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#### Contention 1: Hegemony

#### Latin American free trade key to US growth and recovery.

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As US policymakers struggle to overcome sluggish economic growth while confronting abiding security threats, there is a stronger argument than ever for fortifying US partnerships with countries in the Americas whose economies and security are intertwined with America’s own economy and security. While the United States has been preoccupied with other regions, most Latin American nations have continued to modernize their market economies; two nations in particular—Brazil and Mexico—are emerging as global players. Therefore, the time is right to restore a strong bipartisan consensus in the United States that promotes a constructive, free-market growth agenda in the Americas. Practical initiatives—not rhetoric—will encourage America and its neighbors to find common ground for their collective benefit. Key points in this Outlook: **America’s economic crisis and threats to US security have undermined its traditional global-leadership role and weakened its connections to Latin American nations that continue to modernize their economies. The United States must recover its regional credibility by taking bold initiatives to restore its fiscal solvency, while aggressively promoting trade, energy interdependence, technology transfer, and economic growth.** The United States must then retool its strategy for its partners in the Americas by working with them to combat threats such as cross-border criminality and radical populism, encouraging dialogue with regional leaders, and ensuring law enforcement cooperation to develop a mutually beneficial relationship. A stable and prosperous Americas is indispensable to US economic success and security. The region is home to three of the top four foreign sources of energy to the United States, as well as the fastest-growing destinations for US exports and investment. Clearly, geography and shared values predetermine a united destiny for the United States and its neighbors in the Americas. How positive and fruitful that destiny will be depends on whether US policymakers, private businesses, and civil society move with a greater sense of purpose toward seizing promising opportunities and meeting critical challenges. Times have changed. The US fiscal crisis and preoccupation with two distant wars have distracted policymakers in Washington and undermined US leadership in the Americas. **Although access to the US market, investment, technology, and other economic benefits are highly valued by most countries in the Western Hemisphere, today, the United States is no longer the only major partner to choose from.** Asia (principally China) and Europe are making important inroads. So, as US policymakers retool their strategy for the Americas, they must shelve the paternalism of the past and be much more energetic in forming meaningful partnerships with willing neighbors. Of course, **the United States must recover its credibility by making bold decisions to restore its own fiscal solvency, while aggressively promoting trade, energy interdependence, technology transfer, and economic growth. Then, Washington will be better positioned to cultivate greater economic and political cooperation among its neighbors,** beginning with an open and candid dialogue with the region’s leaders about their vision, their challenges, and their priorities. Partnerships can thus be built on common ground. The security challenges in the Americas are very real and growing more complicated every day. Illegal narcotics trafficking, transnational organized crime, and radical populism fueled by petrodollars and allied with dangerous extraregional forces pose daunting challenges. Although it is wise to prioritize a positive socioeconomic and political agenda, assessing and addressing threats is an indispensable prerequisite to achieving US security and regional leadership. To make the most of their united destiny, the United States and its partners in the Americas should: Promote and defend democracy, the rule of law, and human rights and private property as the building blocks of just societies, accountable governments, and prosperous economies; Advocate and support the empowerment of individuals through the development of strong free-market economies, healthy private sectors, and free trade among nations; Assist neighbors in addressing their essential security needs so they can grow in peace and be more effective allies to prevent or confront common threats; Incentivize capital markets and encourage new and innovative technology cooperation to develop a regional community that is interdependent in the production and distribution of a range of products and services—particularly energy; Confront international organized crime in Mexico and Central America by supporting effective law-enforcement institutions and competent judicial systems; Work with willing allies to restore the Organization of American States to its essential mission of promoting and defending common values and meeting common threats; Address the role of China and Russia in the Americas by encouraging open and transparent regional investment and trade and rejecting exploitive policies that undermine local societies, regional security, and economic growth; Combat threats posed by authoritarian regimes and their ties with Iran, Hezbollah, and transnational criminal organizations; Assist the Cuban people in transitioning to a post–Castro Cuba by helping to jump-start their private sector, rehabilitate their economy, and restore their political freedoms when the dictatorship collapses. Maximizing Mutual Global Competitiveness Expanding regional economic cooperation is crucial to US economic growth. An aggressive trade promotion and investment strategy in today’s hypercompetitive, globalized economy is not a policy option; it is an imperative. Clearly, prosperity at home depends on success abroad. The economic opportunities in the Western Hemisphere are enormous, and US policy-makers and the private sector must recognize them as critical to US economic growth. In 2011, US exports reached a record $2.1 trillion in total value, despite the fact that only 1 percent of US businesses export their products to foreign markets. The United States must expand on these opportunities. Exports benefit the US economy by offering companies opportunities to tap new markets, expand their production, and earn more consumer dollars. Today, 95 percent of the world’s consumers live outside the United States, and the International Monetary Fund predicts that, through 2015, some 80 percent of economic growth will take place beyond US shores. **It is indisputable that an aggressive US trade policy—meaning selling US goods and services in as many markets as possible—is essential for the US economy to hone its competitive edge in the 21st century. In this sense, America’s future is inextricably linked to the future of its neighbors in its own hemisphere. A prosperous hemisphere means a more prosperous United States.** The Western Hemisphere’s Moment. The United States is strategically well-placed to begin a new chapter in trade relations with Latin America. The countries within the Americas are bound by close historical, cultural, familial, and geographic ties, linked by common values and mutual interests. What also facilitates expanded economic engagement is the regional trade partners’ proximity to US shores, and the significant number of Hispanics living in the United States—some 50 million—that provide an exceptional strategic advantage in doing business with their countries of origin. Equally important are the advances that many countries within the region have made in establishing economic stability and growth in recent years as the roots of democracy and the rule of law continue to take hold. Countries such as Mexico, Chile, Peru, Brazil, and Colombia have been at the forefront in modernizing their economies and opening them to investment, liberalizing trade, and becoming more competitive overall. The numbers tell the story. Since 2003, an estimated 73 million Latin Americans have risen out of poverty. Moreover, between then and 2010, the average Latin American income increased by more than 30 percent, meaning that currently, nearly a third of the region’s some 570 million people are considered middle class. And in just the next five years, regional economies are projected to expand by one-third. That macroeconomic stability generates even greater opportunities for US business. The Western Hemisphere already supplies a quarter of the world’s crude oil, a third of the world’s natural gas, nearly a fourth of its coal, and more than a third of global electricity, while offering tremendous potential for the development of renewable energy technologies. Certainly, many in the US private sector have already discovered the benefits of intrahemispheric economic relationships. In fact, Latin America has played a key role in expanding US exports in recent years. The Congressional Research Service reports that from 1998 to 2009, US trade with Latin America increased an average of 82 percent, more than 72 percent with Asia, 52 percent with the European Union, and 64 percent with the rest of the world. In 2011 alone, trade with Latin America grew 20 percent. The economic growth in 2011 elevated trade between the United States and the region to a historic high of $772 million. Exports to the region grew 22 percent to $350 million, while imports increased by 20 percent to a total of $420 million. According to the US Department of Commerce, American companies now export more to the Western Hemisphere—some 42 percent of total US exports—than to any other part of the world, including China. Last year, US merchandise exports to Latin America totaled $367 billion, and the US private sector accounts for one-third of all foreign direct investment in the region. The United States now has trade agreements with 11 countries in the Western Hemisphere, which the Department of Commerce reports help to support nearly four million US jobs. Clearly, however, there is much more that can be done to fulfill the potential of intrahemispheric economic relations in the hyper-competitive global economy. High-level official US engagement is imperative to revitalizing existing alliances and developing new partnerships to boost mutual competitiveness. A reinvigorated US trade policy must transcend past approaches that have been too identified with solely US interests and too focused on bilateral relationships. A 21st-century approach necessitates more multilateral engagement and cooperation, mutually beneficial information-sharing and support, and an inclusive vision. A complementary strategy to increase demand for US goods and services requires mobilizing private capital, encouraging technology transfer, and leveraging existing US programs to strengthen the private sector throughout the Americas. Traditionally, private-sector growth has been held back by lack of investment and access to credit. **In a true win-win strategy, the United States can boost exports and investment while strengthening regional producers and consumers.** In summary, increased US government initiatives to expand economic partnerships with the country’s Western Hemisphere neighbors are crucial to America’s economic recovery and competitiveness. A prosperous hemisphere is also beneficial to US security concerns. The Americas is home to some of the most dynamic markets in the world. The US administration must recognize this reality and take full advantage of the opportunities.

#### Absent increased growth, US retrenchment and resultant wars are inevitable by the end of the decade.

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Economic renewal and fiscal reform have become the preeminent issues, not only for domestic and economic policy but for foreign policy as well. As the former chairman of the Joint Chiefs of Staff, Adm.Michael G. Mullen, was fond of saying, national debt has become perhaps our top national security threat. And neither major presidential candidate is doing enough about it. **This issue needs to be framed as crucial not just for our future prosperity but for international stability as well**. The United States has been running trillion-dollar deficits, resulting in a huge explosion in the country's indebtedness. Publicly held debt now equals 70% of gross domestic product, a threshold many economists consider significant and highly worrisome. Making matters worse, half of our current deficit financing is being provided by foreigners. We are getting by with low interest rates and tolerable levels of domestic investment only because they find U.S. debt attractive, which may not last. According to the nonpartisan Committee for a Responsible Federal Budget, President Obama's long-term budget plan would allow publicly held debt as a fraction of GDP to rise further, up to 75%, within a decade. Mitt Romney's proposal, featuring tax cuts and defense spending increases and as-yet-unspecified (and thus less than fully credible) entitlement reform, appears worse. It would probably drive publicly held debt to 95% of GDP over the same period. Put differently, though both are serious and pragmatic men, neither major party's presidential candidate is adequately stepping up to the plate, with Romney's plan the more troubling of the two. Why is this situation so serious? First, we are headed for a level of debt that within a decade could require us to spend the first trillion dollars of every year's federal budget servicing that debt. Much less money will be left for other things. That is a prescription for a vicious cycle of underfinancing for our infrastructure, national education efforts, science research and all the other functions of government that are crucial to long-term economic growth**.** Robust defense spending will be unsustainable too**.** Once we get in this rut, getting out will be very hard. Second, **such a chronic economic decline would undercut what has been 70 years of strong national political consensus in favor of an activist and engaged American foreign policy**. One reason the United States was so engaged through the Cold War and the first 20 years of the post-Cold War world was fear of threats. But the other reason was that the strategy was associated with improvements in our quality of life as well. America became even more prosperous, and all major segments of society benefited. Alas, globalization and automation trends of the last generation have increasingly called the American dream into question for the working classes. Another decade of underinvestment in what is required to remedy this situation will make an isolationist or populist president far more likely because much of the country will question whether an internationalist role makes sense for America — especially if it costs us well over half a trillion dollars in defense spending annually yet seems correlated with more job losses. Lastly, **American economic weakness undercuts U.S. leadership abroad**. **Other countries sense our weakness** and wonder about our purported decline. If this perception becomes more widespread, and the case that we are in decline becomes more persuasive, countries will begin to take actions that reflect their skepticism about America's future. Allies and friends will doubt our commitment and may pursue nuclear weapons for their own security, for example; adversaries will sense opportunity and be less restrained in throwing around their weight in their own neighborhoods. The crucial Persian Gulf and Western Pacific regions will likely become less stable. Major war will become more likely**.** When running for president last time, Obama eloquently articulated big foreign policy visions: healing America's breach with the Muslim world, controlling global climate change, dramatically curbing global poverty through development aid, moving toward a world free of nuclear weapons. These were, and remain, worthy if elusive goals. However, for Obama or his successor, there is now a much more urgent big-picture issue: restoring U.S. economic strength. Nothing else is really possible if that fundamental prerequisite to effective foreign policy is not reestablished.

#### US primacy is sustainable, prevents overstretch, spurs cooperation and multipolarity fails.

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Now, more than ever, Washington might be tempted to abandon this grand strategy and pull back from the world. The rise of China is chipping away at the United States' preponderance of power, a budget crisis has put defense spending on the chopping block, and two long wars have left the U.S. military and public exhausted. Indeed, even as most politicians continue to assert their commitment to global leadership, a very different view has taken hold among scholars of international relations over the past decade: that the United States should minimize its overseas military presence, shed its security ties, and give up its efforts to lead the liberal international order. Proponents of retrenchment argue that a globally engaged grand strategy wastes money by subsidizing the defense of well-off allies and generates resentment among foreign populations and governments. A more modest posture, they contend, would put an end to allies' free-riding and defuse anti-American sentiment. Even if allies did not take over every mission the United States now performs, most of these roles have nothing to do with U.S. security and only risk entrapping the United States in unnecessary wars. In short, those in this camp maintain that pulling back would not only save blood and treasure but also make the United States more secure. They are wrong. In making their case, advocates of retrenchment overstate the costs of the current grand strategy and understate its benefits. In fact, the budgetary savings of lowering the United States' international profile are debatable, and **there is little evidence to suggest that an internationally engaged America provokes other countries to balance against it, becomes overextended, or gets dragged into unnecessary wars.** The benefits of deep engagement, on the other hand, are legion**. U.S. security commitments reduce competition in key regions and act as a check against potential rivals.** They help maintain an open world economy and give Washington leverage in economic negotiations. And they make it easier for the United States to secure cooperation for combating a wide range of global threats. Were the United States to cede its global leadership role, it would forgo these proven upsides while exposing itself to the unprecedented downsides of a world in which the country was less secure, prosperous, and influential. AN AFFORDABLE STRATEGY Many advocates of retrenchment consider the United States' assertive global posture simply too expensive. The international relations scholar Christopher Layne, for example, has warned of the country's "ballooning budget deficits" and argued that "its strategic commitments exceed the resources available to support them." Calculating the savings of switching grand strategies, however, is not so simple, because it depends on the expenditures the current strategy demands and the amount required for its replacement -- numbers that are hard to pin down. If the United States revoked all its security guarantees, brought home all its troops, shrank every branch of the military, and slashed its nuclear arsenal, it would save around $900 billion over ten years, according to Benjamin Friedman and Justin Logan of the Cato Institute. But few advocates of retrenchment endorse such a radical reduction; instead, most call for "restraint," an "offshore balancing" strategy, or an "over the horizon" military posture. The savings these approaches would yield are less clear, since they depend on which security commitments Washington would abandon outright and how much it would cost to keep the remaining ones. If retrenchment simply meant shipping foreign-based U.S. forces back to the United States, then the savings would be modest at best, since the countries hosting U.S. forces usually cover a large portion of the basing costs. And if it meant maintaining a major expeditionary capacity, then any savings would again be small, since the Pentagon would still have to pay for the expensive weaponry and equipment required for projecting power abroad. The other side of the cost equation, the price of continued engagement, is also in flux. **Although the fat defense budgets of the past decade make an easy target for advocates of retrenchment, such high levels of spending aren't needed to maintain an engaged global posture.** Spending skyrocketed after 9/11, but it has already begun to fall back to earth as the United States winds down its two costly wars and trims its base level of nonwar spending. As of the fall of 2012, the Defense Department was planning for cuts of just under $500 billion over the next five years, which it maintains will not compromise national security. These reductions would lower military spending to a little less than three percent of GDP by 2017, from its current level of 4.5 percent. The Pentagon could save even more with no ill effects by reforming its procurement practices and compensation policies. **Even without major budget cuts, however, the country can afford the costs of its ambitious grand strategy.** The significant increases in military spending proposed by Mitt Romney, the Republican candidate, during the 2012 presidential campaign would still have kept military spending below its current share of GDP, since spending on the wars in Afghanistan and Iraq would still have gone down and Romney's proposed nonwar spending levels would not have kept pace with economic growth. Small wonder, then, that the case for pulling back rests more on the nonmonetary costs that the current strategy supposedly incurs. UNBALANCED One such alleged cost of the current grand strategy is that, in the words of the political scientist Barry Posen, it "prompts states to balance against U.S. power however they can." **Yet there is no evidence that countries have banded together in anti-American alliances or tried to match the United States' military capacity on their own -- or that they will do so in the future.** Indeed, it's hard to see how the current grand strategy could generate true counterbalancing. **Unlike past hegemons, the United States is geographically isolated, which means that it is far less threatening to other major states and that it faces no contiguous great-power rivals that could step up to the task of balancing against it.** Moreover, any competitor would have a hard time matching the U.S. military. Not only is the United States so far ahead militarily in both quantitative and qualitative terms, but **its security guarantees also give it the leverage to prevent allies from giving military technology to potential U.S. rivals.** Because the United States dominates the high-end defense industry, it can trade access to its defense market for allies' agreement not to transfer key military technologies to its competitors. The embargo that the United States has convinced the EU to maintain on military sales to China since 1989 is a case in point. **If U.S. global leadership were prompting balancing, then one would expect actual examples of pushback --** especially during the administration of George W. Bush, who pursued a foreign policy that seemed particularly unilatera**l. Yet since the Soviet Union collapsed, no major powers have tried to balance against the United States by seeking to match its military might or by assembling a formidable alliance; the prospect is simply too daunting.** Instead, they have resorted to what scholars call "soft balancing," using international institutions and norms to constrain Washington. Setting aside the fact that soft balancing is a slippery concept and difficult to distinguish from everyday diplomatic competition, it is wrong to say that the practice only harms the United States. Arguably, as the global leader, the United States benefits from employing soft-balancing-style leverage more than any other country. After all, today's rules and institutions came about under its auspices and largely reflect its interests, and so they are in fact tailor-made for soft balancing by the United States itself. In 2011, for example, Washington coordinated action with several Southeast Asian states to oppose Beijing's claims in the South China Sea by pointing to established international law and norms. **Another argument for retrenchment holds that the United States will fall prey to the same fate as past hegemons and accelerate its own decline.** In order to keep its ambitious strategy in place, the logic goes, the country will have to divert resources away from more productive purposes -- infrastructure, education, scientific research, and so on -- that are necessary to keep its economy competitive. Allies, meanwhile, can get away with lower military expenditures and grow faster than they otherwise would. **The historical evidence for this phenomenon is thin; for the most part, past superpowers lost their leadership not because they pursued hegemony but because other major powers balanced against them** -- a prospect that is not in the cards today. (If anything, leading states can use their position to stave off their decline.) A bigger problem with the warnings against "imperial overstretch" is that **there is no reason to believe that the pursuit of global leadership saps economic growth.** Instead, most studies by economists find no clear relationship between military expenditures and economic decline. To be sure, if the United States were a dramatic outlier and spent around a quarter of its GDP on defense, as the Soviet Union did in its last decades, its growth and competitiveness would suffer. But in 2012, even as it fought a war in Afghanistan and conducted counterterrorism operations around the globe, Washington spent just 4.5 percent of GDP on defense -- a relatively small fraction, historically speaking. (From 1950 to 1990, that figure averaged 7.6 percent.) Recent economic difficulties might prompt Washington to reevaluate its defense budgets and international commitments, but that does not mean that those policies caused the downturn. And any money freed up from dropping global commitments would not necessarily be spent in ways that would help the U.S. economy. Likewise, U.S. allies' economic growth rates have nothing to do with any security subsidies they receive from Washington. The contention that lower military expenditures facilitated the rise of Japan, West Germany, and other countries dependent on U.S. defense guarantees may have seemed plausible during the last bout of declinist anxiety, in the 1980s. But these states eventually stopped climbing up the global economic ranks as their per capita wealth approached U.S. levels -- just as standard models of economic growth would predict. Over the past 20 years, the United States has maintained its lead in per capita GDP over its European allies and Japan, even as those countries' defense efforts have fallen further behind. Their failure to modernize their militaries has only served to entrench the United States' dominance. The costs of U.S. foreign policy that matter most, of course, are human lives, and critics of an expansive grand strategy worry that the United States might get dragged into unnecessary wars. Securing smaller allies, they argue, emboldens those states to take risks they would not otherwise accept, pulling the superpower sponsor into costly conflicts -- a classic moral hazard problem. Concerned about the reputational costs of failing to honor the country's alliance commitments, U.S. leaders might go to war even when no national interests are at stake. **History shows, however, that great powers anticipate the danger of entrapment and structure their agreements to protect themselves from it.** It is nearly impossible to find a clear case of a smaller power luring a reluctant great power into war. For decades, World War I served as the canonical example of entangling alliances supposedly drawing great powers into a fight, but an outpouring of new historical research has overturned the conventional wisdom, revealing that the war was more the result of a conscious decision on Germany's part to try to dominate Europe than a case of alliance entrapment. If anything, alliances reduce the risk of getting pulled into a conflict. In East Asia, the regional security agreements that Washington struck after World War II were designed, in the words of the political scientist Victor Cha, to "constrain anticommunist allies in the region that might engage in aggressive behavior against adversaries that could entrap the United States in an unwanted larger war." The same logic is now at play in the U.S.-Taiwanese relationship. After cross-strait tensions flared in the 1990s and the first decade of this century, U.S. officials grew concerned that their ambiguous support for Taiwan might expose them to the risk of entrapment. So the Bush administration adjusted its policy, clarifying that its goal was to not only deter China from an unprovoked attack but also deter Taiwan from unilateral moves toward independence. For many advocates of retrenchment, the problem is that the mere possession of globe-girdling military capabilities supposedly inflates policymakers' conception of the national interest, so much so that every foreign problem begins to look like America's to solve. Critics also argue that the country's military superiority causes it to seek total solutions to security problems, as in Afghanistan and Iraq, that could be dealt with in less costly ways. Only a country that possessed such awesome military power and faced no serious geopolitical rival would fail to be satisfied with partial fixes, such as containment, and instead embark on wild schemes of democracy building, the argument goes. Furthermore, they contend, the United States' outsized military creates a sense of obligation to do something with it even when no U.S. interests are at stake. As Madeleine Albright, then the U.S. ambassador to the un, famously asked Colin Powell, then chairman of the Joint Chiefs of Staff, when debating intervention in Bosnia in 1993, "What's the point of having this superb military you're always talking about if we can't use it?" If the U.S. military scrapped its forces and shuttered its bases, then the country would no doubt eliminate the risk of entering needless wars, having tied itself to the mast like Ulysses. But if it instead merely moved its forces over the horizon, as is more commonly proposed by advocates of retrenchment, whatever temptations there were to intervene would not disappear. The bigger problem with the idea that a forward posture distorts conceptions of the national interest, however, is that it rests on just one case: Iraq. That war is an outlier in terms of both its high costs (it accounts for some two-thirds of the casualties and budget costs of all U.S. wars since 1990) and the degree to which the United States shouldered them alone. In the Persian Gulf War and the interventions in Bosnia, Kosovo, Afghanistan, and Libya, U.S. allies bore more of the burden, controlling for the size of their economies and populations. Besides, the Iraq war was not an inevitable consequence of pursuing the United States' existing grand strategy; many scholars and policymakers who prefer an engaged America strongly opposed the war. Likewise, continuing the current grand strategy in no way condemns the United States to more wars like it. Consider how the country, after it lost in Vietnam, waged the rest of the Cold War with proxies and highly limited interventions. Iraq has generated a similar reluctance to undertake large expeditionary operations -- what the political scientist John Mueller has dubbed "the Iraq syndrome." Those contending that the United States' grand strategy ineluctably leads the country into temptation need to present much more evidence before their case can be convincing. KEEPING THE PEACE Of course, even if it is true that the costs of deep engagement fall far below what advocates of retrenchment claim, they would not be worth bearing unless they yielded greater benefits. In fact, they do. **The most obvious benefit of the current strategy is that it reduces the risk of a dangerous conflict. The United States' security commitments deter states with aspirations to regional hegemony from contemplating expansion and dissuade U.S. partners from trying to solve security problems on their own in ways that would end up threatening other states.** Skeptics discount this benefit by arguing that U.S. security guarantees aren't necessary to prevent dangerous rivalries from erupting. They maintain that the high costs of territorial conquest and the many tools countries can use to signal their benign intentions are enough to prevent conflict. In other words, major powers could peacefully manage regional multipolarity without the American pacifier. But that outlook is too sanguine. **If Washington got out of East Asia, Japan and South Korea would likely expand their military capabilities and go nuclear, which could provoke a destabilizing reaction from China.** It's worth noting that during the Cold War, both South Korea and Taiwan tried to obtain nuclear weapons; the only thing that stopped them was the United States, which used its security commitments to restrain their nuclear temptations. **Similarly, were the United States to leave the Middle East, the countries currently backed by Washington -- notably, Israel, Egypt, and Saudi Arabia -- might act in ways that would intensify the region's security dilemmas. There would even be reason to worry about Europe.** Although it's hard to imagine the return of great-power military competition in a post-American Europe, it's not difficult to foresee governments there refusing to pay the budgetary costs of higher military outlays and the political costs of increasing EU defense cooperation. **The result might be a continent incapable of securing itself from threats on its periphery, unable to join foreign interventions on which U.S. leaders might want European help, and vulnerable to the influence of outside rising powers.** Given how easily a U.S. withdrawal from key regions could lead to dangerous competition, advocates of retrenchment tend to put forth another argument: that such rivalries wouldn't actually hurt the United States. To be sure, few doubt that the United States could survive the return of conflict among powers in Asia or the Middle East -- but at what cost? Were states in one or both of these regions to start competing against one another, they would likely boost their military budgets, arm client states, and perhaps even start regional proxy wars, all of which should concern the United States, in part because its lead in military capabilities would narrow. **Greater regional insecurity could also produce cascades of nuclear proliferation as powers such as Egypt, Saudi Arabia, Japan, South Korea, and Taiwan built nuclear forces of their own. Those countries' regional competitors might then also seek nuclear arsenals. Although nuclear deterrence can promote stability between two states with the kinds of nuclear forces that the Soviet Union and the United States possessed, things get shakier when there are multiple nuclear rivals with less robust arsenals. As the number of nuclear powers increases, the probability of illicit transfers, irrational decisions, accidents, and unforeseen crises goes up.** The case for abandoning the United States' global role misses the underlying security logic of the current approach. By reassuring allies and actively managing regional relations, Washington dampens competition in the world's key areas, thereby preventing the emergence of a hothouse in which countries would grow new military capabilities. For proof that this strategy is working, one need look no further than the defense budgets of the current great powers: on average, since 1991 they have kept their military expenditures as a percentage of GDP to historic lows, and they have not attempted to match the United States' top-end military capabilities. Moreover, all of the world's most modern militaries are U.S. allies, and the United States' military lead over its potential rivals is by many measures growing. On top of all this, the current grand strategy acts as a hedge against the emergence regional hegemons. Some supporters of retrenchment argue that the U.S. military should keep its forces over the horizon and pass the buck to local powers to do the dangerous work of counterbalancing rising regional powers. Washington, they contend, should deploy forces abroad only when a truly credible contender for regional hegemony arises, as in the cases of Germany and Japan during World War II and the Soviet Union during the Cold War. Yet there is already a potential contender for regional hegemony -- China -- and to balance it, the United States will need to maintain its key alliances in Asia and the military capacity to intervene there. The implication is that the United States should get out of Afghanistan and Iraq, reduce its military presence in Europe, and pivot to Asia. Yet that is exactly what the Obama administration is doing. MILITARY DOMINANCE, ECONOMIC PREEMINENCE Preoccupied with security issues, critics of the current grand strategy miss one of its most important benefits: sustaining an open global economy and a favorable place for the United States within it. To be sure, the sheer size of its output would guarantee the United States a major role in the global economy whatever grand strategy it adopted. Yet **the country's military dominance undergirds its economic leadership. In addition to protecting the world economy from instability, its military commitments and naval superiority help secure the sea-lanes and other shipping corridors that allow trade to flow freely and cheaply. Were the United States to pull back from the world, the task of securing the global commons would get much harder. Washington would have less leverage with which it could convince countries to cooperate on economic matters and less access to the military bases throughout the world needed to keep the seas open. A global role also lets the United States structure the world economy in ways that serve its particular economic interests.** During the Cold War, Washington used its overseas security commitments to get allies to embrace the economic policies it preferred -- convincing West Germany in the 1960s, for example, to take costly steps to support the U.S. dollar as a reserve currency. U.S. defense agreements work the same way today. For example, when negotiating the 2011 free-trade agreement with South Korea, U.S. officials took advantage of Seoul's desire to use the agreement as a means of tightening its security relations with Washington. As one diplomat explained to us privately, "We asked for changes in labor and environment clauses, in auto clauses, and the Koreans took it all." Why? Because they feared a failed agreement would be "a setback to the political and security relationship." More broadly, the United States wields its security leverage to shape the overall structure of the global economy. Much of what the United States wants from the economic order is more of the same: for instance, it likes the current structure of the World Trade Organization and the International Monetary Fund and prefers that free trade continue. **Washington wins when U.S. allies favor this status quo, and one reason they are inclined to support the existing system is because they value their military alliances.** Japan, to name one example, has shown interest in the Trans- Pacific Partnership, the Obama administration's most important free-trade initiative in the region, less because its economic interests compel it to do so than because Prime Minister Yoshihiko Noda believes that his support will strengthen Japan's security ties with the United States. The United States' geopolitical dominance also helps keep the U.S. dollar in place as the world's reserve currency, which confers enormous benefits on the country, such as a greater ability to borrow money. This is perhaps clearest with Europe: the EU's dependence on the United States for its security precludes the EU from having the kind of political leverage to support the euro that the United States has with the dollar. As with other aspects of the global economy, the United States does not provide its leadership for free: it extracts disproportionate gains. Shirking that responsibility would place those benefits at risk. CREATING COOPERATION **What goes for the global economy goes for other forms of international cooperation. Here, too, American leadership benefits many countries but disproportionately helps the United States. In order to counter transnational threats, such as terrorism, piracy, organized crime, climate change, and pandemics, states have to work together and take collective action.** But cooperation does not come about effortlessly, especially when national interests diverge. **The United States' military efforts to promote stability and its broader leadership make it easier for Washington to launch joint initiatives and shape them in ways that reflect U.S. interests. After all, cooperation is hard to come by in regions where chaos reigns, and it flourishes where leaders can anticipate lasting stability.** U.S. alliances are about security first, but they also provide the political framework and channels of communication for cooperation on nonmilitary issues. NATO, for example, has spawned new institutions, such as the Atlantic Council, a think tank, that make it easier for Americans and Europeans to talk to one another and do business. Likewise, consultations with allies in East Asia spill over into other policy issues; for example, when American diplomats travel to Seoul to manage the military alliance, they also end up discussing the Trans-Pacific Partnership. Thanks to conduits such as this, the United States can use bargaining chips in one issue area to make progress in others. **The benefits of these communication channels are especially pronounced when it comes to fighting the kinds of threats that require new forms of cooperation, such as terrorism and pandemics. With its alliance system in place, the United States is in a stronger position than it would otherwise be to advance cooperation and share burdens.** For example, the intelligence-sharing network within NATO, which was originally designed to gather information on the Soviet Union, has been adapted to deal with terrorism. Similarly, after a tsunami in the Indian Ocean devastated surrounding countries in 2004, Washington had a much easier time orchestrating a fast humanitarian response with Australia, India, and Japan, since their militaries were already comfortable working with one another. The operation did wonders for the United States' image in the region. The United States' global role also has the more direct effect of facilitating the bargains among governments that get cooperation going in the first place. As the scholar Joseph Nye has written, "The American military role in deterring threats to allies, or of assuring access to a crucial resource such as oil in the Persian Gulf, means that the provision of protective force can be used in bargaining situations. Sometimes the linkage may be direct; more often it is a factor not mentioned openly but present in the back of statesmen's minds." THE DEVIL WE KNOW Should America come home? For many prominent scholars of international relations, the answer is yes -- a view that seems even wiser in the wake of the disaster in Iraq and the Great Recession. Yet their arguments simply don't hold up.There is little evidence that the United States would save much money switching to a smaller global posture. Nor is the current strategy self-defeating: it has not provoked the formation of counterbalancing coalitions or caused the country to spend itself into economic decline. Nor will it condemn the United States to foolhardy wars in the future. What the strategy does do is help prevent the outbreak of conflict in the world's most important regions, keep the global economy humming, and make international cooperation easier**.** Charting a different course would threaten all these benefits. This is not to say that the United States' current foreign policy can't be adapted to new circumstances and challenges. Washington does not need to retain every commitment at all costs, and there is nothing wrong with rejiggering its strategy in response to new opportunities or setbacks. That is what the Nixon administration did by winding down the Vietnam War and increasing the United States' reliance on regional partners to contain Soviet power, and it is what the Obama administration has been doing after the Iraq war by pivoting to Asia. These episodes of rebalancing belie the argument that a powerful and internationally engaged America cannot tailor its policies to a changing world. A grand strategy of actively managing global security and promoting the liberal economic order has served the United States exceptionally well for the past six decades, and there is no reason to give it up now. The country's globespanning posture is the devil we know, and a world with a disengaged America is the devil we don't know. Were American leaders to choose retrenchment, they would in essence be running a massive experiment to test how the world would work without an engaged and liberal leading power. The results could well be disastrous.

## EU

#### Contention 2: Europe

#### EU economy stagnating now due to lack of free trade – spurs integration.

**Woodcock and Gordon 1/15** – Political Editor and writer at Press Association and The Independent, citing British Ministers of Parliament (Andrew and Gavin, “George Osborne sounds ‘reform or decline’ ultimatum to EU”, 1/15/14; < http://www.independent.co.uk/news/uk/politics/breakaway-george-osborne-sounds-reform-or-decline-ultimatum-to-eu-9061048.html>)//Beddow

George Osborne has raised the prospect of Britain leaving the European Union if the 28-nation bloc fails to undertake fundamental reforms to improve competitiveness, create jobs and protect the rights of countries which are not in the single currency.The Chancellor suggested that if the UK was unable to secure support for reform from all EU states, it was ready to press ahead with a smaller group of like-minded countries under what he termed "enhanced co-operation". In a keynote speech, the Chancellor said that the treaties underpinning the EU were no longer "fit for purpose" and failure to reform will condemn the continent to a future of economic crisis and decline, warning: "We can't go on like this." Mr Osborne stressed the Government's determination to renegotiate the terms of British membership in order that the UK can remain in the EU following a referendum in 2017. But he said that growing integration of the eurozone had posed threats to the position of Britain's financial services industry and the City of London and said it was "absolutely necessary" to introduce proper legal protection of the rights of EU states which are not in the eurozone. He warned Brussels not to put the UK in a position where it has to choose between joining the single currency to protect its interests or leaving the EU. Speaking to a conference hosted by the thinktank Open Europe and the Fresh Start Project in London, Mr Osborne said: "Europe urgently needs economic reform. Eurozone integration is necessary if the euro is to survive. But proper legal protection for the rights of non-euro members is absolutely necessary to preserve the single market and make it possible for Britain to remain in the EU. "I believe it is in no-one's interests for Britain to come to face a choice between joining the euro or leaving the European Union. We don't want to join the euro, but also our withdrawal from a Europe which succeeded in reforming would be bad for Britain. And a country of the size and global reach of Britain leaving would be very bad for the European Union." Mr Osborne added: "It is time to change the European Union and to change Britain's relationship with it and then to place the decision in the hands of the British people. Do we want to stay in a reformed Europe or would we prefer to leave? "That is our policy and that is our commitment to the British people." He said: "Now we have the chance to give the British people a real choice. The biggest economic risk facing Europe doesn't come from those who want reform and renegotiation, it comes from the failure to reform and renegotiate. It is **the status quo that condemns the people of Europe to ongoing economic crisis and continuing decline.** "There is a simple choice for the European Union - reform or decline. "Our determination is clear - to deliver the reform and then let the people decide, and that is exactly what we will do." Mr Osborne's intervention came after Euro-sceptic backbenchers shattered the Tory truce on Europe with a call for Parliament to be given a veto over EU legislation. Ministers were quick to dismiss the plan - set out in a letter signed by 95 Conservative MPs - as "unworkable", warning that it would undermine the single market. Mr Osborne however made clear that ministers recognise a need for reform of the EU, at a time when **Europe is falling behind the rising economic powers of Asia, while its welfare spending outstrips the rest of the world.** The financial crisis of 2008 had dramatically exposed the underlying weakness of the European economy, he said. "We knew there was a competitiveness problem in Europe before the crisis. But the crisis has dramatically accelerated the shifts in the tectonic economic plates that see power moving eastwards and southwards on our planet," said the Chancellor. "Over the last six years, the European economy has stalled. In the same period, the Indian economy has grown by a third. The Chinese economy by 50 per cent. **Over the next 15 years Europe's share of global output is forecast to halve.** "Make no mistake, our continent is falling behind. Look at innovation, where Europe's share of world patent applications nearly halved in the last decade. Look at unemployment, where a quarter of young people looking for work can't find it. Look at welfare. "As (German chancellor) Angela Merkel has pointed out, Europe accounts for just over 7 per cent of the world's population, 25 per cent of its economy, and 50 per cent global social welfare spending." Mr Osborne said that to avoid decline, the EU must expand free trade, increase competitiveness and take action to ensure that member states cut their deficits. "The hard truth is that if we want to maintain our way of life in Europe we've got to get more competitive," he said. "And that's going to require some tough steps: living within our means, making our labour markets competitive, expanding free trade." He said other EU members shared Britain's concerns, and indicated that he was ready to consider "enhanced co-operation" with these countries on measures like trade liberalisation and completing the single market in energy, services and digital. "I'm attracted to Open Europe's thoughts on using enhanced co-operation to allow a smaller group of member states to move forward toward trade liberalisation in areas like services among themselves, if not all EU member states can agree," said Mr Osborne. "If enhanced co-operation can be used by others to create expensive job-destroying ideas like a financial transaction tax, why don't we think about using it for job-creating measures that others oppose?” Britain did not oppose measures required to stabilise the single currency, such as banking union and new mechanisms to bail out eurozone banks, said Mr Osborne. But he said the UK had fought to protect the interests of non-eurozone states, demanding a new system of "double majority" voting to prevent eurozone states - including some with no financial services industry of their own - using their combined voting weight to impose regulations on the City of London, as well as taking the European Central Bank to court over plans to force clearing zones with large single currency transactions to move to the eurozone. "We have been clear from the outset that in return for this integration, non-euro members like the UK would need safeguards to protect their rights and interests," he said. "Some on the continent like to assume this is just the UK pursuing its own self-interest, at the expense of the collective good. But it's the opposite. If we cannot protect the collective interests of non-eurozone member states then they will have to choose between joining the euro - which the UK will not do - or leaving the EU." Eurozone integration was exposing the need for the EU's treaties to be rewritten, said Mr Osborne. **"What is becoming clearer, as eurozone integration increases, is that we are now at a point where we are stretching the EU institutional architecture to its limits,**" he said. "**We risk going beyond what is legally possible or politically sustainable.** "The European treaties are not fit for purpose. They didn't anticipate a European Union where some countries would pursue dramatically deeper integration than others. "Rather than face up to the truth, those in Brussels are being forced into legal gymnastics as they try to stretch the existing treaties to fit a situation they were not designed for."

#### Increased Latin American trade key to European economic recovery.

**Ferreira 13** – candidate for Masters of Public Administration at Cornell University, writing for WorldPolicy (Luis A., “The European Union’s Trade with Latin America”, 8/1/13; <http://www.worldpolicy.org/blog/2013/08/01/european-unions-trade-latin-america)//Beddow

As the European Union searches for solutions to problems within its economic model, it is imperative that it finds ways to stimulate economic growth. Given that trade is one of the European Union’s foundational characteristics, it should look to expand trade as a means of promoting growth. Although Asia often grabs headlines due to its economic performance, and Brussels has begun negotiating a free trade agreement with the United States, **the European Union should put effort into expanding trade with Latin America**, a region that has seen significant economic growth in the last decade and has strong economic ties with Europe. In the last 10 years trade between the European Union and Latin America doubled to around $280 billion. The European Union has free trade agreements with the Central American and Caribbean countries, with the members of the Pacific Alliance -- Colombia, Chile, Mexico, and Peru -- while similar talks are in progress with Mercosur, which comprises of Argentina, Brazil, Paraguay, Uruguay, and Venezuela. Additionally, a recent UN Economic Commission for Latin America and the Caribbean (ECLAC) report shows that Europe is essential for Latin America’s development, with European foreign direct investments (FDI’s) outmatching those from China, India, and Russia. Europe already trades extensively with Latin America. Last year, the European Union exported over $145 billion to Latin America, or 6.5 percent of its total exports, with more than $52.12 billion to Brazil and $36.76 billion to Mexico alone. Meanwhile, America Móvil, a Mexican telecommunications company, doubled its investment in Europe to $25,597 billion from 2011, with Austria and the Netherlands receiving $4.48 billion. Spain is equally involved in Latin America, with half of the profits in 2011 from Spanish banks coming from their Latin American branches, while in 2010 these subsidiaries sent $151 billion to Spain. These figures illustrate strong regional commerce. While this is a good foundation, European-Latin American commerce must be expanded further. The European Union can aid this process by finalizing its free trade agreement with Mercosur, while also reducing agricultural tariffs. The end of the 20 years banana dispute last November, in which the European Union agreed to reduce its tariff on bananas, was a good step forward. While securing the free trade agreement and altering European Common Agricultural Policy tariff will not be easily accomplished, the completion of both would significantly boost trade and **invigorate European growth**. Given their strong economic and social ties with Latin America, Spain and Portugal can lead the way. In early June, Spanish Foreign Minister Jose Manuel Garcia-Margallo reiterated Latin America’s importance to Spain during talks with EU High Commissioner, Catherine Ashton. Portugal has also benefited tremendously from Brazil, with President Dilma Rousseff pledging solidarity and calling for an expansion of trade between the two countries. Similarly, both Madrid and Lisbon have led European ties with Latin America through the Organization of Ibero-American States (founded in 1949) and its annual Ibero-American Summits (started in 1991). Finally, despite their disappointment, the EU-Latin America summits, which began in 1999, should continue so that leaders from both sides have a forum to expand relations on strengthening democracy, the rule of law, international peace and political stability. This past January’s EU-Latin America summit in Chile failed to deliver on European leaders’ hope of finalizing the free trade agreement with Mercosur, yet it delivered a declaration calling on legal safety for European investments. Although the European Union’s largest problems are institutional and the Union cannot rely on trade alone to pull itself out of recession, it has a great opportunity to begin its economic recovery by expanding commerce with Latin America. As Latin American economies continue to increase, the European Union should use that opportunity for its own growth.

#### Here’s more evidence – stagnation provides political capital for integration

**Issing 13**– President of the Center for Financial Studies at Frankfurt University, founding member of the Executive Board of the European Central Bank (Otmar, “The Risk of European Centralization”, 7/2/13; < http://www.project-syndicate.org/commentary/the-risk-of-european-centralization-by-otmar-issing>)//Beddow

FRANKFURT – **For many European leaders, the eurozone crisis demonstrates the need for “more Europe,” the final aim being to create a full-fledged political union**. Given the continent’s history of war and ideological division, and today’s challenges posed by globalization, a peaceful, prosperous, and united Europe that wields influence abroad is surely a desirable goal. But major disagreements about how to achieve that goal remain. Historically, monetary union was regarded as the route to political union. In the 1950’s, the French economist Jacques Rueff, a close adviser to Charles de Gaulle, argued that “L’Europe se fera par la monnaie, ou ne se fera pas” (Europe will be made through the currency, or it will not be made). Germany’s President Richard von Weizsäcker echoed this view almost a half-century later, declaring that only via a single currency would Europeans achieve a common foreign policy. More recently, German Chancellor Angela Merkel asserted that “if the euro fails, Europe will fail.” But the crisis confronting “Europe” is not so much about political union as it is about European Economic and Monetary Union. If anything, efforts to hold EMU together may have taken us further from the goal of a common foreign policy by re-igniting within member states (regardless of whether they give or receive financial aid) nationalist resentments that we hoped had died long ago. Politicians launched monetary union in 1999, despite warnings that the constituent economies were too diverse. It wasn’t long before several states violated the Stability and Growth Pact. Later, the eurozone’s “no bail-out” principle was abandoned. The response to these failings, however, was a demand for greater economic integration, including such intermediate steps as the creation of a “European finance minister” or an EU commissioner with sweeping powers to facilitate closer integration. Such ideas, of course, ignored the central issues of national sovereignty and democracy, and specifically the privilege of nationally elected governments and parliaments to determine their own taxes and public spending. The fact that sovereign member states did not deliver on their European commitments is hardly a convincing argument for giving up sovereignty now. In short, all of the measures that would implicitly support political union have turned out to be inconsistent and dangerous. They have involved huge financial risks for eurozone members. They have fueled tensions among member states. Perhaps most important, they have undermined the basis on which political union rests – namely, persuading European Union citizens to identify with the European idea. Public support for “Europe” depends to a large degree on its economic success. Indeed, it is Europe’s economic achievements that give it a political voice in the world. But, as the current crisis indicates, the best-performing EU economies are those with (relatively) flexible labor markets, reasonable tax rates, and open access to professions and business. Moreover, the impetus for economic reform has come not from the EU, but from national governments, one of the most successful examples being “Agenda 2010,” launched a decade ago by then-German Chancellor Gerhard Schröder. Numerous academic studies, following the work of the American economic historian Douglass North, support the notion that it is competition among states and regions that lays the groundwork for technological progress and economic growth. The total failure of the Lisbon Agenda, launched in March 2000 to make the EU “the most competitive and dynamic knowledge-base economy in the world” demonstrated the weakness of a centralized approach. Arguably, in earlier centuries, it was competition within Europe that generated unparalleled dynamism and prosperity across much of the continent. To be sure, this was also a time of wars. However, this does not mean that centralization is the best – much less the only – way to guarantee peace. But, once again, EU leaders responded by concluding the opposite: the Lisbon Agenda’s failure was interpreted as justifying still more harmonization and centralization of national policies. True to form, in his “State of the Union” address to the European Parliament in September 2012, European Commission President José Manuel Barroso called for a more powerful Commission. **This approach – harmonization, coordination, and centralized decision-making – continues to be regarded as a panacea for Europe’s problems.** It is the sort of pretense of knowledge that the economist Friedrich von Hayek denounced as a recipe for constraining freedom and ensuring economic mediocrity. Indeed, the European project should start from the premise that appropriate institutions, property rights, and competition, together with a growth-friendly tax system and solid fiscal policies, are the basis of economic success. The dangers of a centralizing approach can also be seen in the relationship between the 17 current eurozone members and the 11 non-eurozone EU states. As the former press on with greater integration, the adverse economic consequences of doing so are likely to deter the latter from EMU participation (which may be another sign that institutional competition cannot be suppressed forever). There are plenty of areas in which common action at the EU level is both appropriate and efficient. Environmental policy is clearly one. But **centralization of economic decision-making, as an end in itself, cannot underpin a prosperous and powerful Europe**. Jean Monnet, one of the EU’s founding fathers, once said that, given the chance to start the European integration process again, he would have begun with culture – a dimension in which we neither need nor want centralization. Europe’s cultural richness consists precisely in its diversity, and the basis for its finest achievements has been competition between people, institutions, and places. Its current economic malaise reflects European leaders’ prolonged efforts to deny the obvious.

#### European centralization will create a German nuclear superpower.

**Leigh and Newman 13 –** University of Nicosia School of Business/Cornell University School of Applied Economics and Management (James and Scott, “Contemporary Europe in Eurasian Geopolitics”, 2013; <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=10&cad=rja&ved=0CGsQFjAJ&url=http%3A%2F%2Fwww.unice.fr%2Fcrookall-cours%2Fiup_geopoli%2Fdocs%2Fgeopolitics-of-europe-twitter.pdf&ei=UvHhUoct7eWwBKelgJAE&usg=AFQjCNE_OtGyYCN-VVQG8DdRmkZzRxVwLA&bvm=bv.59930103,d.cWc>)//Beddow

In the past, the combination of smallish states and few internal physical barriers proved to be an incubator for conflict, highlighted most famously by World War I and II when the Allies fought to contain Germany. However, in light of a resurgent and again dominant post-World-War-II Germany, combined with a European common currency, and Europe-wide integrated economic and political systems, **Europe’s topography may facilitate the merger into one civilizational superpower on the Rimland, rather than revert to inciting violent conflict.** However**, increasingly many voices are beginning to interpret the new Europe, the EU, to be a cloak for German expansion, or eventually even German nationalism, empowering a looming German European empire (Oborne, 2011).** Therefore, Europe’s topography may allow a Berlin-dominated Brussels to rule Europe into one cohesive international super-state rather than becoming a fragmented collection of independent sovereign states, with each state acting on its own interests. In such a union, the people, trade and militaries would be able to move across Europe relatively seamlessly and effortlessly. **Consequently, when taken as a collective whole, Europe rivals the United States,** with economic diversity, a larger diverse manpower base (with half a billion population), plus more gold reserves (Anonymous, 2013a), even excluding the Vatican’s private reserves, and a more trade driven economy (thanks largely to Germany) with the largest value of external trade in the world (Anonymous 2011a). Furthermore, Europe has access to ports in the Atlantic Ocean, North Sea, Barents Sea, Baltic Sea, Black Sea, and Mediterranean Sea. Europe’s shape is not defensively ideal, particularly given its extended border with Russia’s sphere of influence (from the Barents Sea overland to the Black Sea), and other borders in the eastern Mediterranean and Middle East. However, this does allow Europe to project its power into multiple international arenas. For example, Europe sits in western Eurasia, atop Africa. And with the inclusion of Cyprus into the EU, Europe’s sphere of influence now thrusts into the Middle East and also waits to stir beneath the southern coast of Turkey. And, even though EU membership is not expected for Israel, the inclusion of Israel as an ally with privileged associated status could give Europe an extra presence in the Mediterranean and the Middle East along the Rimland and its maritime surrounds, further enhancing projections of its power. As a result, the EU, due to its large geostrategic spread and influence, becomes a major player across multiple arenas, despite the relatively small size of its individual member states. As historically evidenced by the Holy Roman Empire and both world wars, **Europe often experiences forced unification by a strong Germanic state. Germany is Europe’s typical “center”, both geographically, economically and often politically, and these historical manifestations reveal that a powerful German nation tends to dominate Europe, whenever it has the power and opportunity to do so.** The late erstwhile British Prime Minister Lady Margaret Thatcher went against the political tide in the early 1990s when she said, “Some people say you have to anchor Germany to Europe to stop these [domineering] features from coming out again. Well, you have not anchored Germany to Europe, but Europe to a newly dominant Germany. That is why I call it a German Europe” (Gardels, 2011). So the European Union essentially tied Europe to Germany. As Germany goes, so goes the rest of Europe. Furthermore, given the recent development of Germany becoming the world’s second largest exporter and its contributions to the EU as a benefactor eventually bankrolling the bailouts in several EU nations (Evans-Pritchard, 2013), Europe looks primed to survive into the new world order with Germany at the helm. Since a strong Europe requires a strong Germany, and Germany now has the largest economy and population in Europe with increasingly dominant political leadership, it is expected that Germany will provide the fundamental cornerstone to the looming European superpower. **This superpower would require the integration of the European military into one command structure, and if Germany can orchestrate this feat, then it will undoubtedly be in the driver’s seat for all of Europe, allowing it to project its agenda internationally.** It is commonly believed that there are only two nuclear nations in Europe, the UK and France. Upon closer scrutiny it becomes clear that is not so. When the nations that warehouse NATO nuclear weapons are included, then the number of nuclear nations grows considerably by four more. These “undeclared nuclear weapons states” are: Germany, the Netherlands, Belgium, and Italy (Chossudovsky, 2010). Furthermore, these weapons await use in these nations free of any technological restrictions from NATO. In any emergency Europe would be free to use these hundreds of weapons according to its own agenda. Additionally, of the four undeclared nuclear states**, Germany is the most heavily nuclearized country with** three nuclear bases which may store nuclear weapons. While Germany is not categorized officially as a nuclear power, it produces nuclear warheads for the French Navy and **stockpiles American-made nuclear warheads while possessing the capabilities to deliver these weapons** (Chossudovsky, 2010). Within the military ambit it is also interesting to note that Germany is the third largest exporter of weapons in the world (Knipp, 2013). So all this would give a German-led Europe powerful back up in any international diplomacy or conflict it may be involved in. As Alfred Mahan (1912, p. 31) said, “Force is never more operative than when it is known to exist but is not brandished”. And the main credible military powers that could threaten Europe, in addition to the USA, are from within the Eurasian Heartland (Russia) and along the Eurasian Rimland and maritime surrounds (China, Japan and India). Even further, it is interesting to note that Germany has increasingly shaken off reluctance to be involved in international military missions. At this time Germany is active in eleven international military missions with a total of over 6,500 soldiers in Afghanistan, Turkey, Lebanon, Kosovo, the Mediterranean Sea, Mali/Senegal, Sudan, South Sudan, D.R. Congo, Uganda and the Horn of Africa (Anonymous, 2013b). This military presence is mainly focused on the Eurasian Rimland, or in proximity to the coastal region around the Rimland, with strategic importance placed on monitoring and controlling events and trends there. Critics would say this is a manifestation of growing confidence or even boldness in German foreign policy to project power for its own agenda afar. Surely the German agenda is already being expressed to some extent in European foreign policy. And as Europe unifies and develops a multipurpose military (with a navy, air force and army) it is expected to act more powerfully for the German foreign policy objectives to be pursued through a German-led Europe. Also to support the European projection of maritime power across the Rimland’s coast, the UK and France have several military naval bases stretching across the Mediterranean Sea, the Red Sea, the Persian Gulf, the Indian Ocean and the North Pacific Ocean (Rogers, 2009, pp. 31-32). Along with international relations these military naval infrastructures lay the beginnings of a network to protect the supply and transport of goods for trade in and out of Europe along the trans-ocean trade routes of the World Island maritime periphery.

#### Triggers Eurasian World War III.

**Leigh and Newman 13 –** University of Nicosia School of Business/Cornell University School of Applied Economics and Management (James and Scott, “Contemporary Europe in Eurasian Geopolitics”, 2013; <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=10&cad=rja&ved=0CGsQFjAJ&url=http%3A%2F%2Fwww.unice.fr%2Fcrookall-cours%2Fiup_geopoli%2Fdocs%2Fgeopolitics-of-europe-twitter.pdf&ei=UvHhUoct7eWwBKelgJAE&usg=AFQjCNE_OtGyYCN-VVQG8DdRmkZzRxVwLA&bvm=bv.59930103,d.cWc>)//Beddow

7. CIVILIZATION SETS CLEAVAGE LINES BETWEEN NATIONS It has not gone unnoticed that Europe is predominantly Christian. This is highlighted by the late Pope John Paul II and erstwhile Pope Benedict, who argued for Europe as a Christian Empire, even going as far as to exclude Turkey on the basis that it is Islamic (Leigh, 2009, pp. 25-27). Many European elites are against full EU membership for Turkey. For example, both Nicolas Sarkozy (previous French President) and Angela Merkel (German Chancellor) have dismissed the possibility of EU membership for Turkey on the basis that it is not European. Former Turkish President Turget Özal stated that the reason Turkey is not accepted for membership into the EU is because, “we are Muslim and they are Christian”(Toghill, 2011/2012, p. 21). And Turkey’s Prime Minister, Recep Tayyip Erdogan says the EU risks becoming a Christian club (Boland and Dombey, 2005). If this is symptomatic of civilization’s global power to align the nations into blocs (replacing post-World-War-Two political ideology as the cleaver), then it may be as Samuel Huntington (1993) says in the new world order, civilization is to be the cleavage lines separating nations into political blocs. **This could pit Christian Europe against the looming civilization superpowers of an Asian conglomerate and an Islamist alliance.** Some critics may comment that Russia is not Asian, but at most Eurasian geographically, and that culturally or civilizationally it is not Eastern or Asiatic. However, Nadia Arbatova, a political scientist of the Russian Academy of Sciences, has said that **Russia has been rejected by the West as an equal partner, and as Russia does not fit with the Islamic states, it may have no choice but to reestablish friendly ties and deep cooperation in economic, political and military matters with its Asian brothers in a pan Asiatic alliance** (Arbatova, 2000). **As the religious power of extremist Islamism increasingly incubates in the Middle East**, the Persian Gulf and North Africa (which is already increasingly apparent in Egypt, Libya, Tunisia, Algeria, Lebanon, Syria and elsewhere) (Goodspeed, 2011; Lewis, 2009), it may be that **this will spark a response of a Catholic Christian revival in Europe.** This Roman inspiration could also initiate increasing unification to weld Europe more effectively together into one united political bloc, fortified to confront the perceived external “pagan” foe. And eventually this may be exactly what the EU leadership needs to unite Europe from within to withstand the foe from without. Further, if Asia grows to be more assertive, and particularly if Russia and China conglomerate together (Wilhelmsen and Flikke, 2011, pp. 865-867) to form the core of an international Asian superpower alliance, the EU would begin to feel increasingly vulnerable to amassing geopolitical power of continental scale in potentially rival civilization blocs – all on the World Island Rimland, along or bordering the maritime trade routes, and in Russia’s case also on the World Island Heartland. **Such potential rivalry on a massive scale worldwide, with emerging superpowers, could also lead them to compete with Europe** in many ways for trade, oil and gas supplies, political influence and the projection of military power. As a result, Europe’s trade and its projection of economic and political power could be curtailed, putting European economic development at risk. The ability for Europe to project the soft power of economic and political influence would be thwarted, possibly leading to hard times economically, and result in severe repercussions towards political instability and civil unrest. This would increase the chances of inter-civilizational conflict, even in military arenas, if the level of perceived threat to Europe reaches unacceptable or unbearable levels. And the arena of such conflict would be across the Heartland and along the Rimland and its maritime surrounds. 8. CONCLUSION Europe’s internal topography may help it ensure a dominant role in the new world order by allowing it to be governed as one cohesive political unit from Mitteleuropa by the German nation. Europe will have free movement of factors of production without internal natural or political barriers. Strong economic and political leadership or pressure from Germany is needed to deepen integration across the bloc. And with this deepened integration, combined with Europe’s geostrategic location, the European Union may project its power, through good international relations, a competent commercial navy, and a multipurpose single-command military (including a military navy with trans-ocean infrastructures), into multiple world arenas. These arenas are across the Eurasian Heartland, and along the Rimland’s maritime trade routes and chokepoints, to Russia, the Caspian Basin, Africa, the Middle East, The Persian Gulf, and Asia, and even beyond. However, a potential European superpower will be hindered by its tardiness to establish an effective monetary and fiscal policy among the various members due to the varying levels of economic development. A restructure both politically and economically, into a core and periphery iteration, may be inevitable if the EU is to survive. It may be that Europe’s “Achilles’ heel” is its dependence on energy and other imports. Many of these imports emanate from around the world – the Persian Gulf, Asia, Africa and South America, and in a time when there is a “race for what’s left” (Klare, 2012) by the larger nations. Europe is overwhelmingly dependent on the Persian Gulf and Russia for oil and natural gas – both on the Eurasian World Island, on the Rimland and in the Heartland respectively. Europe’s position as world hegemon will be unsustainable unless it can address the economic crisis and drastically solve its international energy dependence largely sourced from the Heartland (Russia) and the Rimland (the Persian Gulf) and the nations south of the Rimland’s maritime region (North Africa). **When faced with the emergence of these civilization-based superpowers of Islamist Pan Arabia led by Iran, and an Asian conglomerate built on Russia and China, each with centralized political power on the Eurasian World Island, Europe will be energy dependent on its two close neighbors and potential economic and military rivals.** Any attempt at a power play against either regional entity, each within its own bloc of nations, could result in an energy resources or trade embargo of imports and exports against Europe, rendering a critical diplomatic, and dare it be said, potentially military confrontation for Europe to maintain its development as a superpower with dominance into the Eurasian Heartland, and Rimland and its maritime trade routes.

## Plan

#### Thus the plan: The United States federal government should facilitate Mexico’s entrance into the Transatlantic Trade and Investment Partnership.

#### We reserve the right to clarify.

## Solvency

#### Contention 3: Solvency

#### Including Mexico in TTIP negotiations leverages the entire South American market – saves EU and US economies.

**Meacham 13** – director of the Americas Program at the Center for Strategic and International Studies in Washington D.C., former senior advisor for Latin America and the Caribbean on the Senate Foreign Relations Committee to Senator Richard Lugar (Carl, “The Trans-Atlantic Trade and Investment Partnership: Mexico Wants In – Why not?”, 7/25/13; < http://csis.org/publication/trans-atlantic-trade-and-investment-partnership-mexico-wants-why-not>)//Beddow

On Wednesday, July 24, the CSIS Americas Program hosted Mexico’s ambassador to the United States, Eduardo Medina Mora, to discuss North America’s competitiveness in the global economy. Under this broad umbrella, there has been one question increasingly posed by policymakers in the Western Hemisphere and the private sector alike: why isn’t Mexico part of the Trans-Atlantic Trade and Investment Partnership (TTIP) negotiations?—and the ambassador affirmed Mexico’s firm support for the country’s inclusion. The negotiations for the TTIP, the long awaited free trade agreement (FTA) between the United States and the European Union (EU), launched two weeks ago. Though the start of the talks were initially marred by intense political tensions caused by the recent revelations of U.S. global espionage operations, both parties decided to move forward, given how much both stand to benefit from the agreement. The agreement aims to remove existing trade barriers on a variety of economic sectors between the EU and the United States in order to promote investment flows, facilitate commerce, and boost economic growth and job creation on both sides of the Atlantic**. If the negotiations are successful, the TTIP will be the biggest trade agreement in history, encompassing 40 percent of global output.** Yet, while **Mexico** is a member of the North American Free Trade Agreement (NAFTA), remains among the United States' top three trade partners, and already has an FTA with the European Union to build upon, it **remains on the negotiating sidelines.** And in recent talks at CSIS, including by the National Security Council’s Latin America head as well as the EU’s manager for the Americas, there does not appear to be much interest in including Mexico in talks that are, admittedly, already complex. But **if both the United States and the EU are looking to foster economic growth and employment through trade liberalization, why not transform these EU-U.S. talks into an EU-U.S.-Mexico agreement?** Q1: What does the Mexican economy look like today? What free trade agreements does the country already belong to? A1: While much of the focus on Mexico from the United States remains on security and immigration, it is the country's increasing competitiveness and economic liberalization that merit attention. Mexico, Latin America's second largest economy, is currently a member of 12 different FTAs involving 44 other nations, making it among the most open of the world's leading economies. In 2011, a full third of Mexico's gross domestic product (GDP) was comprised of exports and imports. In contrast, just 15 percent of U.S. GDP was derived from the same. Mexico's extensive network of FTAs includes most of the Western Hemisphere, Israel, and Japan. It also belongs to an economic partnership with the European Union (enacted in 2000) and to NAFTA—the world's largest FTA to date, with a combined GDP of $17 trillion linking 450 million people. Last year, Mexico joined the Trans-Pacific Partnership (TPP) negotiations, a high-standard FTA among a number of Pacific Rim countries that remains in the works. It is also a member of the World Trade Organization (WTO), the Asia Pacific Economic Cooperation (APEC), the Organization for Economic Cooperation and Development (OECD), the Latin American Integration Association (ALADI), and the emerging Pacific Alliance, a free trade and integration effort that hopes to become the commercial bridge between the Americas and the Asia Pacific region**. Mexico alone is a bigger market for the United States than all the BRIC economies combined, and growing opportunities for trade and investment in the economy solidify this status moving forward**. Q2: Why has Mexico been excluded from TTIP negotiations to date? A2: **While Mexico's recent economic growth has proven impressive, entering the TTIP would provide a meaningful surge for the Mexican economy, potentially propelling it into the proverbial big leagues**. Mexico's interest in being included in the agreement is no secret, but both the United States and the European Union have ignored the petition, claiming inopportune political circumstances. The reasoning here is twofold. First, given the years of encouragement that preceded the formal start of EU-U.S. negotiations, neither party wishes to jeopardize what could be the biggest FTA in history by bringing more participants on board--regardless of the value their inclusion adds. Leaders from both the United States and the EU think this would bring a long and burdensome political process that could prove detrimental for the negotiations. And though both have shied away from anything that might complicate the process of reaching an initial agreement, neither has rejected the idea of accepting more members down the road, once the agreement is consolidated. The second argument is more of a corollary to the first. At his talk with the Americas Program last week, Christian Leffler, the EU’s managing director for the Americas, explained that because Mexico already shares FTAs with the United States and the EU, including Mexico in the TTIP can be seen as superfluous—at least for now. Particularly given the drag additional parties could put on negotiations, the benefits of including Mexico, so the argument goes, fail to outweigh the potential costs. Q3: Why should Mexico be included in the ongoing TTIP negotiations? A3: In simplest terms**, all three parties stand to gain from including Mexico in the TTIP negotiations. While Mexico does have standing trade agreements with the United States and the European Union, both are seen as outdated**. EU Trade Commissioner Karel De Gucht called for the modernization of the current Mexico-EU agreement last November, and NAFTA modernization including the energy and telecommunications sectors, both of which were excluded when the agreement entered into force nearly 20 years ago, would greatly advance the political and economic interests of the United States. Mexico's stake in being included the agreement is straightforward. The sheer size of the proposed market, coupled with the added competitiveness Mexico would lose out on should it remain excluded, together provide a compelling rationale for why TTIP membership is in Mexico's interests. **It is important for the United States and the EU to remember that Mexico brings a lot to the negotiating table. First,** Europe, in dire need of economic reinvigoration and expanded employment, has much to gain from Mexico's liberalized trade with the rest of the world--and its need for foreign direct investment**. Second**, the U.S.-Mexican economic interdependence implies that indirectly, the more Mexico enhances its global trade relationships, the better off the United States is as well. **Finally,** because Mexican supply chains are already closely linked to the rest of Latin America and the Asia Pacific region, both the United States and the European Union stand to gain from increased access to those markets as well, and that access could come by means of Mexico's inclusion in the TTIP, given its membership in both the TPP and the Pacific Alliance. **Just as NAFTA transformed the relationship between the United States and Mexico, a TTIP that brought our southern neighbor on board could do the same for transatlantic relations.** Given its global commercial links, and growing economy and productivity, it makes more sense than ever to bring in one of our biggest economic partners to the TTIP. Conclusion: Mexico is reemerging as a leading destination for foreign investment given the country's low production costs, proximity to the U.S. market, recent sweeping reforms in key economic sectors (and more expected to come), and emerging economies of scale in high-skilled industries. Engaging in the dynamic free trade opportunities the TTIP offers will spur North American and transatlantic economic cooperation alike--and strengthen all parties' competitiveness globally.

#### Obstacles are minor and will be avoided – TTIP passage is difficult but inevitable.

**Atlantic Community 2/20** – foreign policy think tank (Editorial Team, “Defending TTIP: Experts Respond to Mounting Criticism”, 2/20/14; < http://www.atlantic-community.org/-/defending-ttip-experts-respond-to-mounting-criticism?redirect=http%3A%2F%2Fwww.atlantic-community.org%2Fyour-opinion%3Fp\_p\_id%3D101\_INSTANCE\_GES8xNFE98EL%26p\_p\_lifecycle%3D0%26p\_p\_state%3Dnormal%26p\_p\_mode%3Dview%26p\_p\_col\_id%3Daf-column-1-3%26p\_p\_col\_pos%3D3%26p\_p\_col\_count%3D8>)//Beddow

As ongoing Transatlantic Trade and Investment Partnership (TTIP) negotiations delve ever deeper into the dark, mysterious recesses of board rooms, concerned citizens on both sides of the Atlantic have begun to sound the alarm. They fear a deal granting multinational enterprises the concessions needed to wrestle democratic institutions into submission. In the meantime, little has been done either by governments or corporations to reassure an increasingly unsettled public. Concerns have instead been allowed to metastasize, engendering mistrust and apprehension about TTIP's ability to deliver the benefits its proponents promise. It was at this critical juncture in TTIP negotiations that Ambassador Charles Ries and Dr. Stormy-Annika Mildner stepped to the podium to quell the fears of their contemporaries. Speaking at a TTIP event sponsored by the German Council on Foreign Relations (DGAP), an independent think tank on foreign policy, both speakers advocated the virtues of free trade. With ambassadorial authority, Mr. Ries, the current International Vice President at the RAND Corporation and former US Ambassador to Greece, struck an optimistic chord. TTIP, he contests, is "the most important transatlantic economic initiative since the Marshall Plan." Moreover, **this agreement "is not a flash-in-the-pan type of thing**" and although "we are not near closure," TTIP "will succeed or it will continue, but it will not fail." Mr. Ries' optimism became even more evident as he took on the task of addressing the deep-seated concerns of his audience. Because "our relative dominance of the global economy has declined over the last 20 years," there are now several reasons to embark on this ambitious trade and investment agreement at this moment in history. "The reasons we didn't do it before have gone away", Ries told us. Western dominance has waned, multilateral negotiations in the WTO have stagnated, and there is need to bounce back from the 2008 financial crisis — these factors did not exist in the mid-90s. The ambassador also argued that **the notion of inferior American regulations diluting the standards currently enjoyed by Europeans is unfounded.** The US is "not the Wild West," as some have suggested. Rather, it is a functioning democracy whose regulations are, in some instances, more stringent than those found in Europe. This is particularly the case regarding the financial sector. Some Americans fear merging financial regulations with those of the European Union on the basis that the government will be less able to prevent a repeat of the 2008 financial crisis. Dr. Mildner, Managing Director or the Association of German Industry and executive board member at the German Institute for International and Security Affairs, echoed Mr. Ries' positivity. "**German business and industry," she submitted, "are very much for TTIP.**" The agreement however, must be ambitious and should not be "without conditions" and to "pick the low hanging fruits" was not enough. In other words, as well as remove tariffs, the emphasis must be on investment and to make significant advances in the realm of regulatory harmonization. In response to public criticism that TTIP is driven by a big business, corporate agenda, Mildner emphasized the tremendous impact it will have on smaller business. "We think [TTIP] benefits Small and Medium Enterprises (SMEs) proportionally more" than big corporations. Many such enterprises are currently unable to enter the American market due to the prohibitive costs associated with meeting the requirements of two different regulatory systems. Removing these inefficiencies, argued Dr. Mildner, would be a tremendous boon to small business. When the discussion turned to the flooding of European markets by hormone-laden meats and GMO-infused foodstuffs, Dr. Mildner became adamant that "**GMOs will not be negotiated and neither will hormone beef.**" The EU, contrary to popular belief, will not compromise its food quality standards in order to secure the passage of TTIP. "Only where there is equivalence," assured Dr. Mildner, "can there be mutual recognition." The Investor-State Dispute Settlement (ISDS) mechanism, the primary target of civil society and media displeasure, was unequivocally supported by Dr. Mildner. Rather than confirm **the widely held belief that ISDS enables renegade corporations to sue unwitting governments and hinder environmentally friendly legislation**, she argued that it does in fact "guarantee fair and equitable treatment" and that **fears are "a little bit exaggerated.**" She also reminded us that the state wins more court cases than the corporations and that "European investors are using this mechanism more than US investors." If ISDS were removed from the agreement, remarked Ambassador Ries, it would be exponentially more difficult for both the EU and the US to convince countries lacking the rule of law to accept ISDS as a precondition for doing business.

#### Negotiations are succeeding, their disads are non-unique, and plan is popular.

**Barker and Workman 13** – director of Transatlantic relations, Bertelsmann Foundation/associate director, Global Business and Economics Program, Atlantic Council (Tyson and Garrett, “The Transatlantic Trade and Investment Partnership: Ambitious but Achievable A Stakeholder Survey and Three Scenarios”, April 2013; < http://www.bertelsmann-stiftung.de/cps/rde/xbcr/SID-CA819006-5438477D/bst/xcms\_bst\_dms\_37655\_37656\_2.pdf>)//Beddow

The politics, for the moment, are good for a US-EU trade deal. In the United States, increasing trade with the EU has been received positively by Congress, organized labor, and the general public. Some members of Congress have already called for Trade Promotion Authority (TPA) for the TTIP discussions**. TPA would afford considerable room to maneuver to the US administration, and ensure that Congress, while retaining its ultimate oversight over international trade agreements, does not interfere with the minute details of the process.** Additionally, the AFL-CIO offered qualified support for a potential trade agreement, citing European Union member states’ “advanced economies, high national incomes, and well-developed legal and regulatory regimes designed to protect the environment and defend workers’ rights.” 5 Finally, a 2010 Pew Research Survey also found that American public support for increased trade with the EU remains high. 58 percent of those surveyed see it as advantageous for the United States compared to 28 percent who think it would negatively impact the US economy. 6 On March 20, **the Obama administration formally notified Congress of its intent to launch negotiations on the TTIP**, triggering a 90 day period during which it will consult Congress. Its aim is to guarantee consistency with legislative priorities and to hold “regular and rigorous” consultations with stakeholders. 7 The European Commission requested a formal negotiating mandate from the member states at the Council of Ministers meeting on March 12. The European Parliament will also subject the eventual agreement to an up or down vote. As the two sides begin these talks in earnest, the Bertelsmann Foundation and the Atlantic Council conducted a survey of stakeholders on both sides of the Atlantic for their expectations on upcoming negotiations. Participants were asked to assess the likelihood, scope, and potential timetable of an agreement. They were then asked to rate a series of seventeen sectoral and horizontal issues expected to be part of TTIP talks on degree of importance to the success of negotiations and degree of difficulty of achieving agreement. The authors are aware of the limitations of such a survey, but it does present a valuable snapshot. Additionally, since discussions about the TTIP have focused on whether it is achievable or not, this issue-by-issue view may show policymakers the best avenues for moving forward. Based on the results of the survey, this paper outlines three possible scenarios of the TTIP negotiations: 1) a moderate agreement could be concluded that removes many barriers to trade and investment but avoids some of the most contentious issues; 2) the two sides could fail to secure even a basic deal as a focus on problematic issues thwarts movement on areas where they already largely agree; or 3) the United States and Europe could achieve a broad- ranging agreement relatively quickly if leaders are actively engaged. The Basics of an Agreement: Stakeholder Perceptions on If, When, and How Big On the most elemental question—whether an agreement would be concluded—the participants surveyed **provide a strong basis for optimism**, with an overwhelming 88 percent of respondents saying yes. In this sense, stakeholder sentiment seems consistent with final report of the US-EU High Level Working Group on Jobs and Growth (HLWG) and public statements by leading officials.

#### TTIP will pass:

#### a) Momentum and TPA

**van Ham 2/18/14** Senior Research Fellow at the Clingendael Institute of International Relations (Peter van Ham, 18 February 2014, “Dutch academic: TTIP needed to save 'crumbling' transatlantic relationship,” EurActiv, http://www.euractiv.com/trade/dutch-academic-ttip-needed-save-interview-533540)//KP

What time-frame do you see as realistic for the agreement to be concluded? Considering an American president becomes a lame duck officially during the last year of his term - for Obama 2016. Then there will be new European Parliament elections in May of this year. The Commission is on the way out, then we will have a new Commission. Another important point is that opinion polls in most of the EU member states, are showing that Euro-critical political flanks on the left and right are likely to win a substantial amount of votes in the European Parliament elections for the first time. I'm not sure what the new Parliament's attitude will be on TTIP because both the left and the right Euro-critical parties are not in favour of the EU doing anything. This is not going to help the process. In the US, the Senate is much more in favour of free trade while the House of Representatives is traditionally much more critical. But in this case they will probably vote yes. They haven't got a TPA in place yet and it is not likely to happen quickly. Still, I'm not sure if this is really important because they have been negotiating a Trans-Pacific Partnership (TPP) without it for a long time. It is actually similar to Europe: if you come forward with something that is 'yes' or 'no', it has this momentum and this political clout of something urgent and necessary. It will be very hard both in the US Congress and the European Parliament to say 'no' to that. I'm not really sure about what trajectory we are looking at, but I never believed the 'one tank of gas' story. That would have meant the whole thing lasting only 18 months or so. That is without precedent and technically almost impossible to negotiate. I never really believed the optimism about the time frame envisioned. But the alternative is not without its problems, let's just put it that way. But the TTIP seems to be the priority right now in the US as the negotiations have been going on longer. Yes, it was almost finished. And although it is not entirely a precedent, it is interesting because all the negotiating problems people foresaw for TPP without the TPA have not really materialised. The American negotiators have simply negotiated the TPP as if they had an agreement with Congress already. And the idea that third parties would not negotiate with the US if they could not count on Congress to ratify it, has also not held up. A lot of other countries have asked to be included.

#### b) Political will

**AFP 2/19/14** (American Free Press, 19 February 2014, “US-EU trade talks 'on track' but tough hurdles ahead,” The Economic Times, http://articles.economictimes.indiatimes.com/2014-02-19/news/47490082\_1\_karel-de-gucht-ttip-transatlantic-trade)//KP

US-EU talks on a transatlantic free trade zone are moving ahead but still face their toughest challenge, cutting back regulatory differences, Europe's top negotiator Karel de Gucht said Tuesday. Eight months into negotiations on the Transatlantic Trade and Investment Partnership (TTIP), de Gucht, the European Union commissioner for trade, said he and his US counterpart agreed that "things are on track." "The consequence is that the next phase is going to be harder going. This is where real negotiations begin," he said. "If we want to finish on the now-proverbial single tank of gas, our message to our negotiators now is that we need to step up a gear." De Gucht spent Monday and Tuesday in discussions with US Trade Representative Michael Froman in Washington to take stock of the TTIP talks, aimed at creating what could be the world's largest and richest free-trade zone. Teams of experts from both sides have met three times since last year, and de Gucht said the two sides had identified areas of agreement, but more so marked out their differences. "Certainly, the marked-out areas are still larger than the common ground. But we now have a clear picture of the whole field," he said. A key challenge will be the haggling over issues on labor and the environment, where the sides have markedly different standards that could be tested. "We need to make absolutely sure that transatlantic trade and investment supports, rather than undermines, our high standards on these sustainable development issues. We will not sacrifice them for commercial gain," said de Gucht. Most difficult though will be harmonizing regulatory differences that hamper trade, which go well beyond traditional trade issues like tariffs to environmental and health protection and involve issues of biology and chemistry. De Gucht underlined examples of where tensions have already arisen between the two sides, apart from the TTIP talks, and where he said EU officials would not modify their stance: EU restrictions on imports of US beef raised with growth hormones, and on genetically modified organisms (GMOs) increasingly common in US food and food products. "Let me be very clear again: we do not even discuss hormone beef in TTIP and we will not at any point in our discussions," de Gucht said. "Why? Because hormone beef is prohibited in Europe, and we do not intend to change this. And our American partners know this very well." As for GMO foods, he said, Europe's extremely tight legislative restrictions on the products "will have to be observed, and nothing less." Both de Gucht and Froman said they are committed to fashioning a deal despite the political challenges any pact will face on both sides of the Atlantic. "Our resolve and the political will to reach an ambitious, comprehensive agreement remain strong," said Froman, in a separate statement.

#### c) Empirics, Merkel, and Italy overcome obstacles

**Pardo 13** – Washington DC Correspondent of El Mundo specializing in international economics and politics (Pablo, “Even NSA cannot derail TTIP”, 10/31/13; <http://www.thecorner.eu/world-economy/even-nsa-cannot-derail-the-ttip/32559/>)//Beddow

Since then, another crisis has hit the negotiations. This time, the main culprit seems to be Edward Snowden and his revelations about how the US National Security Agency (NSA) is bugging everyone’s phones and computers—including, German Chancellor Angela Merkel’s mobile phone, for instance. US defense and national security apparatus have responded to the crisis with a simple shrug of the shoulders. However, the concern is much more palpable in the US Treasury, the Commerce Department and the USTR (the office of the US Trade Representative). The issue at stake is not so much one of national security, but one of trade. The EU has far more strict privacy rules than the US, and that regulatory difference is already a contentious point in the negotiations. Now, it is clear that the US has a, let’s say, ‘flexible’ approach to the concept of privacy. The question, therefore, is: if the EU is going to relax its privacy regulations even more in order to make the TTIP happen, where will Americans end up? Will Angela Merkel discover one day that the NSA has not only tapped her cellphone, but that the US Navy has already a nuclear submarine in her bathtub? So far, however, it seems that **Merkel is ready let the Americans do it their own way. The German Chancellor has made the TTIP her ‘pet project’. For a mercantilist like Merkel, nothing is more important than guaranteeing free trade**—as long as the German companies, of course, keep the upper hand—, **and she incessantly lobbied the Obama Administration until she got Washington’s nod to the free trade agreement. The Italian Government considers the TTIP the cornerstone of its presidency of the EU, which starts on January 1st, 2014**. Then, there are the numbers. Brussels is firmly convinced that the US has more to win from the TTIP than the US. Therefore, withdrawing from the negotiations or putting additional problems to an already complicated process would be akin to what China did in 1999, when the US Air Force bombed its Embassy in Belgrade. In that occasion, Beijing withdrew from the negotiations to enter the World Trade Organization (WTO), just to come back, cap in hand, a few months later. So, it seems that even the NSA cannot derail the TTIP. At least for now, Ted Cruz is far much a worry for trade negotiators than Edward Snowden is.

#### d) Perceived benefits will overwhelm obstacles

**Brattberg 1/10** – Fellow at the Center for Transatlantic relations at the Johns Hopkins School of Advanced International Issues (Erik, “Is 2014 the Transatlantic Trade Deal’s ‘Make-or-break’ Year?”, 1/10/14; <http://www.huffingtonpost.com/erik-brattberg/is-2014-the-transatlantic_b_4577270.html>)//Beddow

Arguably the most important economic development last year was the announcement of a new push toward a trade deal between the United States and the EU. Almost a year after President Barack Obama presented the initiative in his February 2013 State of the Union speech, **negotiations over the Transatlantic Trade and Investment Partnership (TTIP) have made steady progress.** But several challenges remain unaddressed while new ones loom on the horizon. As a result, it is uncertain whether a final agreement will be ready in time at the end of this year. As the world's largest trading and investment partners, representing three-quarters of global financial markets and almost half of world trade, any trade deal made between the U.S. and the EU would naturally be of enormous proportions. According to some official estimates, TTIP could add as much as $130 billion a year to the U.S. economy and 119 billion euros to the EU economy. The significance of this must not be underestimated. If the EU were to add two percent annual economic growth due to TTIP as some economists predict, this would be equal to adding a market the size of Argentina to the global economy every year. Indeed, the creation of a single market for trade and services stretching from Hawaii to the Black Sea could stimulate the economies and create hundreds of thousands of new jobs in the U.S. and Europe -- something that is desperately needed these days of slow growth and massive unemployment. TTIP could also help pave the way for smoother capital flows over the Atlantic, to the benefit of investors and entrepreneurs alike. Furthermore, TTIP is an opportunity for the U.S. and EU to align regulation that could reduce costs of business and investments while keeping high standards in place. If successfully agreed upon, TTIP may even serve as a model for the rest of the world and set the default global standards in production and trade. Progress on the current negotiations has been made. In December, U.S. and EU officials completed their third round of TTIP negotiations. The fourth round is scheduled in March following a review session between U.S. and EU trade representatives. However, as negotiations now begin in earnest, more controversial issues will likely begin to surface, including divergent approaches to legislation, standards and regulations. Vested interests and looming protectionism on both sides of the Atlantic remain strong. There is also some fear in Europe that the trade deal would disproportionately favor American business interests at the expense of European ones. As negotiations enter into the next phase, pressure from environmental groups, labor unions and consumer advocates will also increasingly be felt. Many of these groups have recently stepped up their criticism of TTIP. While this debate is of course essential, it also puts a heavier burden on proponents of the trade deal to explain TTIP's potential benefits and debunk skeptics' criticisms. On top of this, the NSA scandal has already threatened to derail the TTIP negotiation process or at least divert attention away from it. Although EU officials claim that data protection and privacy issues lie outside the realm of the current trade negotiations, European outrage over the Edward Snowden revelations could still spill over into adversely affecting the TTIP negotiations. A final potential obstacle is the upcoming elections in both the EU and the United States this year. Both the election to the European Parliament in May and the midterm elections to the U.S. Congress in November could give populist groups like Europe's anti-immigration parties and the Tea Party movement more of a say over trade policy. In sum, 2014 will be a pivotal year for TTIP. **Though the end of the year deadline for reaching a final agreement may ultimately prove too ambitious, this alone is not necessarily a reason for despair.** On the contrary. **Given what is at stake** -- a trade and investment deal of epic proportions with potential to drive economic growth and job creation on both sides of the Atlantic over the next decade -- **EU and U.S. leaders must use this year to push forward toward a deal that is as ambitious and as comprehensive as possible. They have no other choice but to do this -- TTIP is a once in a lifetime opportunity that is simply too big to fail.**

#### e) Negotiations are on track

**Gardner 13** (Andrew, 21 November 2013, “TTIP talks back on track” European Voice, http://www.europeanvoice.com/article/imported/ttip-talks-back-on-track/78772.aspx)//SL

Talks on a transatlantic trade deal are now “fully back on track”, Karel De Gucht, the European commissioner for trade, said on Friday (15 November) after a week of negotiations between teams from the European Union and United States.¶ The talks had been scheduled to take place on 7-11 October but were delayed after a battle over the US budget and healthcare forced the partial shutdown of the US government. The effects of the shutdown were evident in the smaller set of working groups that gathered in Brussels for the 11-15 November talks, but video conferences are being used extensively to make up ground.¶ The negotiations, which began in July, “remain very much in the exploratory stage”, an EU official said. But the message sent out by both teams was that they expected an eventual agreement that would be deep and far-reaching.¶ Formal texts will be prepared for the third round of talks in Washington, DC, on 16-20 December, after which both sides will prepare specific offers. Only then might the most difficult topics be taken off the agenda. It already appears, though, that one of the potential benefits for European professionals – US recognition of their qualifications – will be difficult to achieve, as recognition is a right devolved to individual US states.