade.

To avert the enormous disaster of a U.S.-China nuclear war, there are two obvious actions that can be taken. The first is to get rid of nuclear weapons, as the nuclear powers have agreed to do but thus far have resisted doing. The second, conducted while the nuclear disarmament process is occurring, is to **improve U.S.-China relations**. If the American and Chinese people are interested in ensuring their survival and that of the world, they should be working to encourage these policies.

#### AND, failure devastates US-Latin America relations

**Condon 13** – Staff writer covering the White House for National Journal. [George E. Condon Jr., “Why Mexico Will Always Play Second Fiddle,” National Journal, Updated: May 9, 2013 | 9:19 p.m. pg. http://www.nationaljournal.com/magazine/why-mexico-will-always-play-second-fiddle-20130509

It was a dramatic reminder that events—more than even presidents—set agendas. And it is a lesson with some relevance to President Obama, who traveled to Mexico last week and repeated some of the now-expected promises to elevate U.S.-Mexican relations in the foreign policy hierarchy. No one doubts the president’s sincerity. He understands the growing importance of trade with Mexico and with the Central American countries, whose leaders he met with last week in Costa Rica. In fact, a main purpose of the trip was to shift attention from the issues of drug cartels, crime, and violence that dominated earlier hemispheric summits. That repositioning came even amid indications that newly elected Mexican President Enrique Peña Nieto is reconsidering some security cooperation with the United States.

But, given the many challenges facing Obama both domestically and abroad, there is definitely some doubt on both sides of the border about his ability to keep the spotlight where he wants it.

“This is a big, complicated country,” says Lee Hamilton, the 17-term congressman, longtime chairman of the House Foreign Affairs Committee, and now director of the Center on Congress at the University of Indiana. “The president is the single most important voice in setting the agenda. But he certainly does not control the agenda. He has to react to events, and events often dominate the agenda.”

Just as Bush was unhappy that he had to shelve his high hopes for Mexico in 2001, all presidents are frustrated by their lack of control. “It’s the old problem of the in-box,” Hamilton told National Journal. “The in-box swamps the policymaker again and again so that they can’t get to their broader vision.” That reality has been brought home to Obama in recent days. He did not run for office as a foreign policy president. He wants to be talking about jobs and the economy, agenda items that took him to Austin, Texas, this week. But he has spent more time recently on questions about the terrorist attack in Benghazi, Israeli attacks on Damascus, chemical weapons in Syria, threats in North Korea, and gun regulations at home.

Few of these topics dominated the presidential campaign last year when Obama was outlining his priorities. In more than 75,000 words spoken in the three presidential debates and one vice presidential debate, only one question was about guns. And “Mexico” and “Korea” were uttered only once each, both times by Mitt Romney. Obama never mentioned either country—although, of course, both candidates offered immigration plans and competing strategies on border enforcement.

Now reelected, Obama is determined to force Mexico onto the foreign policy agenda—and not as a border or immigration issue. In part, that is because he sees Mexico as a crucial part of his top priority of creating more American jobs. With that in mind, Obama scheduled the visit to Mexico City and San Jose, Costa Rica, as the first foreign trip of his second term. “It really is an effort to elevate what we’re doing in the Americas,” said Ricardo Zuniga, the president’s new top Latin America adviser on the National Security Council. But Zuniga realizes that Hamilton is correct: Latin America is waiting to see if Obama delivers. “Mexicans have deeply resented that we go down there and we give speeches about how important the relationship is, and then it falls off the calendar completely,” Hamilton said. “It creates a kind of anger on the part of many countries. What is true of Mexico is true of Latin America in general. Latin Americans feel greatly neglected.”

Zuniga is experienced enough in the region to recognize that anger, and to know of the long trail of broken promises. “It’s a fair point,” he said, acknowledging that U.S. security interests elsewhere often trump a president’s engagement with Latin America, just as they did after 9/11. “One of the reasons why you constantly hear that the Americas don’t receive the attention that other parts of the world receive is because there are other issues going on in the world that are directed at our national security.”

But Zuniga said that this time will be different because U.S. jobs are more reliant today on Mexico and other southern neighbors. “Mexico, economically, is even more important to the United States than it was at the time of 9/11. Our economies now are integrated. There is shared production. There is shared work at the international level that wasn’t even taking place then.”

It is also true that Latin America is no longer so completely at the mercy of decisions made in Washington and consumers north of the border. When the recession struck in 2008, Latin American countries rebounded more robustly than the United States because they took advantage of a Chinese market that wasn’t accessible when earlier U.S. presidents were taking them for granted. For this president, that is yet another factor he cannot control. Even so, and despite the record of broken promises, Obama is determined to deliver that new era of U.S.-Mexican relations that Bush proclaimed in 2001. A new generation of leaders across the hemisphere will be watching expectantly.

#### Energy and Climate Partnership of the Americas is at risk.

[**Edwards**](http://www.intercambioclimatico.com/pt-br/author/guy/) **11** - Research fellow @ [Brown University’s Center for Environmental Studies](http://envstudies.brown.edu/) [[Guy Edwards](http://www.intercambioclimatico.com/pt-br/author/guy/) (Researcher for and works with the [Latin American Platform on Climate](http://www.intercambioclimatico.com/en/2011/02/17/latin-american-platform-on-climate-strategy-2010/) and the [Climate and Development Knowledge Network](http://cdkn.org/)), “Climate, energy to dominate US-Latin American relations,” Thomson Reuters Foundation - Mon, 18 Jul 2011 11:14 AM, pg. http://www.trust.org/item/?map=climate-energy-to-dominate-us-latin-american-relations/

With the challenges of climate change, clean energy, resource scarcity and green growth [are] set to dominate U.S.-Latin American relations, Valenzuela’s successor should have experience in these areas.

These issues are a [priority](http://www.state.gov/p/wha/rls/rm/2011/154105.htm) for the Obama administration and present lucrative opportunities for the U.S. to improve trade and commercial relations with Latin America at a time when the region is a magnet for investment in clean energy.

In Chile, President Barack Obama spoke of the [urgency](http://www.whitehouse.gov/the-press-office/2011/03/21/remarks-president-obama-latin-america-santiago-chile) of tackling climate change and embracing a more secure and sustainable energy future in the Americas. The Energy and Climate Partnership of the Americas (ECPA), which aims to accelerate the deployment of clean energy and advance energy security, is an essential component of hemispheric relations.

Multiple U.S. agencies and departments are carrying out extensive work on climate change. The U.S. Agency for International Development (USAID), which runs the Global Climate Change Initiative, [argues](http://www.usaid.gov/our_work/environment/climate/) that climate change is one of the century’s greatest challenges and will be a diplomatic and development priority.

The U.S. Special Envoy for Climate Change, Todd [Stern](http://www.ecpamericas.org/files/events/Todd_Stern_20100416_eng.pdf), says that Latin America is a significant focus of funding with over $60 million spent in 2009-10 on climate-related bilateral assistance in the region. The U.S. military Southern Command [co-hosted](http://www.intercambioclimatico.com/en/2011/07/14/wp-content/uploads/Civil-Military-Collaboration-to-Address-Adaptation-to-Climate-Change-in-South-America.pdf) two events in Colombia and Peru focused on climate change concluding that the issue is a major security concern and as a result could be a powerful vehicle for U.S. military engagement in the region.

This year the Union of South American Nations’ (UNASUR) Defense Council (CDS) [inaugurated](http://en.mercopress.com/2011/05/23/unasur-defence-strategic-studies-centre-opens-this-week-in-buenos-aires) the new Defense Strategic Studies Center (CEED), which will look at various challenges including the protection of strategic [energy](http://www.rpp.com.pe/2011-05-27-ministros-de-defensa-de-unasur-piden-proteger-recursos-estrategicos-noticia_369675.html) and food resources and adapting to [climate change](http://www.google.com/hostednews/epa/article/ALeqM5jwR9CJoQuzRwgF3cGM48NV0LuyOA?docId=1538629).

THE REGION’S RESOURCES

Latin America and the Caribbean boast incredible and highly coveted natural resources including 25 percent of the planet’s arable land, 22 percent of its forest area, [and] 31 percent of its freshwater, 10 percent of its oil, 4.6 percent of its natural gas, 2 percent of coal reserves and 40 percent of its copper and silver reserves.

The International Energy Agency [forecasts](http://www.nytimes.com/2011/06/16/business/energy-environment/16oil.html?_r=2) that in the future world consumers are going to become more dependent on the Americas to satisfy their demand for oil with Brazil, Colombia, the U.S. and Canada set to meet the demand.

Brazil will host the U.N. [Conference on Sustainable Development](http://www.uncsd2012.org/rio20/) in 2012 with the green economy theme topping the agenda. Peter [Hakim](http://www.thedialogue.org/page.cfm?pageID=32&pubID=2679), president emeritus of Inter-American Dialogue, argues that while U.S.-Brazilian relations are fraught, both countries need to work harder to improve cooperation.

Climate change, clean energy, resource scarcity and green growth are key potential areas for U.S.-Brazilian relations. The launch of a [U.S](http://www.whitehouse.gov/the-press-office/2011/03/19/united-states-and-brazil-fact-sheets).[-Brazilian Strategic Energy Dialogue](http://www.whitehouse.gov/the-press-office/2011/03/19/united-states-and-brazil-fact-sheets), focusing on cooperation on biofuels and renewable energy, among other areas, is a productive start.

Although Latin America and the Caribbean continue to be the largest U.S. export market, the U.S.’s share of the region’s imports and exports has [dropped](http://www.eclac.org/publicaciones/xml/4/42854/2011_195_Highlights_of_economics_and_trade_WEB.pdf) over the last few years. China is now the top destination for the [exports](http://www.eclac.cl/comercio/publicaciones/xml/4/43664/People_Republic_of_China_and_Latina_America_and_the_Caribbean_trade.pdf) of Argentina, Venezuela, Brazil, Chile, Costa Rica, Peru and Uruguay. Latin American exports to China are concentrated in raw materials, which account for nearly [60 percent](http://www.eclac.cl/comercio/publicaciones/xml/4/43664/People_Republic_of_China_and_Latina_America_and_the_Caribbean_trade.pdf), while exports to the U.S. are more diversified.

THE RISE OF CHINA

Arturo Valenzuela [says](http://www.miamiherald.com/2011/05/25/2236198/washington-says-its-not-scared.html) this makes Latin Americans better off trading with the U.S. because they can take advantage of greater technology in the value chain. However, crude oil remained the top [export](http://www.eclac.org/cgi-bin/getProd.asp?xml=/publicaciones/xml/4/42854/P42854.xml&xsl=/comercio/tpl/p9f.xsl&base=/tpl/top-bottom.xsl) to the U.S. for Argentina, Brazil, Colombia, Ecuador, Mexico and Venezuela in the 2007-2009 time period.

The U.S. may assert it has a superior trade model to China, but the U.N.’s economic commission for the region [argues](http://www.eclac.org/publicaciones/xml/4/42854/2011_195_Highlights_of_economics_and_trade_WEB.pdf) there is a perceived lack of strategic vision by the U.S. in Latin America. Although the Energy and Climate Partnership of the Americas (ECPA) is the flagship U.S. initiative in the region and will be a key focus for President Obama at the 2012 Summit of the Americas, it is not yet comparable to past initiatives such as the 1960s-era [Alliance for Progress](http://en.wikipedia.org/wiki/Alliance_for_Progress).

#### ECPA facilitates sustainable development. Failure in Latin America will have global ramifications

**Kammen & Barido 12** - Professor of Energy @ UC Berkeley & Doctoral student in the Energy and Resources Group @ UC Berkeley who has done research on Latin American water management and ecosystem services  [Daniel M. Kammen & Diego Ponce de Leon Barido, “[Building Bridges to a Sustainable Energy Future](http://www.greatenergychallengeblog.com/2012/12/05/building-bridges-to-a-sustainable-energy-future/),” National Geographic, December 5, 2012, pg. http://www.greatenergychallengeblog.com/2012/12/05/building-bridges-to-a-sustainable-energy-future/

The Americas are undergoing a transition in the energy sector that will have global geopolitical ramifications. At the same time as the United States is touted to become the world’s largest oil producer by 2020, and a net exporter by 2030, Brazil, Nicaragua, and Panama show the most promise in becoming regional hubs not only for clean energy investment, but for sustained low-carbon economic growth (see related story: “[U.S. to Overtake Saudi Arabia, Russia as World’s Top Energy Producer](http://news.nationalgeographic.com/news/energy/2012/11/121112-iea-us-saudi-oil/)“).

Although Latin America and the Caribbean lag behind the United States and Canada in terms of implemented clean energy policy and project funding, 7 percent of the region’s total installed capacity today is renewables, and it is expected to grow faster in years to come. (See related interactive map: [“The Global Electricity Mix](http://environment.nationalgeographic.com/environment/energy/great-energy-challenge/world-electricity-mix/)“) Faced with ever-changing economic and political realities, regional collaborations for knowledge-creation and -sharing are crucial for fostering lasting partnerships that can make ‘sustainability science’, well, sustainable.

International partnerships that lead to concrete action are often the clearest signs of innovation.  At the state to state level, the [Energy and Climate Partnership for the Americas](http://www.ecpamericas.org" \t "_blank) (ECPA) and at the person-to-person level, the Fulbright [NEXUS](http://www.cies.org/nexus/" \t "_blank) program provide clear evidence regional collaborations that are clearly changing the modes of engagement within the hemisphere. One of us just returned from a partnership-building ECPA sponsored trip to Nicaragua, facilitated by both the U. S. Embassy team and a local NGO, [blueEnergy](http://www.blueenergygroup.org/?lang=en" \t "_blank), which is discussed below and [here](http://www.partnersoftheamericas.net/2012/08/senior-ecpa-fellow-returns-from.html" \t "_blank), focused on community energy.

Just two years after its launch by President Obama in 2009, ECPA has moved beyond its initial focus on knowledge sharing around cleaner and more efficient energy, and now also supports sustainable forest and land use initiatives as well as climate change adaptation strategies. Governments and institutions such as the Organization of American States (OAS), the World Bank, and the Inter-American Development Bank (IDB), have all worked together to support regional technical workshops, business strategies, and other initiatives for new and cleaner ways to provide energy.  ECPA has also become a vehicle for leaders in sustainability research and practice to work at the institutional level to link industry, university, and civil-society groups in the New World.

#### AND, Successful ECPA will be the global model

**Brune 00** - Researcher on energy security and national security issues @ Sandia National Laboratories [Dr. Nancy E. Brune (Truman National Security Fellow), “Latin America: A Blind Spot in US Energy Security Policy,” Journal of Energy Security, Monday, 26 July 2010 00:00, pg. http://tinyurl.com/lrdweto

In their recent piece in Foreign Affairs, David G.  Victor and Linda Yueh conclude that (global) energy governance requires “a mechanism for coordinating hard-nosed initiatives focused on delivering energy security and environmental protection."  The US, a country with strong institutions and regulatory bodies, must take a leadership role to ensure that ECPA avoid the fate of previous regional energy initiatives by articulating clear mechanisms for making decisions and resolving conflicts, establishing performance metrics, coordinating policies across countries, and monitoring and evaluating outcomes.  In other words, the US, as author of the ECPA initiative, has the added responsibility of guaranteeing its success.  The energy security of the US and of our Latin American partners cannot afford another failed effort to manage the region’s energy problems.  If successful, the ECPA could serve as a model of regional, and possibly global, energy governance, replacing the international and national institutions that are “struggling to remain relevant.”    
Second, the US must leverage the opportunity presented by the creation of the ECPA to strengthen and expand strategic, bilateral energy arrangements with our resource-wealthy neighbors, just as China, Iran, Russia and India are doing.  America should not view ECPA as a substitute for bilateral arrangements, but as a long-overdue occasion to jump start relations and create bold, new partnerships.  To this end, the US should remove the $.58 tariff on imported Brazilian ethanol, a policy measure which has paralyzed efforts to move forward on the Memorandum of Understanding (MoU) on biofuels, signed by Brazil and the US in 2007, in which the two countries expressed an intention to cooperate in research and the production and export of ethanol, with the goal of developing a global biofuels’ market.

The current landscape is ripe for technological partnerships which should provide the cornerstone of strategic, bilateral energy partnerships.  According to EIA’s World Energy Outlook of 2007, Latin America needs to invest approximately $1.3 trillion in overall investment in its energy sector by 2030.  Moreover, the potential for renewable energy production “has remained unexplored due to engineering difficulties, environmental concerns and lack of investment.”  America’s technological expertise—wielded by our private sector companies, research institutions and unique configuration of national laboratories—could assist and support strategic partnerships between the US and our Latin American neighbors.  These sorts of strategic collaborations could enable the Western Hemisphere to become the global behemoth in renewable energy and biofuels, an area in which we are quickly losing ground to China.  America stands at a crossroads.  On the one hand, we can continue our muddled, reactive engagement with Latin America.  Or, we can forge a bold new vision of collaborative engagement to strengthen our energy security and manage the region’s energy problems.  Our global counterparts recognize that the countries south of the border are critical to their energy security interests.  Will America?

#### All complex life on Earth is at risk

**Barry 13** – Political ecologist with expert proficiencies in old forest protection, climate change, and environmental sustainability policy [Dr. Glen Barry (Ph.D. in "Land Resources" and Masters of Science in "Conservation Biology and Sustainable Development” from the University of Wisconsin-Madison), “ECOLOGY SCIENCE: Terrestrial Ecosystem Loss and Biosphere Collapse,” Forests.org, February 4, 2013, pg. http://forests.org/blog/2013/02/ecology-science-terrestrial-ec.asp

Blunt, Biocentric Discussion on Avoiding Global Ecosystem Collapse and Achieving Global Ecological Sustainability  
Science needs to do a better job of considering worst-case scenarios regarding continental- and global-scale ecological collapse. The loss of biodiversity, ecosystems, and landscape connectivity reviewed here shows clearly that ecological collapse is occurring at spatially extensive scales. The collapse of the biosphere and complex life, or eventually even all life, is a possibility that needs to be better understood and mitigated against. A tentative case has been presented here that terrestrial ecosystem loss is at or near a planetary boundary. It is suggested that a 66% of Earth's land mass must be maintained in terrestrial ecosystems, to maintain critical connectivity necessary for ecosystem services across scales to continue, including the biosphere. Yet various indicators show that around 50% of Earth's terrestrial ecosystems have been lost and their services usurped by humans. Humanity may have already destroyed more terrestrial ecosystems than the biosphere can bear. There exists a major need for further research into how much land must be maintained in a natural and agroecological state to meet landscape and bioregional sustainable development goals while maintaining an operable biosphere.   
It is proposed that a critical element in determining the threshold where terrestrial ecosystem loss becomes problematic is where landscape connectivity of intact terrestrial ecosystems erodes to the point where habitat patches exist only in a human context. Based upon an understanding of how landscapes percolate across scale, it is recommended that 66% of Earth's surface be maintained as ecosystems; 44% as natural intact ecosystems (2/3 of 2/3) and 22% as agroecological buffer zones. Thus nearly half of Earth must remain as large, connected, intact, and naturally evolving ecosystems, including old-growth forests, to provide the context and top-down ecological regulation of both human agroecological, and reduced impact and appropriately scaled industrial activities.  
Given the stakes, it is proper for political ecologists and other Earth scientists to willingly speak bluntly if we are to have any chance of averting global ecosystem collapse. A case has been presented that Earth is already well beyond carrying capacity in terms of amount of natural ecosystem habitat that can be lost before the continued existence of healthy regional ecosystems and the global biosphere itself may not be possible. Cautious and justifiably conservative science must still be able to rise to the occasion of global ecological emergencies that may threaten our very survival as a species and planet.   
Those knowledgeable about planetary boundaries – and abrupt climate change and terrestrial ecosystem loss in particular – must be more bold and insistent in conveying the range and possible severity of threats of global ecosystem collapse, while proposing sufficient solutions. It is not possible to do controlled experiments on the Earth system; all we have is observation based upon science and trained intuition to diagnose the state of Earth's biosphere and suggest sufficient ecological science–based remedies.  
If Gaia is alive, she can die. Given the strength of life-reducing trends across biological systems and scales, there is a need for a rigorous research agenda to understand at what point the biosphere may perish and Earth die, and to learn what configuration of ecosystems and other boundary conditions may prevent her from doing so. We see death of cells, organisms, plant communities, wildlife populations, and whole ecosystems all the time in nature – extreme cases being desertification and ocean dead zones. There is no reason to dismiss out of hand that the Earth System could die if critical thresholds are crossed. We need as Earth scientists to better understand how this may occur and bring knowledge to bear to avoid global ecosystem and biosphere collapse or more extreme outcomes such as biological homogenization and the loss of most or even all life. To what extent can a homogenized Earth of dandelions, rats, and extremophiles be said to be alive, can it ever recover, and how long can it last?  
The risks of global ecosystem collapse and the need for strong response to achieve global ecological sustainability have been understated for decades. If indeed there is some possibility that our shared biosphere could be collapsing, there needs to be further investigation of what sorts of sociopolitical responses are valid in such a situation. Dry, unemotional scientific inquiry into such matters is necessary – yet more proactive and evocative political ecological language may be justified as well. We must remember we are speaking of the potential for a period of great dying in species, ecosystems, humans, and perhaps all being. It is not clear whether this global ecological emergency is avoidable or recoverable. It may not be. But we must follow and seek truth wherever it leads us.  
Planetary boundaries have been quite anthropocentric, focusing upon human safety and giving relatively little attention to other species and the biosphere's needs other than serving humans. Planetary boundaries need to be set that, while including human needs, go beyond them to meet the needs of ecosystems and all their constituent species and their aggregation into a living biosphere. Planetary boundary thinking needs to be more biocentric.  
I concur with Williams (2000) that what is needed is an Earth System–based conservation ethic – based upon an "Earth narrative" of natural and human history – which seeks as its objective the "complete preservation of the Earth's biotic inheritance." Humans are in no position to be indicating which species and ecosystems can be lost without harm to their own intrinsic right to exist, as well as the needs of the biosphere. For us to survive as a species, logic and reason must prevail (Williams 2000).   
Those who deny limits to growth are unaware of biological realities (Vitousek 1986). There are strong indications humanity may undergo societal collapse and pull down the biosphere with it. The longer dramatic reductions in fossil fuel emissions and a halt to old-growth logging are put off, the worse the risk of abrupt and irreversible climate change becomes, and the less likely we are to survive and thrive as a species. Human survival – entirely dependent upon the natural world – depends critically upon both keeping carbon emissions below 350 ppm and maintaining at least 66% of the landscape as natural ecological core areas and agroecological transitions and buffers. Much of the world has already fallen below this proportion, and in sum the biosphere's terrestrial ecosystem loss almost certainly has been surpassed, yet it must be the goal for habitat transition in remaining relatively wild lands undergoing development such as the Amazon, and for habitat restoration and protection in severely fragmented natural habitat areas such as the Western Ghats.   
The human family faces an unprecedented global ecological emergency as reckless growth destroys the ecosystems and the biosphere on which all life depends. Where is the sense of urgency, and what are proper scientific responses if in fact Earth is dying? Not speaking of worst-case scenarios – the collapse of the biosphere and loss of a living Earth, and mass ecosystem collapse and death in places like Kerala – is intellectually dishonest. We must consider the real possibility that we are pulling the biosphere down with us, setting back or eliminating complex life.  
The 66% / 44% / 22% threshold of terrestrial ecosystems in total, natural core areas, and agroecological buffers gets at the critical need to maintain large and expansive ecosystems across at least 50% of the land so as to keep nature connected and fully functional. We need an approach to planetary boundaries that is more sensitive to deep ecology to ensure that habitable conditions for all life and natural evolutionary change continue. A terrestrial ecosystem boundary which protects primary forests and seeks to recover old-growth forests elsewhere is critical in this regard. In old forests and all their life lie both the history of Earth's life, and the hope for its future. The end of their industrial destruction is a global ecological imperative.   
Much-needed dialogue is beginning to focus on how humanity may face systematic social and ecological collapse and what sort of community resilience is possible. There have been ecologically mediated periods of societal collapse from human damage to ecosystems in the past (Kuecker and Hall 2011). What makes it different this time is that the human species may have the scale and prowess to pull down the biosphere with them. It is fitting at this juncture for political ecologists to concern themselves with both legal regulatory measures, as well as revolutionary processes of social change, which may bring about the social norms necessary to maintain the biosphere. Rockström and colleagues (2009b) refer to the need for "novel and adaptive governance" without using the word revolution. Scientists need to take greater latitude in proposing solutions that lie outside the current political paradigms and sovereign powers.  
Even the Blue Planet Laureates' remarkable analysis (Brundtland et al. 2012), which notes the potential for climate change, ecosystem loss, and inequitable development patterns neither directly states nor investigates in depth the potential for global ecosystem collapse, or discusses revolutionary responses. UNEP (2012) notes abrupt and irreversible ecological change, which they say may impact life-support systems, but are not more explicit regarding the profound human and ecological implications of biosphere collapse, or the full range of sociopolitical responses to such predictions. More scientific investigations are needed regarding alternative governing structures optimal for pursuit and achievement of bioregional, continental, and global sustainability if we are maintain a fully operable biosphere forever. An economic system based upon endless growth that views ecosystems necessary for planetary habitability primarily as resources to be consumed cannot exist for long.   
Planetary boundaries offer a profoundly difficult challenge for global governance, particularly as increased scientific salience does not appear to be sufficient to trigger international action to sustain ecosystems (Galaz et al. 2012). If indeed the safe operating space for humanity is closing, or the biosphere even collapsing and dying, might not discussion of revolutionary social change be acceptable? Particularly, if there is a lack of consensus by atomized actors, who are unable to legislate the required social change within the current socioeconomic system. By not even speaking of revolutionary action, we dismiss any means outside the dominant growth-based oligarchies.   
In the author's opinion, it is shockingly irresponsible for Earth System scientists to speak of geoengineering a climate without being willing to academically investigate revolutionary social and economic change as well. It is desirable that the current political and economic systems should reform themselves to be ecologically sustainable, establishing laws and institutions for doing so. Yet there is nothing sacrosanct about current political economy arrangements, particularly if they are collapsing the biosphere. Earth requires all enlightened and knowledgeable voices to consider the full range of possible responses now more than ever.   
One possible solution to the critical issues of terrestrial ecosystem loss and abrupt climate change is a massive and global, natural ecosystem protection and restoration program – funded by a carbon tax – to further establish protected large and connected core ecological sustainability areas, buffers, and agro-ecological transition zones throughout all of Earth's bioregions. Fossil fuel emission reductions must also be a priority. It is critical that humanity both stop burning fossil fuels and destroying natural ecosystems, as fast as possible, to avoid surpassing nearly all the planetary boundaries.   
In summation, we are witnessing the collective dismantling of the biosphere and its constituent ecosystems which can be described as ecocidal. The loss of a species is tragic, of an ecosystem widely impactful, yet with the loss of the biosphere all life may be gone. Global ecosystems when connected for life's material flows provide the all-encompassing context within which life is possible. The miracle of life is that life begets life, and the tragedy is that across scales when enough life is lost beyond thresholds, living systems die.

# Economy Adv (8)

#### Contention \_\_\_\_\_: Economy

#### Inadequate US-Mexico border infrastructure undermines North American integration and hemispheric growth

**Wilson 11** – Associate with the Mexico Institute @ the Woodrow Wilson International Center for Scholars [Christopher E. Wilson (Former Mexico Analyst for the U.S. Military and Researcher @ American University’s Center for North American Studies, “Working Together: Economic Ties between the United States and Mexico,” Mexico Institute, November 2011

Mexico and the United States are no longer distant neighbors whose economies are engaged in direct competition and where gains on one side of the border imply losses on the other. They are now deeply integrated economies whose future is also linked. Trade between the two countries is not a zero-sum game but a question of mutual interest. If the Mexican economy prospers, it is likely to enhance U.S. competitiveness considerably, and vice versa. Indeed, it is hard to conceive of a strategy for increasing U.S. economic competitiveness and supporting job-creation that does not significantly take into account its two neighboring countries, Mexico and Canada. Unlike two decades ago, when the agreement to launch a free trade agreement in North America generated enormous controversy, the U.S. economy is now inextricably linked to that of its neighbors, and future efforts will have to take this mutual dependence into account. This does not mean that economic integration across the border is uncomplicated and there are no legitimate disputes or real dislocations within particular industries that will need to be addressed. But it does mean that it will be in the self-interest of the United States to see Mexico primarily as a partner in economic efforts, rather than as a competitor, and that calls for policies that enhance existing production chains and strengthen both economies. It also suggests that Mexican economic growth will have significant positive effects for the U.S. economy, which calls for greater U.S. policy attention to support Mexico’s efforts to strengthen its economic future.

Toward a Regional Competitiveness Agenda: Looking Back and Moving Forward

U.S.-Mexico economic integration boomed in the 1980s and 1990s as Mexico pursued first a unilateral liberalization of its economy after decades of protectionism, 17 and then a regional strategy culminating in the 1994 implementation of the North American Free Trade Agreement. While disagreements remain about specific economic and social effects of the agreement,18 it undoubtedly increased U.S.-Mexico economic integration, with bilateral trade growing at an annual rate of 17.4% and doubling in value before the end of the decade. Since 2000, however, a number of regional and global factors have slowed the pace of integration, bringing the average annual increase in trade down to 9.5%. Perhaps most significantly, NAFTA deepened a model of production sharing and cross-border investment among the three North American countries, making the economies profoundly interdependent.

Outside of North America, the largest challenge to U.S.-Mexico integration is China. Since joining the World Trade Organization in 2000, China has surpassed Mexico and Canada to become the United States’ largest source of imports (but is still well behind the two regional partners as a market for U.S. exports).19 Cheap labor costs in China drew factories away from both the U.S. and Mexico. Although production costs often declined, the large ocean separating North America from China prevented the development of the production sharing operations that are so prevalent between the United States and Mexico. This is evidenced by the fact that Mexican imports contain ten times more U.S. content than their Chinese equivalents. While Chinese imports were displacing Mexican ones, China, Japan and other Asian countries increased their sale of materials and parts for Mexican manufacturers. From 2000 to 2006, the U.S. share of Mexico’s imports for processing exports fell from 81% to 51%.20 This means other countries are supplying more and more of the parts and materials used to make products that are sold to the United States.

In order to protect the U.S. jobs that depend on supplying Mexican manufacturers, it is important that businesses and policymakers work to improve the competitiveness of U.S.-Mexico supply chains. Businesses might also look for ways to take advantage of Mexico’s 12 free trade agreements with 44 countries to increase jointly produced exports to the rest of the world.

Within the region, another set of challenges has emerged in the new millennium. The United States, and consequently Mexico, experienced two recessions that slowed trade and investment while threatening to fuel a return to protectionism. Differences in regional regulatory frameworks, complicated rules of origin, and transportation inefficiencies all erode the natural comparative advantages of the North American region. Key to solving these and other challenges is an understanding on the part of policymakers, industry, and labor that the U.S. relationship with Mexico is not being fully leveraged to maximize North American competitiveness vis-à-vis other economic regions such as Europe or East and Southeast Asia.21

Many argue the border has become more difficult and costly to cross as a result of inadequate infrastructure investment and the increased security measures put in place after September 11, 2001. Extended and unpredictable wait times at the border create a disincentive to bilateral trade and production sharing, disrupting production chains and disproportionately hurting small and medium sized businesses. Nearly 80% of trade with Mexico is land trade, meaning it enters or exits the U.S. through one of the ports of entry along the Southwest border.22 The enhanced use of techniques, such as pre-inspection clearance, that facilitate the secure flow of goods across the border can help lower the costs of trade and encourage production sharing.23 Recognizing the need to prioritize both security and the economy, the U.S. and Mexican governments developed the 21st Century Border Initiative to expedite secure, legal traffic by trusted parties and thereby free up capacity for border security personnel to investigate potentially dangerous goods and individuals. Strong cooperation at the border allowed the United States and Mexico to open three new border crossings in 2010, two in Texas and one in Arizona.

There is no doubt that the economies of the United States and Mexico are facing serious challenges. While much of the risk is due to external pressures, whether the rise of Asian competition or fears of crisis in Europe, much of the solution lies in strengthening regional competitiveness. Efforts to improve border management, harmonize regional regulation, and simplify rules of origin are a good starting point, but improving policy requires surmounting certain political challenges. The path forward, then, must be based in a clear understanding that enhanced cooperation with Mexico strengthens the economy of the United States. The solution begins with a vision of the United States and Mexico as partners rather than competitors. pg. 4-8

#### Slow growth risks global nuclear war

**Heinberg 12** – Senior Fellow-in-Residence of Post Carbon Institute [Richard Heinberg, “Conflict and Change in the Era of Economic Decline: Part 2: War and peace in a shrinking economy,” [Post Carbon Institute](http://www.postcarbon.org/article/1345757-conflict-and-change-in-the-era" \t "_blank)  | Dec 12, 2012, pg. http://tinyurl.com/cxytpjh]

But there is a problem with Pinker’s implied conclusion that global violence will continue to decline. The Long Peace we have known since World War II may well turn out to be shorter than hoped as world economic growth stalls and as American hegemony falters—in John Michael Greer’s words, as “the costs of maintaining a global imperial presence soar and the profits of the imperial wealth pump slump.” Books and articles predicting the end of the American empire are legion; while some merely point to the rise of China as a global rival, others describe the looming failure of the essential basis of the U.S. imperial system—the global system of oil production and trade (with its petro-dollar recycling program) centered in the Middle East. There are any number of scenarios describing how the end of empire might come, but few credible narratives explaining why it won’t.

 When empires crumble, as they always do, the result is often a free-for-all among previous subject nations and potential rivals as they sort out power relations. The British Empire was a seeming exception to this rule: in that instance, the locus of military, political, and economic power simply migrated to an ally across the Atlantic. A similar graceful transfer seems unlikely in the case of the U.S., as economic decline during the 21st century will be global in scope. A better analogy to the current case might be the fall of Rome, which led to centuries of incursions by barbarians as well as uprisings in client states.

 Disaster per se need not lead to violence, as Rebecca Solnit argues in her book A Paradise Built in Hell: The Extraordinary Communities that Arise in Disaster. She documents five disasters—the aftermath of Hurricane Katrina; earthquakes in San Francisco and Mexico City; a giant ship explosion in Halifax, Canada; and 9/11—and shows that rioting, looting, rape, and murder were not automatic results. Instead, for the most part, people pulled together, shared what resources they had, cared for the victims, and in many instances found new sources of joy in everyday life.

However, the kinds of social stresses we are discussing now may differ from the disasters Solnit surveys, in that they comprise a “long emergency,” to borrow James Kunstler’s durable phrase. For every heartwarming anecdote about the convergence of rescuers and caregivers on a disaster site, there is a grim historic tale of resource competition turning normal people into monsters.

 In the current context, a continuing source of concern must be the large number of nuclear weapons now scattered among nine nations. While these weapons primarily exist as a deterrent to military aggression, and while the end of the Cold War has arguably reduced the likelihood of a massive release of these weapons in an apocalyptic fury, [it is still possible to imagine several scenarios in which a nuclear detonation could occur as a result of accident](http://www.carolmoore.net/nuclearwar/alternatescenarios.html" \t "_blank), aggression, pre-emption, or retaliation.

 We are in a race—but it’s not just an arms race; indeed, it may end up being an arms race in reverse. In many nations around the globe the means to pay for armaments and war are starting to disappear; meanwhile, however, there is increasing incentive to engage in international conflict as a way of re-channeling the energies of jobless young males and of distracting the general populace, which might otherwise be in a revolutionary mood. We can only hope that historical momentum can maintain The Great Peace until industrial nations are sufficiently bankrupt that they cannot afford to mount foreign wars on any substantial scale.

#### AND, we facilitate the completion of Trans-Pacific and Transatlantic trade agreements. Closer integration with Mexico forces Asia and Europe to get on board

**Pastor 13** – Professor and Founding Director of the Center for North American Studies @ American University [Robert A. Pastor, “Shortcut to U.S. Economic Competitiveness: A Seamless North American Market,” Council on Foreign Relations, Policy Innovation Memorandum No. 29, Tuesday, March 5, 2013, pg. http://www.cfr.org/north-america/shortcut-us-economic-competitiveness-seamless-north-american-market/p30132

In looking abroad to promote economic growth, the United States need go no further than its two closest neighbors, Canada and Mexico. But the three governments have failed to pursue collaborative efforts to address a new generation of issues that were not anticipated by the 1994 North American Free Trade Agreement (NAFTA). Instead of tackling new transnational problems such as regulatory harmonization together, the United States and its neighbors reverted to old habits of bilateral, ad hoc negotiations. Instead of forging a unified competitiveness strategy toward the European Union and East Asia, each government has negotiated on its own. The three North American governments should create a seamless market, one in which it is as easy and cheap for a Chicago merchant to sell products in Monterrey as in San Francisco. This requires negotiating a common external tariff, eliminating restrictions on transportation and services, funding new continental infrastructure, and fostering a sense of community among the publics of the three countries that will also enhance the region’s influence in negotiations with Asia and Europe. One estimate suggests that the benefits to the three countries would exceed $400 billion.

THE CASE FOR A NORTH AME RICAN MARKET

With rising competitive pressures from overseas and weak growth at home, the quickest external route to economic recovery and enhanced competitiveness is to stretch the U.S. market to include 113 million Mexicans and 34 million Canadians. The Obama administration has made it a priority to complete the Trans-Pacific Partnership (TPP) with Asia and has announced its intention to launch a new U.S.-European Union Transatlantic Trade and Investment Partnership (TTIP). But the administration has neglected its two neighbors despite the fact that their combined product is more than six times that of other TPP countries and that U.S. exports to them exceed those to the EU. Mexico and Canada are already the United States’ two largest export markets, its two largest sources of energy imports, and in the case of Mexico, the largest source of immigrants. The three countries also make products together. Unlike U.S. trade with most other countries, roughly 25 to 40 percent of the value of U.S. imports from Canada and Mexico comes from components made in the United States, and then assembled into finished goods in one of the two countries. Closer integration would translate into a more efficient supply chain and improved competitiveness. With labor costs in China rising to those in Mexico, and the cost of transportation across the Pacific increasing, a North American supply chain is not only more efficient than an Asian route, but it could also become a strong export platform to Asia. Moreover, if the United States seeks a unified approach to trade negotiations with Mexico and Canada, Asia and Europe will recognize that Washington has other options, and prospects for concluding transpacific and transatlantic trade deals would likely improve. For example, in the 1990s, world trade talks were stalemated until NAFTA was signed. Pg. 1-2

#### Transatlantic trade partnership preserves US-EU relations

**Baker 13** – Director of transatlantic relations @Bertelsmann Foundation [Tyson Barker (MA in International Economics and International Affairs from Johns Hopkins University School of Advanced International Studies (SAIS), “For Transatlantic Trade, This Time Is Different,” [Foreign Affairs](http://www.foreignaffairs.com/articles/139027/tyson-barker/for-transatlantic-trade-this-time-is-different" \t "_blank), Feb 26, 2013, pg. http://www.bfna.org/in\_the\_news/for-transatlantic-trade-this-time-is-different

More important, the strategic calculus for a Transatlantic Trade and Investment Partnership (TTIP) seems to have changed. First and foremost, a U.S.-EU trade and investment deal could boost the slumping economies on both sides of the Atlantic. This allure has always been there in previous trade talks, but given anemic U.S. economic growth and the eurozone recession, the need for stimulus is particularly acute these days. In December 2012, unemployment stood at 7.8 percent in the United States and at 10.7 percent in the EU. Consider the potential effects of a deal. Today, a third of the tariffs paid by the United States go to Europe. Zeroing out tariffs could add $180 billion to both economies. And the greatest benefits to be gained may come from deeper regulatory alignment, in which both sides seek ways to recognize the other sides' standards, certifications, and safety tests for products as roughly providing an equivalent level of protection for their consumers.

What is more, the logic behind such a deal is not just economic -- it's also political. Several geopolitical developments could also tip the scales in favor of the agreement.

For starters, a trade deal would give logic to a transatlantic relationship that many observers lament is becoming irrelevant. A budget-constrained Washington and a Europe still battling its sovereign debt crisis may find it difficult to take joint action on the global stage. With the United States increasingly looking east toward Asia, and the EU increasingly turning inward, the threat of the transatlantic community being pulled apart is real. But trade negotiations would reinvigorate the transatlantic alliance. Moreover, they would also help legitimize the EU in the eyes of some euro-skeptic governments, such as in London and in Prague, by providing a project that would put market access at the core of the EU's global mission and allow their countries to balance their European and Atlanticist identities.

On a grand strategic level, closer U.S.-European ties would also enhance the West's leverage with China at a time when it is sorely needed. As a result of China's state-capitalist model, Beijing can harness its money to enhance its industrial competitiveness. Moreover, it selectively follows international economic rules, for example by restricting market access to and exports of its raw materials, such as rare earths, and ignoring international norms about intellectual property. Left unchallenged, such behavior could undermine commerce in ways not seen since the establishment of the Bretton Woods system. A robust trade and investment deal would give the United States and Europe greater leverage in the coming decades to push back against China and reaffirm the liberal international order.

In 1995 and 2007, when the economic preeminence of the United States and Europe was unquestioned, the two sides had the luxury of putting off negotiations. When the Clinton administration pushed for a trade deal, China's economy was the size of Turkey's. By the time of the last round of talks, the Chinese economy was the size of Germany's. Now, however, the OECD predicts that China will become the largest global economy by 2016, giving it enormous ability to set the terms of global trade. As much as anything, this change in the economic pecking order has enhanced the need for a U.S.-European trade deal.

In the broadest terms, a U.S.-EU trade deal would allow the United States and Europe to maintain their sway over global economic governance. Both recognize that their ability to set global rules will diminish as economic power shifts to the Asia-Pacific region. In the coming decade, no one power will be able to drive the international agenda. But if they join forces, the United States and Europe can channel their combined economic weight to keep control of the reins of the global economic order.

**US-EU relations will stabilize Eurasia. We will also control the internal link for every impact in the debate**

**Stivachtis 10** – Director of International Studies Program @ Virginia Polytechnic Institute & State University [Dr. Yannis. A. Stivachtis (Professor of Poli Sci & Ph.D. in Politics & International Relations from Lancaster University), THE IMPERATIVE FOR TRANSATLANTIC COOPERATION,” The Research Institute for European and American Studies, 2010, pg. http://www.rieas.gr/research-areas/global-issues/transatlantic-studies/78.html]

There is no doubt that US-European relations are in a **period of transition**, and that the stresses and strains of globalization are increasing both the number and the seriousness of the challenges that confront transatlantic relations.

The events of 9/11 and the Iraq War have added significantly to these stresses and strains. At the same time, international terrorism, the nuclearization of **North Korea** and especially **Iran**, the proliferation of weapons of mass destruction (WMD), the transformation of **Russia** into a stable and cooperative member of the international community, the growing power of **China**, the political and economic transformation and integration of the **Caucasian** and **Central Asian** states, the integration and stabilization of the **Balkan** countries, the promotion of peace and stability in the **Mid**dle **East**, poverty, climate change, AIDS and other emergent problems and situations require further cooperation among countries at the regional, global and institutional levels.

Therefore, cooperation between the U.S. and Europe is more **imperative** than ever to deal effectively with these problems. It is fair to say that the challenges of crafting a new relationship between the U.S. and the EU as well as between the U.S. and NATO are more regional than global, but the implications of success or failure will be global.

The transatlantic relationship is still in crisis, despite efforts to improve it since the Iraq War. This is not to say that differences between the two sides of the Atlantic did not exist before the war. Actually, post-1945 relations between Europe and the U.S. were fraught with disagreements and never free of crisis since the Suez crisis of 1956. Moreover, despite trans-Atlantic proclamations of solidarity in the aftermath of 9/11, the U.S. and Europe parted ways on issues from global warming and biotechnology to peacekeeping and national missile defense.

Questions such as, the future role of NATO and its relationship to the common European Security and Defense policy (ESDP), or what constitutes terrorism and what the rights of captured suspected terrorists are, have been added to the list of US-European disagreements.

There are two reasons for concern regarding the transatlantic rift. First, if European leaders conclude that Europe must become **counterweight** to the U.S., rather than a partner, it will be difficult to engage in the kind of open search for a common ground than an elective partnership requires. Second, there is a risk that public opinion in both the U.S. and Europe will make it difficult even for leaders who want to forge a new relationship to make the necessary accommodations.

If both sides would actively work to heal the breach, a new opportunity could be created. A vibrant transatlantic partnership remains a real possibility, but only if both sides make the necessary political commitment.

There are strong reasons to believe that the security challenges facing the U.S. and Europe are more shared than divergent. The most dramatic case is terrorism. Closely related is the common interest in halting the spread of weapons of mass destruction and the nuclearization of Iran and North Korea. This commonality of threats is clearly perceived by publics on both sides of the Atlantic.

Actually, Americans and Europeans see eye to eye on more issues than one would expect from reading newspapers and magazines. But while elites on both sides of the Atlantic bemoan a largely illusory gap over the use of military force, biotechnology, and global warming, surveys of American and European public opinion highlight sharp differences over global leadership, defense spending, and the Middle East that threaten the future of the last century’s most successful alliance.

There are other important, shared interests as well. The transformation of Russia into a stable cooperative member of the international community is a priority both for the U.S. and Europe. They also have an interest in promoting a stable regime in Ukraine. It is necessary for the U.S. and EU to form a united front to meet these challenges because first, there is a risk that dangerous materials related to **WMD** will fall into the wrong hands; and second, the **spread of conflict** along those countries’ periphery could destabilize neighboring countries and provide **safe havens for terrorists** and other international criminal organizations. Likewise, in the Caucasus and Central Asia both sides share a stake in promoting political and economic transformation and integrating these states into larger communities such as the OSCE.

This would also minimize the risk of instability spreading and prevent those countries of becoming havens for international terrorists and criminals. Similarly, there is a common interest in integrating the Balkans politically and economically. Dealing with Iran, Iraq, Lebanon, and the Israeli-Palestinian conflict as well as other **political issues in the Mid**dle **East** are also of a great concern for both sides although the U.S. plays a dominant role in the region. Finally, US-European cooperation will be more effective in dealing with the **rising power of China** through engagement but also containment.

The post Iraq War realities have shown that it is no longer simply a question of adapting transatlantic institutions to new realities. The changing structure of relations between the U.S. and Europe implies that a new basis for the relationship must be found if transatlantic cooperation and partnership is to continue. The future course of relations will be **determined above all by U.S. policy towards Europe** and the Atlantic Alliance.

Wise policy can help forge a new, more enduring strategic partnership, through which the two sides of the Atlantic cooperate in meeting the many major challenges and opportunities of the evolving world together. But a policy that **takes Europe for granted** and routinely **ignores or** even **belittles Europe**an concerns, may force Europe to conclude that the costs of continued alliance outweigh its benefits.

There is no doubt that the U.S. and Europe have considerable potential to pursue common security interests. Several key steps must be taken to make this potential a reality. First, it is critical to avoid the trap of ‘division of labor’ in the security realm, which could be devastating for the prospects of future cooperation. Second, and closely related to avoiding division of labor as a matter of policy, is the crucial necessity for Europe to develop at least some ‘high-end’ military capabilities to allow European forces to operate effectively with the U.S. Third, is the need for both the U.S. and Europe to enhance their ability to contribute to peacekeeping and post-conflict stabilization and reconstruction. Fourth, is the importance of preserving consensus at the heart of alliance decision-making. Some have argued that with the expansion of NATO, the time has come to reconsider the consensus role. One way to increase efficiency without destroying consensus would be to strengthen the role of the Secretary General in managing the internal and administrative affairs of the alliance, while reserving policy for the member states. Fifth is the need to make further progress on linking and de-conflicting NATO and EU capabilities. Sixth is the need for enhanced transatlantic defense industrial cooperation. Seventh, one future pillar for transatlantic cooperation is to strengthen US-European coordination in building the infrastructure of global governance through strengthening institutions such as the UN and its specialized agencies, the World Bank, the IFM, G-8, OECD and regional development banks.

Finally, cooperation can also be achieved in strengthening the global economic infrastructure, sustaining the global ecosystem, and combating terrorism and international crime.

To translate the potential of the transatlantic relationship into a more positive reality will require two kinds of development. First, the EU itself must take further steps to institutionalize its own capacity to act in these areas. Foreign policy and especially defense policy remain the areas where the future of a ‘European’ voice is most uncertain. Second, the U.S. and Europe need to establish more formal, effective mechanisms for consultation and even decision-making.

The restoration of transatlantic relations requires policies and actions that governments on both sides of the Atlantic should **simultaneously adopt** and not only a unilateral change of course. Developing a new, sustainable transatlantic relationship requires a series of deliberate decisions from both the U.S. and EU if a partnership of choice and not necessity is to be established.

For the U.S., this means **avoiding the temptation**, offered by unprecedented strength, **to go it alone** in pursuit of narrowly defined national interests. For the EU, the new partnership requires a willingness to accept that the EU plays a uniquely valuable role as a leader in a world where power still matters, and that a commitment to a rule-based international order does not obviate the need to act decisively against those who do not share that vision.

#### Nuclear war. All the relevant actor will be involved

**Amineh 03** – Professor of International Relations @ Webster University [Mehdi Parvizi Amineh, Ph.D (Ph. D in Poli Sci @ University of Amsterdam & Senior research fellow and Programme director of the Energy Programme Asia @ International Institute for Asian Studies) “Globalisation, Geopolitics and Energy Security in Central Eurasia and the Caspian Region,” Hand-out of lecture held on June 19 2003, Clingendael International Energy Programme, pg. http://www.clingendael.nl/ciep/events/20030619/20030619\_amineh.pdf]

The increasing involvement of the US, the EU, Russia, China, Iran, and Turkey, and also TNCs in the region underscores the significance of the oil and gas resources in CEA and the potential competition for the control of these resources. What we are witnessing now is, a re-composition of the geo-strategic map not only for CEA and the Caspian region, but also of the whole world. Tensions could be further aggravated by disparities in military power, if conflicts were to escalate. The Eurasian region includes states with a **number of the largest armed forces** in Europe and Asia: Russia, Turkey, Ukraine, Iran, Pakistan, China, India and Uzbekistan. The region also has **four nuclear-armed countries** – Russia, China, Pakistan and India – making it a **dangerous** potential **flash point** of global significance. Further, security risks concern the US / NATO involvement in numerous political and economic crises in post-Soviet CEA, the war on terrorism in Afghanistan, and the war and crisis in Iraq.

\*CEA = post-Soviet Central Eurasia

#### AND, Transpacific partnership agreement will jumpstart the WTO

[**Stocker**](http://www.mapi.net/who-we-are/experts/frederick-t-stocker) **13** - Vice President, General Counsel and Secretary and Council Director @ MAPI Law and Risk Management Councils [[Frederick T. Stocker](http://www.mapi.net/who-we-are/experts/frederick-t-stocker) (LL.M. in International and Comparative Law from Georgetown University and J.D. from the University of Illinois College of Law), “The Trans-Pacific Partnership—U.S. Free Trade Agenda Appears to be Picking Up Steam,” Manufacturers Alliance for Productivity and Innovation, January 29, 2013, pg. http://www.mapi.net/trans-pacific-partnership-us-free-trade-agenda#sthash.af0mQdf7.dpuf

Conclusion  
After a sustained period of relative inaction on the trade liberalization front, the United States once again seems to be moving forward. In that sense, the TPP can serve as a significant job-creating boost to the U.S. economy as well as a statement that the United States is again poised to assume a leadership role on free trade issues. Hopefully, negotiators will complete their work in 2013 so that the parties can begin the implementation process. Such a timetable is both ambitious and achievable. In that regard, a demonstrated sense of urgency could provide an impetus to an even more audacious Trans-Atlantic FTA and, beyond that, a boost to restart multilateral trade negotiating efforts under the auspices of the WTO. While virtually everyone agrees that the Doha Round of multilateral negotiations died last year, the TPP might serve as encouragement for a rumored multi-party WTO services agreement. MAPI will continue to follow these free-trade-related developments and report on them to its membership.

#### WTO prevents resource constraints and crises

**Carbonnier 13** – Professor of Development Economics @ Graduate Institute of International and Development Studies [[Gilles Carbonnier](http://www.cepweb.org/author/gilles-carbonnier/) (Editor-in-chief of International Development Policy, President of the board of directors of CERAH, the Centre for Education and Research in Humanitarian Action, and founding member of CEP), “Resource Scarcity, Export Restrictions and the Multilateral Trading System,” | Council on Economic Policies, April 10, 2013, pg. http://www.cepweb.org/resource-scarcity-export-restrictions-and-the-multilateral-trading-system/

A Greater Role for the WTO?

How pivotal should the WTO be in improving the global governance of food, energy and minerals? Each commodity market presents its own characteristics with different key players and specific regional and global organisations pursuing different, potentially conflicting, objectives. Enhancing transparency by providing reliable information on stocks and flows is critical to enable importing and exporting countries as well as investors to take early action and avoid panic moves. The WTO could provide greater transparency on export restrictions with tighter rules on early notifications and consultations involving all interested parties. Member states could also clarify the interpretation of relevant WTO disciplines, in particular with regard to the temporary application of export restrictions for the sake of preventing or relieving critical shortages of primary commodities deemed essential to exporting countries. It has further been suggested to seek a deal under which importing countries would commit to reduce tariff escalation on processed goods against binding commitment from exporting countries not to impose trade restrictions on primary commodity exports.[[4]](http://www.cepweb.org/resource-scarcity-export-restrictions-and-the-multilateral-trading-system/#_ftn4)

Concluding Remarks

The Doha Round stalemate does not bode well for rapid advances on the options highlighted above. This should, however, not prevent progress on greater transparency and effective early consultations. For obvious reasons, previous multilateral trade negotiations focused on import protectionism. Today, the WTO should address export restrictions as a matter of priority. An effective multilateral trading system is expected to contribute to avoiding harmful panic moves when not justified by market fundamentals, as exemplified by the 2008 rice crisis. On the other hand, the WTO does and can further take into account the legitimate concerns of producer countries, allowing for restrictions deemed essential for national security or environmental protection.

This should be part of a broader attempt to strengthen the global institutional architecture dealing with food and energy security. It requires considering a myriad of bilateral, regional and global arrangements ranging from informal, voluntary initiatives to systematic data exchange and oversight via the building and sharing of emergency stocks and the clarification of binding rules related to export restrictions. There is no one-size-fits-all solution: each commodity market has its own characteristics with different players and specific risks and vulnerabilities. Yet, the growing nexus between water, food and energy requires factoring the complex interactions between various commodity markets into the analysis with a view to identifying critical bottlenecks and devising early risk management strategies. Pragmatic multilateralism must contain the tendency to address resource scarcity through bilateral and exclusive deals.

#### Extinction

**Aguilar-Millan et al 10** – Director of research @ European Fu22tures Observatory [Stephen Aguilar-Millan (Member of the Global Advisory Council of the World Future Society and the Board of the Association of Professional Futurists), Ann Feeney (Member of the Association of Professional Futurists and its board and is a Certified Association Executive), Amy Oberg (Managing partner at Future-In-Sight, LLC. 25 years of experience), and Elizabeth Rudd (Risk assessment consultant), “The Post-Scarcity World of 2050-2075,” The Futurist, Jan/Feb 2010, pg. <http://www.eufo.org/psw1.pdf>]

Historically, there have been periods when large numbers of the global population have been reduced due to war, disease, natural disasters or famine. In the next 75 years, such an episode is likely to occur. The world has **several military hot spots**, and weapons able to **eliminate large portions of the population** are more prevalent than in the past. Rogue states or non-state actors such as terrorist organizations may develop these capabilities over the coming decades. **Resource shortages** may lead to heightened tensions, isolationism by countries, and increasing incidents of violence. In order to reduce the possibility of such incidents, we may see the rise of supranational governance and regulation and continued efforts to resolve conflicts through diplomacy and negotiation. The outbreak of disease is also a threat. A **global pandemic**, which, due to global travel, may spread more rapidly than any outbreak in history, could eliminate large numbers of the population. How widespread, and how great the population loss, will be dependent on the ability to curtail the global outbreak and find a cure or vaccination quickly. Inequities in access to health care mean pre-modern nations are likely to sustain a greater proportion of population loss than more-developed nations. **Famine** has the greater impact in pre-modern nations. Post-modern nations may be able to rely on their supranational relationships to assist them through the tough times. Modern nations may have better resources to manage or avoid food scarcity, but pre-modern nations are heavily dependent on aid from other nations. If globalization and access to finance becomes more difficult, coupled with resource shortages within their own countries, aid may decrease to the pre-modern nations, which will increase the duration and severity of famines. Weather patterns are cyclical. As well, there is a growing body of evidence in the early decades of the century indicating global warming. The severity and occurrence of natural disasters is increasing. If this continues, we are likely to have larger numbers of people displaced, and the death toll is likely to increase. In the early decades of the century, birthrates are much higher in modern and pre-modern countries. Economic development—especially in terms of the advancement of women through access to education, to micro-finance, and to birth control—contributes to reductions in birthrates in pre-modern countries. If pre-modern countries can successfully advance economically, this is likely to contribute to reduced population growth. Population will also impact where and how we live. People have lived in some type of dwelling for most of time, usually with family members. People will continue to live together in dwellings, but what will be the location, form, and ownership of those dwellings? The percentage of the global population living in urban areas is expected to increase from 48% in 2003 to 61% by 2030. The UN estimates that most of these urban dwellers will be in developing countries, living in cities in low-lying coastal areas at high risk from flooding due to global warming, making them vulnerable to natural disasters. As resources become scarce, housing prices are likely to rise, making home ownership less affordable; this may impact living arrangements, meaning more people living together in smaller spaces. This in turn could lead to increased crime rates for theft and violence. This may give rise to the countertrend of a return to villages. Villages afford more space and the ability to attain greater self-sufficiency for essentials like food, water, and power. Individual home ownership is common in many countries. Apartments or condominiums are also often individually owned, or sometimes the whole building is owned by a corporation. As global finance and credit markets become tighter, and resource shortages drive up the cost of housing, we may see more people leasing for longer periods of time and more housing owned by larger corporation and retirement funds. Rents are also likely to increase, so more people will likely share a household, thus reversing the growing trend of oneto two-person households. The materials we use to build and the sources of energy we use to heat and power our homes will likely change. Material shortages may drive innovation in recycled building materials and longer-lasting materials. Wind and solar may become more common sources of power. Rooftop, hydroponic, and vertical gardening could enable residential space to be used for food production, as a shortage of soil and arable land make it harder to feed the world’s growing population. It is difficult to conceive of a society without some form of individual ownership. A world in which all goods, services, and accommodation are provided by the government or by corporations seems unlikely. However, it is possible to conceive of one in which what individuals own, and how goods are consumed, changes due to both the availability of resources and also the materials used. Cradle-to-cradle manufacturing, a closed-cycle manufacturing process where nothing is wasted, may become more commonplace. Planned obsolescence in manufactured goods may become a thing of the past. Leasing of goods, where the manufacturer is responsible for repair and/or replacement and recycling of the item, may become more common. Innovation efforts are likely to focus on these types of efforts as resource availability begins to peak, yet demand continues to increase. While many fantasize about reduced workweeks and more leisure time, for the foreseeable future people will continue to work outside the home to earn an income. Where changes may occur is in the nature and quantity of the work. Statistics indicate that, as many countries develop economically, working hours increase. Resource shortages may mean this will eventually begin to show more balance. As the focus turns to efficiency and resource reuse, people are likely to buy less, which means less is produced, although it may be at a higher cost. Population growth means more adults available to work. This may lead to the elimination of child labor. Access to education for women as well as children may also assist in reducing the number of children working outside the home. Advances in health care and improvements in life span and the quality of life may assist people to remain in the workforce longer; this will be especially beneficial for post-modern countries, where the birthrate typically declines as the country advances economically. Greater numbers of people may enter or remain in the workforce. Reduced working hours may be mandated, in order to create more jobs. More people might work part time. Greater self-reliance may mean more need for time outside of work to spend growing food and tending to other essential activities. The time and activities performed at work are likely to change. Leisure activities are also likely to shift, with more physical activities being more local and distance interactions done virtually through the use of technology. The cost and resources available to enable global leisure travel are likely to experience shortages in the age of scarcity. By 2075, perhaps new technologies to enable low-cost, low impact travel may be developed. The desire to do so, however, is more a question of geopolitics, an issue to which we shall now turn. Post-Scarcity Geopolitics The most-plausible scenario of the development of a post-scarcity society would be driven by advances in nanotechnology or other extensions of materials sciences. So, based on the current infrastructure, the breakthrough developments would most likely take place in Western Europe, the United States, Japan, or South Korea, although China or India, or even one of the oil-wealthy Gulf nations, cannot entirely be ruled out. It would be tempting to follow all these possible scenarios, but for the scope of this paper, we will focus on the assumption that the post-scarcity future begins in the developed, Westernized world. By the time we build a post-scarcity capacity enough to build a post-scarcity economy, there will still be **widespread poverty** in many nations, particularly those that were still developing at the time of “peak everything” and many that reverted to developing-nation status under the hardships of climate change, scarcity of potable water, wars, and environmental degradation. Whether led by a spirit of philanthropy, capitalism, or enlightened self-interest, it seems likely that the originating nations would ensure that other nations would receive at least some of the benefits fairly soon. Much geopolitical conflict derives from scarcity or perceived scarcity of land, water, energy sources, mineral wealth, or other physical objects, ones which would be greatly alleviated by a post-scarcity economy. Eliminating or reducing these causes for conflict would be a great step toward international peace. However, it would not create total peace, largely because the capacity to mount deadly attacks would increase at the same time that some reasons for conflict will remain or might even worsen. Some scholars posit that **all historical conflict has been driven by competition over resources**, and that even wars ostensibly over ideologies were truly about scarcity. Political or ideological dominance were ways to an end, rather than the end itself. Certainly for many wars, such as the Crusades and World War II, their arguments are at least plausible. However, conflicts that might have started over scarcity may still capture hearts, minds, and resources by the enticing trappings of politics, religion, or even simply historical grudges. If, as other scholars believe, humans are **inherently a warlike species**, a postscarcity economy will enhance leaders’ ability to create war over causes that might have seemed trivial during a time when there was scarcity to worry about. The status of the natural world is another area that could create conflict. Many arguments for environmental protection are based on the direct and indirect human benefit of natural land and species conservation. The world’s forests act to sequester carbon, clean the air, regulate the temperature, and house animals and plants of current or potential benefit to humankind. In a post-scarcity society where technology can replace all of those functions, there could well be conflict over the appropriate use of whatever wild areas are left between those who see such areas as having intrinsic value, or possible future extrinsic value, and those who wish to use such land for other purposes. So far, we have just looked at the questions in terms of today’s nations and assumed that today’s nation-states are more or less intact by the time of the post-scarcity society. However, the post-scarcity society may well make both today’s states and the idea of a nationstate obsolete. On the other hand, the twentieth- and twenty-firstcentury creation of international groups and agencies from mutual interests rather than shared borders could replace today’s states in a different way. For example, the European Union formed, as an economic union, the European Economic Community, which itself arose from the European Coal and Steel Community. It has broadened its objectives beyond the purely economic or closely related (e.g., free movement of labor) to include social justice (e.g., its powers to legislate against discrimination), environmental policy, foreign policy, and security issues. If it were to change its charter to be one of shared values and common history, such an organization might not only include Turkey, thus adding part of Asia to its scope, but also traditional allies such as the United States. It might even transcend geography and history to become an alliance of democracies, bringing all of North America and large parts of South America, Asia, Africa, and even parts of the Middle East. Of course, the shadows of colonialism may create too great a barrier for some time, and continental alliances, rather than intercontinental, may come first. Some alliances would be unlikely to continue. OPEC, based on commodity production, would likely disappear. The existing NonAligned Movement, originally formed as a response to NATO and the Warsaw Pact nations, has struggled to define itself and its purpose since the collapse of the Cold War, and even now, its membership has little in common. One remaining unifying theme has been fair and sustainable development, but in a mature post-scarcity world, development would be moot for virtually all nations. On the other hand, a post-scarcity society in which the means of living could be created at a micro level, or even at a household level, could make it possible for small, self-selected communities to exist either as parts of a nation-state but largely independent or as entirely autonomous of a nation-state, even as their own nation-state. History suggests that most of these would be beneficial to their members and at worst harmless to others, but also gives us darker warnings of cults and militant groups that attacked other groups or destroyed themselves and took innocents with them. The ability of these organizations to operate with all the capacities of an autonomous nation in a post-scarcity society is a sobering thought. On the other hand, if the pursuit of these groups is control over themselves and their members and no control from an outside world, or if they can at least settle for this, we might find that post-scarcity geopolitics are in fact the road to a lasting peace. Ultimately, the geopolitics of a post-scarcity world depends upon the interactions of humans and groups. While human nature is a constant, human ethics are not, and most of the world’s history, viewed over a long time span, is what most of us would consider the growth of human ethics. For example, things once considered tolerable by the majority of society, such as slavery and indiscriminate slaughter during war, are now mostly condemned, at least in principle if not always in practice, and are greatly reduced. Perhaps this is what has **enabled us to survive** so far—that, while our technical capacities always run ahead of our ethical development, our ethics do keep up just enough. In order for a post-scarcity society to develop in such a way that it adds to net human freedom, justice, and well-being, we need more than ever to reinforce the principles of equality, generosity, tolerance, compassion, and mutual interdependence in what we teach and in what we model before those who will build the post-scarcity world. These values (or **their lack**) will shape whether the post-scarcity world fulfills its promise or **creates the seeds of the destruction of civilization**. Nowhere will this be felt greater than in the post-scarcity financial system. Pg. 289-297

# Solvency (3)

#### Contention \_\_\_\_\_: We solve

#### NADBank Enhancement Act solves without adding to the federal deficit

**Balido 11** - President of the Border Trade Alliance [Nelson Balido, “Bill to expand NADBank projects holds potential to make big impact for border,” BTA, Published August 29, 2011, pg. http://www.thebta.org/btanews/bill-to-expand-nadbank-projects-holds-potential-to-make-big-impact-for-border.html

Over the past sixteen years of operation, the NADBank has been vitally important to improving basic services in the border region by financing numerous water, wastewater, solid waste and street paving projects, among others. To date, NADBank has provided approximately $1.24 billion in loans and grants to support 149 infrastructure projects in the border region, which represents a total investment of $3.26 billion and will benefit more than 12.8 million residents of the region.

One particularly notable accomplishment is the significant improvement in wastewater treatment coverage on the Mexican side of the border. In 1995, it was estimated that 27 percent of wastewater generated in border communities was being treated. According to Mexico’s National Water Commission (CONAGUA), wastewater treatment coverage has now reached approximately 85 percent. This dramatic improvement is in large part due to the work of NADBank.

The bank remains limited, however, in the projects it can finance. Its charter permits the bank only to get involved in projects deemed to have a significant positive environmental impact. There have been cases where the NADBank has taken interest in projects involving international ports of entry that would benefit an area’s economy and create new jobs. Yet the bank has been unable to deliver financing to such projects, over the objections of its board of directors, for not demonstrating a sufficient environmental benefit to merit NADBank financing.

Rep. Rubén Hinojosa (D-Texas) has introduced a bill, H.R. 2216, the NADBank Enhancement Act of 2011, which would broaden the scope of projects where the bank could provide financing. This would include projects that promote trade and commerce between the U.S. and Mexico, including port of entry modernization and construction projects.

Perhaps the best thing about the bill is that it doesn’t add a dime to the federal deficit or debt. Rather, the bill will help ensure NADBank’s existing capital is more fully utilized for the benefit of the U.S.-Mexico border region, and ultimately for the benefit of both the U.S. and Mexico.

The NADBank isn’t going to solve the nation’s infrastructure woes. NADBank is and will continue to be a bank focused on the border region. But the potential is there for the bank to move beyond its traditional scope of financing U.S.-Mexico border region water quality and wastewater projects and get involved in financing additional border area infrastructure projects that could improve the area’s quality of life and provide a needed boost to the region’s economy.

#### Inclusion of infrastructure facilitates coordination and harmonization

**Rodriguez 09** – Chair of the Board of Advisors for the North American Center for Transborder Studies @ Arizona State University [Raul Rodriguez (Chair and professor in Banking and Finance @ University of the Incarnate Word and the President of RMI, an investment and trade consulting firm in Mexico. He served as CEO and Managing Director of the North American Development Bank (NADBank) until October 2005. Prior to joining the NADBank, he was Executive Director of the Mexican Foreign Trade Bank; the Bank’s Director for Asia; Mexico’s Trade Commissioner in Canada during the NAFTA negotiation; and Secretary of Economic Development for the Mexican border State of Tamaulipas), “The Future of the North American Development Bank” The Wilson Center Mexico Institute and El Colegio de la Frontera Norte, Policy Brief, June 2009, pg. http://wilsoncenter.org/sites/default/files/RODRIGUEZ%20NADBANK.pdf

Its mere existence and capacity for reform given its small size and overhead make NADB a valuable asset. Only an accountable and trusted institutional body with a mandate on both sides of the border and subject to bilateral oversight will allow for further resource transfers and productive interaction. With its track record of tackling difficult sectors and its untapped potential, NADB could truly become the long overdue border bank. It is time for NADB and its mandate to reach beyond the environment to other areas where it can be a vital funding and capacity-building instrument.

Mexico has sought a broader mandate for NADB since 2000. President Felipe Calderón has acknowledged its value and the need to continue expanding its role. He has underscored the “very positive outcomes” of NADB financing; his “commitment to promote” further “reforms of the Bank’s mandate” in order to “eliminate restrictions and improve its operations”; and the need to increase single obligor limits and to expand the mandate to cover “infrastructure projects in general”, and not just environmental projects (speech at the VI National Convention, American Chamber of Commerce; February 27, 2007).

Some progress has been made along Pres. Calderon’s line of thinking. In 2008 the Bank authorized increasing the single-obligor limit, as well as financing for a new type of air quality improvement project: border-crossing infrastructure.

NADB’s role also fits within President Barack Obama’s agenda in terms of the critical importance of infrastructure development, the need to tend to border issues, and the structuring of more positive and comprehensive cooperative efforts with Mexico. Both federal governments are sponsoring infrastructure programs along the border as part of their economic stimulus initiatives that will render synergies if closelycoordinated.

A drawn-out debate has taken place among environmentalists along the border who would like BECC and NADB to continue concentrated on their current mandate and those who believe they should cater to much broader infrastructure needs and an ¶ extended jurisdiction. There is a valid argument in making sure these institutions remain focused and clearly there is still much to do environmentally. But there is a wider range of needs along the border that require urgent attention, face decreasing government funding, and are not profitable enough to be financed by commercial banks or the private sector. Addressing these needs would not only have a high impact on the quality of life of the population but would also foster job creation and economic development. In addition, covering more profitable sectors would enhance the Bank’s ability to respond to projects lacking credit capacity.

Below are ten of the actions and policy initiatives that have been debated in recent years with regard to achieving an expanded and more effective role for NADB:

A. Expand the mandate to include additional infrastructure sectors:

The Bank requires a more flexible mandate that takes into account a broader set of criteria that do not focus excessively on quantifiable environmental benefits. Currently the Board sets very high environmental benefit thresholds on projects. Factors relating to the broader goals of infrastructure improvement and economic development should be considered in addition to environmental criteria in a balanced way.

Some sectors are more amenable than others for bilateral cooperation. Water— and environmental infrastructure in general—has been a must in view of its strategic importance as a shared and scarce resource on both sides of the border and given its growing complexity. Transportation and logistics, among other areas, is a natural choice: fostering the corridors concept, linking inland port projects and facilities on both sides, helping address the tradeoffs with security measures, promoting customs systems and bridge and road projects that have faced endless delays. Maximizing the use of current infrastructure and addressing mismanagement, coordination and harmonization issues should continue to be part of NADB’s focus.

The Bank should become more fully engaged with the development and expansion of ports of entry and border crossings. In the context of security imperatives, investments aimed at facilitating the construction and improvement of crossings through public-private partnerships might be the most important contribution to the border’s development today.

The need for legislation to authorize further expansion into other infrastructure sectors has been debated. Some suggest it is simply an issue for the governments to resolve. However, given the restrictive interpretations of the charter, if a favorable legislative climate develops its amendment would be advisable if broad mandate expansion were to be considered.

A lingering question is how much of a BECC certification process should be applied to projects in new sectors. Public and stakeholder participation in project development, approval and support has been a fundamental contribution of BECC over the years, but there is a concern—particularly among private sector investors—that it delays the funding process unduly. Expedited NADB lending approval processes will also be critical in order to foster more private sector participation.

As new sectors are addressed, it will be crucial to find even more creative ways to mitigate risks, foster long-term financing in the local currency, and leverage funds from different sources. A key role for the NADB will be to help enhance project conditions and provide guarantees in order to link with private financial markets where affordable long-term funds in a multi-year programming context might be available.

#### No additional money is needed. We provide access to municipal bond financing in Mexico

**Rodriguez 09** – Chair of the Board of Advisors for the North American Center for Transborder Studies @ Arizona State University [Raul Rodriguez (Chair and professor in Banking and Finance @ University of the Incarnate Word and the President of RMI, an investment and trade consulting firm in Mexico. He served as CEO and Managing Director of the North American Development Bank (NADBank) until October 2005. Prior to joining the NADBank, he was Executive Director of the Mexican Foreign Trade Bank; the Bank’s Director for Asia; Mexico’s Trade Commissioner in Canada during the NAFTA negotiation; and Secretary of Economic Development for the Mexican border State of Tamaulipas), “The Future of the North American Development Bank” The Wilson Center Mexico Institute and El Colegio de la Frontera Norte, Policy Brief, June 2009, pg. http://wilsoncenter.org/sites/default/files/RODRIGUEZ%20NADBANK.pdf

Over the past twenty years, municipal reform in Mexico has concentrated mostly on the transfer of federal funds and key responsibilities, leaving local financial instruments, management structures and practices unchanged in many instances. The lack of transparency, professionalization and continuity at all levels of municipal government is still prevalent. Inadequate legal and contractual frameworks, board configurations, pricing practices and tariff structures, billing and collection systems, and staffing continue to encumber the performance of local public utilities and their access to credit.

By contrast, the U.S. tax-exempt municipal and revenue bond markets are pervasive and have had continued success and very low rates of default. The key is the fiscal setting and the significant firewall that exists between electoral politics and city or utility management. That separation is still a crucial challenge in Mexico for any market mechanism to work in the less developed sectors. NADB can assist in the development of better conditions for municipal financing by strengthening its requirements and providing direct incentives for improved financial governance, especially on the Mexican side. It can also assist in testing new financing settings and tools, conducive to expanding municipal bond markets.

G. Use NADB as an instrument to foster, test and implement municipal reforms in Mexico:

Infrastructure finance in the developing world is beset not only by funding shortages, but by challenges in credit capacity, design, groundwork tasks, procurement, administration and control. Oftentimes, a project’s constraint is not financial. Adequate conditions to fund and disburse are frequently lacking, and waste, corruption and the inability to properly manage projects are extensive. These constraints call for institutional strengthening and technical assistance. At BECC and NADB, such efforts are of substantial importance to financing along the border. All NADB financing should be used to encourage institutional reforms and efficiencies. Good management leads to better financing alternatives, encouraging a virtuous cycle.

NADB has strived to transfer successful experiences in the U.S. to the Mexican side regarding city and utility management and municipal finance. It is engaged in ¶ over 150 border communities, assisting with utility and project development and providing training. Its Utility Management Institute (UMI) is enhancing the managerial, financial and leadership capabilities necessary to operate a successful utility (see Appendix).