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#### Pharma drug innovation is high now – eliminating patent protections collapses incentives.

The Economist 20 5-23-2020 "Drug innovation is back in fashion" <https://www.economist.com/leaders/2020/05/23/drug-innovation-is-back-in-fashion> (The Economist is an international weekly newspaper printed in magazine-format and published digitally that focuses on current affairs, international business, politics, and technology.)//Elmer

For much of the past two decades big pharma has been a lost cause. Despised by the public, it became notorious for price-gouging, secretiveness and its neglect of global health problems. Big pharma also lost its lustre with investors, despite its bumper profits. They worried that a business model that relied too much on rent-seeking and too little on innovation was unsustainable, and that citizens would eventually revolt and demand more regulation—or even rip up the patent system that gives drugs firms a temporary monopoly over new medicines. As a result, in the five years before the covid crisis the pharmaceutical sector lagged behind America’s s&p 500 index. The pandemic has reminded the world of the industry’s strengths—its capacity to **innovate and provide drugs on a vast scale**. Many of the big firms, such as Johnson & Johnson and Sanofi, are working on covid-19 vaccines and therapies. Scores of smaller companies are at work, too. On May 18th Moderna, an American biotech firm, said that its much-anticipated vaccine has shown positive early results (although some analysts questioned the validity of its tests). AstraZeneca, a big British firm that invests heavily in research and development (r&d), is working on a vaccine with scientists at Oxford University, helped by $1bn of new funding from America’s government. Even before the virus, the industry had started to **invest more heavily**. In the most recent quarter America’s 30 biggest firms boosted their r&d by a median of **6%** year on year. Now medical **innovation is back in fashion.** It looks like big pharma’s moment to shine. However, the pandemic has also created new ethical and political dilemmas. Vaccine nationalism is spreading as governments panic that others may get their hands on crucial drugs first. France’s Sanofi has found itself embroiled in a transatlantic row over who will be first to get any covid-19 vaccine it develops. Paul Hudson, the firm’s boss, stated last week that because the American government invested in his firm’s risky scientific efforts, the United States would have early access. This led to a political explosion in France and a dressing-down from Emmanuel Macron, France’s president. And there is mounting pressure to suspend elements of the patent system. A gathering of the World Health Organisation this week passed a resolution urging drugs firms to pool patent rights. Several dozen current and former world leaders released an open letter demanding that any successful covid-19 vaccine should be made available patent-free. There is an alternative to beggar-thy-neighbour nationalism and taking a sledgehammer to the intellectual-property regime. First, a global agreement is needed to govern the manufacture and distribution of a potential vaccine. It could take several years to vaccinate the world’s population; global co-operation will mean that the vaccine is deployed first where it brings most benefit. Second, the patent system should be preserved because, correctly designed, it **incentivises investment in new treatments**. The big drugs firms have already said they will make any **vaccine available at cost-plus prices**. Arrangements exist for tiered pricing of medicines and free vaccinations for diseases afflicting the world’s poor that should be extended to covid-19 treatments. If a smaller drugs firm tried to price-gouge, governments in the West and elsewhere have the powers to pass compulsory licensing orders in an emergency. When the pandemic passes, there must be no going back to the bad old days. Governments should seek to authorise new drug patents faster, as the best way to balance innovation and lower prices. And big pharma needs to keep investing. That will help shareholders and global public health, too.

#### Best analysis confirms our Link – strong IP protection are the only incentive for drug innovation.

* Answers Evergreening/Me-Too Drugs

Stevens and Ezell 20 Philip Stevens and Stephen Ezell 2-3-2020 "Delinkage Debunked: Why Replacing Patents With Prizes for Drug Development Won’t Work" <https://itif.org/publications/2020/02/03/delinkage-debunked-why-replacing-patents-prizes-drug-development-wont-work> (Philip founded Geneva Network in 2015. His main research interests are the intersection of intellectual property, trade, and health policy. Formerly he was an official at the World Intellectual Property Organization (WIPO) in Geneva, where he worked in its Global Challenges Division on a range of IP and health issues. Prior to his time with WIPO, Philip worked as director of policy for International Policy Network, a UK-based think tank, as well as holding research positions with the Adam Smith Institute and Reform, both in London. He has also worked as a political risk consultant and a management consultant. He is a regular columnist in a wide range of international newspapers and has published a number of academic studies. He holds degrees from the London School of Economics and Durham University (UK).)//Elmer

The **Current System** Has **Produced a Tremendous Amount of Life-Sciences Innovation** The frontier for biomedical innovation is seemingly limitless, and the challenges remain numerous—whether it comes to diseases that afflict millions, such as cancer or malaria, or the estimated 7,000 rare diseases that afflict fewer than 200,000 patients.24 And while certainly citizens in developed and developing nations confront differing health challenges, those challenges are increasingly converging. For instance, as of this year, analysts expect that **noncommunicable** diseases such as cardiovascular disease and diabetes will account for 70 percent of natural fatalities **in developing countries**.25 Citizens of low- and middle-income countries bear 80 percent of the world’s death burden from cardiovascular disease.26 Forty-six percent of Africans over 25 suffer from hypertension, more than anywhere else in the world. Similarly, 85 percent of the disease burden of cervical cancer is borne by individuals living in low- and middle-income countries.27 To develop treatments or cures for these conditions, novel biomedical innovation **will be needed from everywhere**. Yet tremendous progress has been made in recent decades. To tackle these challenges, the global pharmaceutical industry invested over **$1.36 trillion in R&D** in the decade from 2007 to 2016—and it’s expected that annual R&D investment by the global pharmaceutical industry will reach $181 billion by 2022.28 In no small part due to that investment, **943 new active substances have been introduced** globally over the prior 25 years.29 The U.S. Food and Drug Administration (FDA) has approved more than **500 new medicines since 2000** alone. And these medicines are getting to more individuals: Global medicine use **in 2020 will reach 4.5 trillion doses**, up 24 percent from 2015.30 Moreover, there are an estimated 7,000 new medicines under development globally (about half of them in the United States), with 74 percent being potentially first in class, meaning they use a new and unique mechanism of action for treating a medical condition.31 In the United States, over 85 percent of all drugs sold are generics (only 10 percent of U.S. prescriptions are filled by brand-name drugs).32 And while some assert that biotechnology companies focus too often on “me-too” drugs that compete with other treatments already on the market, the reality is many drugs currently under development are meant to tackle some of the **world’s most intractable diseases**, **including cancer and Alzheimer’s**.33 Moreover, such arguments miss that many of the drugs developed in recent years have in fact been first of their kind. For instance, in 2014, the FDA approved **41 new medicines** (at that point, the most since 1996) many of which were first-in-class medicines.34 In that year, 28 of the 41 drugs approved were considered biologic or specialty agents, and 41 percent of medicines approved were intended to treat rare diseases.35 Yet even when a new drug isn’t first of its kind, it can still produce benefits for patients, both through **enhanced clinical efficacy** (for instance, taking the treatment as a pill rather than an injection, with a superior dosing regimen, **or better treatment** for some individuals who don’t respond well to the original drug) and by generating competition that exerts downward price pressures. For example, a patient needing a cholesterol drug has a host of statins from which to choose, which is important because some statins produce harmful side effects for some patients. Similarly, patients with osteoporosis can choose from Actonel, Boniva, or Fosomax. Or take for example Hepatitis C, which until recently was an incurable disease eventually requiring a liver transplant for many patients. In 2013, a revolutionary new treatment called Solvadi was released that boosted cure rates to 90 percent. This was followed in 2014 by an improved treatment called Harvoni, which cures the Hepatitis C variant left untouched by Solvadi. Since then, an astonishing six new treatments for the disease have received FDA approval, opening up a wide range of treatment options that take into account patients’ liver and kidney status, co-infections, potential drug interactions, previous treatment failures, and the genotype of HCV virus.36 “If you have to have Hepatitis C, now is the time to have it,” as Douglas Dieterich, a liver specialist at the Icahn School of Medicine at Mount Sinai Hospital in New York, told the Financial Times. “We have these marvellous drugs we can treat you with right now, without side effects,” he added. “And this time next year, we’ll have another round of drugs available.”37 Moreover, the financial potential of this new product category has led to multiple competing products entering the market in quick succession, in turn placing downward pressure on prices.38 As Geoffrey Dusheiko and Charles Gore write in The Lancet, “The market has done its work for HCV treatments: after competing antiviral regimens entered the market, competition and innovative price negotiations have driven costs down from the initially high list prices in developed countries.”39 As noted previously, opponents of the current market- and IP-based system contend patents enable their holders to exploit a (temporary) market monopoly by inflating prices many multiples beyond the marginal cost of production. But rather than a conventional neoclassical analysis, an analysis based on “innovation economics” finds it is exactly this “distortion” that is required for innovation to progress. As William Baumol has pointed out, “Prices above marginal costs and price discrimination become the norm rather than the exception because … without such deviations from behaviour in the perfectly competitive model, innovation outlays and other unavoidable and repeated sunk outlays cannot be recouped.”40 Or, as the U.S. Congressional Office of Technology Assessment found, “Pharmaceutical R&D is a risky investment; therefore, high financial returns are necessary **to induce companies to invest** in researching new chemical entities.”41 This is also why, in 2018, the U.S. Congressional Budget Office estimated that because of high failure rates, biopharmaceutical **companies would need to earn a 61.8 percent rate of return on their successful new drug R&D projects in order to match a 4.8 percent after-tax rate of return on their investment**s.42 Indeed, **it’s the ability to recoup fixed costs, not just marginal** costs, through mechanisms such as patent protection that lies at the heart of all innovation-based industries and indeed all innovation and related economic progress. If companies could not find a way to pay for their R&D costs, and could only charge for the costs of producing the compound, **there would be no new drugs developed**, just as there would be no new products developed in any industry. Innovating in the life sciences remains expensive, risky, difficult, and uncertain. Just 1 in 5,000 drug candidates make it all the way from discovery to market.43 A 2018 study by the Deloitte Center for Health Solutions, “Unlocking R&D productivity: Measuring the return from pharmaceutical innovation 2018,” found that “the average cost to develop an asset [an innovative life-sciences drug] including the cost of failure, has increased in six out of eight years,” and that the average cost to create a new drug has risen to $2.8 billion.44 Related research has found the development of new drugs requires years of painstaking, risky, and expensive research that, for a new pharmaceutical compound, takes an average of 11.5 to 15 years of research, development, and clinical trials, at a cost of $1.7 billion to $**3.2 billion**.45 IP rights—including patents, copyrights, and data exclusivity protections—give innovators, whether in the life sciences or other sectors, the **confidence** to undertake the risky and expensive process of innovation, secure in the knowledge they’ll be able to capture a share of the gains from their efforts. And these gains are often only a small fraction of the true value created. For instance, Yale University economist William Nordhaus estimated inventors capture just 4 percent of the total social gains from their innovations; the rest spill over to other companies and society as a whole.46 Without adequate IP protection, private investors would never find it viable to fund advanced research because lower-cost copiers would be in a position to undercut the legitimate prices (and profits) of innovators, even while still generating substantial profits on their own.47 As the report “Wealth, Health and International Trade in the 21st Century” concludes, “Conferring robust intellectual property rights is, in the pharmaceutical and other technological-development contexts, **in the global public’s long-term interests.** Without adequate mechanisms for directly and indirectly securing the private and public funding of medicines and vaccines, research and development communities across the world will lose future benefits that would far outweigh the development costs involved.”48 Put simply, the current market- and IP-based life-sciences innovation system is producing life-changing biomedical innovation. As Jack Scannell, a senior fellow at Oxford University’s Center for the Advancement of Sustainable Medical Innovation has explained, “I would guess that one can buy today, at rock bottom generic prices, a set of small-molecule drugs that has greater medical utility than the entire set available to anyone, anywhere, at any price in 1995.” He continued, “Nearly all the generic medicine chest was created by firms who invested in R&D to win future profits that they tried pretty hard to maximize; short-term financial gain building a long-term common good.”49 For example, on September 14, 2017, the FDA approved Mvasi, the first biosimilar for Roche’s Avastin, a breakthrough anticancer drug when it came out in the mid-1990s for lung, cervical, and colorectal cancer.50 In other words, a medicine to treat forms of cancer that barely existed 20 years ago is now available as a generic drug today. It’s this dynamic that enables us to imagine a situation wherein drugs to treat diseases that aren’t available anywhere at any price today (for instance, treatments for Alzheimer’s or Parkinson’s) might be available as generics in 20 years. But that will only be the case if we preserve (and improve where possible) a life-sciences innovation system that is generally working. The current system does not require wholesale replacement by a prize-based system that—notwithstanding a meaningful success here or there—has produced nowhere near a similar level of novel biomedical innovation.

#### Pharma Innovation prevents Extinction – checks new diseases.

Engelhardt 8, H. Tristram. Innovation and the pharmaceutical industry: critical reflections on the virtues of profit. M & M Scrivener Press, 2008 (doctorate in philosophy (University of Texas at Austin), M.D. (Tulane University), professor of philosophy (Rice University), and professor emeritus at Baylor College of Medicine)

Many are suspicious of, or indeed jealous of, the good fortune of others. Even when profit is gained in the market without fraud and with the consent of all buying and selling goods and services, there is a sense on the part of some that something is wrong if considerable profit is secured. There is even a sense that good fortune in the market, especially if it is very good fortune, is unfair. One might think of such rhetorically disparaging terms as "wind-fall profits". There is also a suspicion of the pursuit of profit because it is often embraced not just because of the material benefits it sought, but because of the hierarchical satisfaction of being more affluent than others. The pursuit of profit in the pharmaceutical and medical-device industries is tor many in particular morally dubious because it is acquired from those who have the bad fortune to be diseased or disabled. Although the suspicion of profit is not well-founded, this suspicion is a major moral and public-policy challenge. Profit in the market for the pharmaceutical and medical-device industries is to be celebrated. This is the case, in that if one is of the view (1) that the presence of additional resources for research and development spurs innovation in the development of pharmaceuticals and med-ical devices (i.e., if one is of the view that the allure of **profit is one of the most effective ways not only to acquire resources but productively to direct human energies** in their use), (2) that given the limits of altruism and of the willingness of persons to be taxed, the possibility of profits is necessary to secure such resources, (3) that the allure of profits also tends to enhance the creative use of available resources in the pursuit of phar-maceutical and medical-device innovation, and (4) if one judges it to be the case that such innovation is both necessary to maintain the human species in an ever-changing and always dangerous environment in which new microbial and other threats may at any time emerge to threaten human well-being, if not survival (i.e., that such innovation is necessary to prevent increases in morbidity and mortality risks), as well as (5) in order generally to decrease morbidity and mortality risks in the future, it then follows (6) that one should be concerned regarding any policies that decrease the amount of resources and energies available to encourage such innovation. One should indeed be of the view that the possibilities for profit, all things being equal, should be highest in the pharmaceutical and medical-device industries. Yet, there is a suspicion regarding the pursuit of profit in medicine and especially in the pharmaceutical and medical-device industries.

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#### Counterplan Text: The member nations of the World Trade Organization ought to 1] reduce intellectual property protections for COVID-19 medicines except for dual-use biotechnologies and 2] offer a 3 year patent extension on dual use biotechnologies conditioned on accompanying countermeasures.

#### The counterplan incentivizes development into countermeasures and removes terrorist access to biotechnologies.

Million-Perez, H. (2016). Addressing duel-use technology in an age of bioterrorism: Patent extensions to inspire companies making duel use technology to create accompanying countermeasures. AIPLA Quarterly Journal, 44(3), 387-436. Rachael Million-Perez is an associate with Fitzpatrick, Cella, Harper & Scinto and a graduate of the George Washington University Law School. //sid

Although previous congressional proposals, Acts, and committees aimed to fund and incentivize countermeasures, each failed to target dual-use technology countermeasure development. This article proposes, therefore, that the USPTO offer a patent-term extension for patents directed to dual-use technology on the condition that the patent owner creates an accompanying countermeasure. This article argues for an extension of three years 251 for patent owners who meet this condition in addition to any patent-term adjustments afforded to the patent owner pursuant to Title 35 of the U.S. Code or legislative acts. A. Patent Extension for Dual-Use Technologies in Exchange for an Accompanying Countermeasure is an Appropriate and Realistic Incentive that Could Yield Significant Benefit The conditional patent-term extension proposed here provides an incentive that will: (1) reduce unbridled accessibility to dual-use technologies, (2) make countermeasure development an attractive and cost-effective business investment, and (3) take advantage of companies and individuals who currently specialize in the dual-use technology field, and who possess the necessary resources to create accompanying counter-measures. The conditional patent-term extension proposed here provides an incentive that will reduce unbridled accessibility to dual-use technologies. Although accessibility to dual-use technology is essentially ungovernable in the Internet age, providing a three-year patent-term extension to a dual-use technology will motivate companies to collaborate with the U.S. Government to identify and enjoin individuals infringing their patented dual-use technology. As a result, biohackers and terrorist organizations will have diminished access to these technologies. Dissimilar to previous and current countermeasure incentives, the conditional patent-term extension proposed here will make countermeasure development an attractive and cost-effective business investment, because it will be easily applicable, lower the financial risk of countermeasure development, and potentially lead to profits. Unlike previous incentives, a patent-term extension on a dual-use technology in exchange for creating a countermeasure to that technology presents a simple and easily-applicable business model. Private companies need not contort themselves to meet the demands of legislation, like Project BioShield. Rather, a patent-term extension on the dual-use technology will be granted when the company identifies a dual-use quality of one of its innovations and opts to develop a countermeasure to the dual use of that specific innovation. Upon successful development of a countermeasure, the USPTO will then extend the company's dual use technology patent. Because the company likely has already received approval of the dual-use technology, it need not worry about whether the extension is affected by the countermeasure's approval time. The simplicity of this proposed regime would attract companies and individuals frustrated with other complicated or inapplicable incentives. In addition, the length and specificity of this proposed extension renders it a strong incentive that will lower the financial risk of countermeasure investment. The length of patent-term extension incentive must be able to generate participation by virtually guaranteeing a return on the company's investment in countermeasure production. As discussed above, the risk of countermeasure development is incredibly high, and thus the promise that a company may recoup or even profit from developing a countermeasure will entice companies who had previously avoided countermeasure investment.253 For these reasons, this article proposes a three-year patent term extension. Recent studies showed an increase in domestic R&D investment and new pharmaceutical product development when the patent-term extension changed from seventeen years to twenty years in both the United States and Canada.254 A similar surge may occur for dual-use technology countermeasure investment under the proposed extension. Over the additional three years of the patent term, companies are likely to receive the benefit of extending their monopoly on a profitable dual-use technology such that the company will likely recoup countermeasure development costs and, potentially, profit. As a result, dual-use technology countermeasure production is likely to increase. Additionally, proponents of patent extension, like Dr. Josh Bloom, Director of Chemical and Pharmaceutical Sciences at the American Council on Science and Health, contend that three-year patent extensions are likely appropriate for patents related to the company's portfolio.255 Unlike previous and current countermeasure incentives, the extension proposed here would neither under- nor over-compensate companies. For example, the six-month to two-year extension- offered in S. 975 and S. 3-are too short in length to ensure both that small and large companies find the incentive desirable.25 6 A three-year extension, however, would further assure that any size company would recoup its investment. Furthermore, unlike a wild card patent extension, which would permit a company to extend the life of any blockbuster product and thus accrue arguably unwarranted financial gain, under this proposal a company can only extend the life of a narrowly defined dual-use technology. A dual-use technology may or may not be a blockbuster. The chances that a dual-use technology has blockbuster status, however, are slim, considering only around 30 percent of newly-introduced pharmaceutical drugs have profits that exceed average R&D costs.257 As a result, large companies do not have an unfair advantage, nor do small companies have an unfair disadvantage. Rather, if a dual-use technology is not a blockbuster, both smaller biotechnology companies, with less than $500 million in annual revenue, and large companies will need a patent extension lengthy enough to guarantee cost recoup.258 Therefore, unlike the previously proposed extensions, three-year extensions to a dual-use technology patent will afford companies a considerable, yet fair, return on their investment in countermeasure development. A conditional patent-term extension like the one proposed here will also leverage companies' expertise and resources. Because a countermeasure to a dual-use technology will likely require the same expertise and resources used to develop the dual-use technology, a company may avoid some R&D costs when it develops both. Furthermore, tapping into a company's foundation of expertise and resources may expedite production of countermeasures to dual-use technology. Unlike acquiring separate countermeasures via mergers or acquisitions, using this expertise and resources springboard for countermeasure 259 The Monsanto herbicide, Roundup@, and the Roundup Ready@ crops genetically modified to be resistant to Roundup illustrates when a patent owner could be taking advantage of her expertise and resources. In the 1970s, Monsanto created the Roundup herbicide farmers use today.260 By the mid-90's, Monsanto neared the expiration date on its patent of Roundup and faced the possibility of losing the production rights of the blockbuster.261Yet Monsanto was able to use genetic engineering to create Roundup-Ready crops resistant to Roundup in 1996.262 In particular, Monsanto was able to create these plants after working on its herbicide when one of its scientists accidentally discovered Roundup-resistant bacteria. 263 Exploiting this discovery, the company worked diligently to splice the 26 resistant gene into a working plant model. 4 Because these crops were resistant to Roundup, a farmer used the herbicide in the fields to eliminate unwanted foliage while not harming the main crop. 265 Notably, Monsanto did not make a countermeasure to its herbicide, but similar to Monsanto's ability to create two technologies from a single concept, companies producing dual-use technologies can exploit discoveries made in their pursuit of creating a dual-use technology to eventually create an accompanying countermeasure. In sum, unlike previous countermeasure incentives, the conditional patent-term extension proposed here provides an incentive that reduces terrorist or biohacker accessibility to dual-use technologies, makes countermeasure development an attractive investment, and takes advantage of companies' resources and expertise.

#### Vulnerabilities exposed by COVID have invigorated availability and interest in bioterror, but technical challenges remain as barriers to acquisition.

Koblentz and Kiesel 7/14 [Gregory D. Koblentz (Deputy Director of the Biodefense Graduate Program and Assistant Professor of Government and Politics in the Department of Public and International Affairs at George Mason University) and Stevie Kiesel (Biodefense PhD Student, Schar School of Policy and Government, George Mason University). “The COVID-19 Pandemic: Catalyst or Complication for Bioterrorism?”. Studies in Conflict & Terrorism. Published online 14 Jul 2021. Accessed 7/22/21. <https://www.tandfonline.com/doi/abs/10.1080/1057610X.2021.1944023?journalCode=uter20> //Xu]

Since COVID-19 was declared a pandemic in March 2020, there has been no major bioterrorist incident that challenges or validates the core beliefs of the optimists, pessimists, or pragmatists. Extremists with violent apocalyptic or accelerationist ideologies—chiefly jihadists and far-right extremists—have sought to capitalize on the pandemic, but they still rely on conventional weapons. Based on available open-source information, terrorist interest in weaponizing SARS-CoV-2 seems limited. While some individuals and groups who subscribe to violent apocalyptic or accelerationist ideologies have shown some interest in crudely spreading the virus, most terrorists have sought to exploit the conditions the pandemic created rather than the virus itself. An increase in the risk of bioterrorism cannot be completely discounted as the equipment, knowledge, and expertise to work with high-risk pathogens is increasingly available and there are a small number of groups with the ideologies and objectives consistent with the use of biological weapons. Still, important technical barriers to acquiring and using a biological weapon capable of causing mass casualties, even far below the effects of a pandemic pathogen, will remain even after the pandemic is contained. While COVID-19 graphically demonstrated the vulnerability of modern societies to infectious diseases, the lessons learned from this experience, if properly implemented, should significantly improve the capability of governments around the world to detect and respond to future pandemics as well as deliberate disease outbreaks. Counterterrorism and biodefense efforts should not be dictated by the latest “‘risk of the month’ policies crafted in the wake of visible or highly publicized events.”117 Instead, strategies for reducing the likelihood and consequences of bioterrorism in the wake of the COVID-19 pandemic should be based on a realistic appraisal of the risk and investments should be optimized to strengthen preparedness against the full spectrum of biological threats.

#### IP protections are the only limit on proliferating dual-use biotech – losing patents puts financial pressure on companies to outsource R&D, which skyrockets bioterror acquisition.

Finlay 10 [Brian Finlay (President and Chief Executive Officer of the Stimson Center, M.A. from the Norman Patterson School of International Affairs at Carleton University, a graduate diploma from the School of Advanced International Studies, the Johns Hopkins University and an honors B.A. from Western University in Canada). “The Bioterror Pipeline: Big Pharma, Patent Expirations, and New Challenges to Global Security”. The Fletcher Forum of World Affairs. Vol. 34, No. 2 (Summer 2010), pp. 51-64. <https://www.jstor.org/stable/45289504?seq=1#metadata_info_tab_contents> //Xu]

Until recently, these investment risks were frequently mitigated by income generated from past drug development successes. In most markets, that income was guaranteed by strict patent protections that closed the window to outside competition for a set period of time. More recently, however, the uncertainty of R&D investments has been complicated not only by the global economic downturn, but more importantly by looming patent expirations that will open many of big pharma's patent-protected drugs to generic competition. Between 2007 and 2012, more than three dozen drugs will lose patent protection, removing an estimated $67 billion from big pharma's annual sales.33 With existing drug development pipelines unable to fill the gaps, biopharmaceutical companies are under intense pressure not only to cut costs - which would provide only temporary relief to the bottom line - but also to rapidly replenish their development pipelines. Some industry analysts have described this "perfect storm" as an "existential" moment for big pharma.34 Many pharmaceutical companies have approached this challenge by accelerating and widening the outsourcing and off-shoring of both R&D and manufacturing, and by aggressively buying promising assets from small biotech companies through acquisitions and strategic alliances. Interestingly, these partnerships are less frequently linked with American or even Western-owned and-operated companies than in the past. Many pharmaceutical giants like Indiana-based Eli Lilly are turning to alliances with firms in Asia and elsewhere around the world, outsourcing key technical operations. Instead of functioning as fully integrated firms, big pharma companies have found value in networked relationships with independent small to large firms, universities, and non-profit biotechnology laboratories around the globe.35 The net result has accelerated technology proliferation - for both beneficial and nefarious uses - far beyond the traditional hubs for biotech innovation. Pharma's increasingly desperate search to seed and ultimately acquire innovative new biotechnologies means that foreign (non- Western) markets are pulling ahead in biotech innovation. Indeed, the quantity of biotech companies outside the United States has grown remarkably in recent years: in Israel, the number grew from 30 in 1990 to about 160 in 2000; in Brazil, from 76 in 1993 to 354 in 2001; and remarkably, in South Korea, from one in 2000 to 23 in 2003. 36 More generally, the Asia-Pacific region has emerged as one of the world s fastest-growing biotechnology hubs, with the growth of publicly traded companies handily outpacing growth in the United States and Europe over recent years.37 As fruitful partnerships lead big pharma to increasingly generate resources, technologies, and knowledge, these capacities spin off new competitor firms in a self-executing multiplier effect. With the number of facilities and highly trained individuals increasing, the likelihood of a serious biological accident or nefarious incident will similarly rise, which will be particularly risky when dual-use technologies are introduced into insufficiently regulated markets. CONCLUSIONs In statements, U.S. officials continue to cite several countries believed to have or to be pursuing a biological weapons capability.38 But globalization exports the challenge of bioproliferation far beyond these geographic boundaries and transcends multiple societal layers well beyond government actors. As a result, it is increasingly clear that states no longer have a monopoly on dual-use biological R&D. Recent evidence suggests a growing threat of terrorist acquisition of biological weapons. As technological advancement in the life sciences is progressively pushed into countries of the Global South, some of which are also potential hotbeds for terrorist activity, the nexus of science and terrorism becomes especially acute. While far from perfect, the current system of stringent controls levied by Western governments over the biopharmaceutical sector has proven remarkably effective, especially given the diffusion of technologies and the ease of their redirection for hostile purposes. As the biotech revolution continues to widen, however, advanced industrialized governments are increasingly playing catch-up with changing technological realities. As these technologies proliferate, security analysts have become uneasy with the lack of controls in many states. The dearth of legal controls, the lack of rigor in their enforcement, and the growth in private-actor involvement in dual-use activities has sobering implications for global security.

#### Bioterrorism causes Extinction – overcomes any conventional defense.

Walsh 19, Bryan. End Times: A Brief Guide to the End of the World. Hachette Books, 2019. (Future Correspondent for Axios, Editor of the Science and Technology Publication OneZero, Former Senior and International Editor at Time Magazine, BA from Princeton University)//Elmer

I’ve lived through disease outbreaks, and in the previous chapter I showed just how unprepared we are to face a widespread pandemic of flu or another new pathogen like SARS. But a deliberate outbreak caused by an engineered pathogen would be far worse. We would face the same agonizing decisions that must be made during a natural pandemic: whether to ban travel from affected regions, how to keep overburdened hospitals working as the rolls of the sick grew, how to accelerate the development and distribution of vaccines and drugs. To that dire list add the terror that would spread once it became clear that the death and disease in our midst was not the random work of nature, but a deliberate act of malice. We’re scared of disease outbreaks and we’re scared of terrorism—put them together and you have a formula for chaos. As deadly and as disruptive as a conventional bioterror incident would be, an attack that employed existing pathogens could only spread so far, limited by the same laws of evolution that circumscribe natural disease outbreaks. But a virus engineered in a lab to break those laws could spread faster and kill quicker than anything that would emerge out of nature. It can be designed to evade medical countermeasures, frustrating doctors’ attempts to diagnose cases and treat patients. If health officials manage to stamp out the outbreak, it could be reintroduced into the public again and again. It could, with the right mix of genetic traits, even wipe us off the planet, making engineered viruses a genuine existential threat. And such an attack may not even be that difficult to carry out. Thanks to advances in biotechnology that have rapidly reduced the skill level and funding needed to perform gene editing and engineering, what might have once required the work of an army of virologists employed by a nation-state could soon be done by a handful of talented and trained individuals. Or maybe just one. When Melinda Gates was asked at the South by Southwest conference in 2018 to identify what she saw as the biggest threat facing the world over the next decade, she didn’t hesitate: “A bioterrorism event. Definitely.”2 She’s far from alone. In 2016, President Obama’s director of national intelligence James Clapper identified CRISPR as a “weapon of mass destruction,” a category usually reserved for known nightmares like nuclear bombs and chemical weapons. A 2018 report from the National Academies of Sciences concluded that biotechnology had rewritten what was possible in creating new weapons, while also increasing the range of people capable of carrying out such attacks.3 That’s a fatal combination, one that plausibly threatens the future of humanity like nothing else. “The existential threat that would be most available for someone, if they felt like doing something, would be a bioweapon,” said Eric Klien, founder of the Lifeboat Foundation, a nonprofit dedicated to helping humanity survive existential risks. “It would not be hard for a small group of people, maybe even just two or three people, to kill a hundred million people using a bioweapon. There are probably a million people currently on the planet who would have the technical knowledge to pull this off. It’s actually surprising that it hasn’t happened yet.”

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#### CP Text – The United States federal government ought to establish a global leadership role in production and distribution of COVID-19 vaccines and treatments by engaging in talks with NATO and the G-7 and expanding support of COVAX including at minimum, vaccinating one billion people around the globe by November 2021 and encourage public-private partnerships and facilitate overseas licensing agreements without reducing intellectual property rights.

#### The CP solves vaccine distribution and re-vitalizes American influence BUT US leadership is key.

Gayle et Al 21 Helene Gayle, Gordon LaForge, and Anne-Marie Slaughter 3-19-2021 "American Can-and Should-Vaccinate the World" <https://archive.is/wtVC2#selection-1369.0-1369.54> (Helene D. Gayle, MD, MPH, has been president and CEO of The Chicago Community Trust, one of the nation’s oldest and largest community foundations, since October 2017. Under her leadership, the Trust has adopted a new strategic focus on closing the racial and ethnic wealth gap in the Chicago region. For almost a decade, Dr. Gayle was president and CEO of CARE, a leading international humanitarian organization. An expert on global development, humanitarian, and health issues, she spent 20 years with the Centers for Disease Control, working primarily on HIV/AIDS.)//Elmer

After a virtual “Quad summit” last Friday, the leaders of the United States, India, Japan, and Australia announced that they would cooperate to deliver **one billion vaccine doses** in the Indo-Pacific, directly countering China’s lead in distributing vaccines to the region. The agreement brings together Indian manufacturing and U.S., Japanese, and Australian financing, logistics, and technical assistance to help immunize hundreds of millions of people by the end of 2022. Headlines over the weekend proclaimed that the administration of U.S. President Joe Biden was preparing to catch up in global vaccine diplomacy. Yesterday the administration took a further step in this direction, leaking to reporters that it would lend four million AstraZeneca doses to Mexico and Canada. These initiatives come not a moment too soon. In tackling the worst global crisis of a lifetime, the United States has so far been upstaged. Russia and China have aggressively marketed and distributed their vaccines to foreign countries, largely **to advance foreign policy goals**. Russia is using the jab to **bolster** its **image** and investment prospects and to drive a **wedge between EU countries**. China is donating doses to gain leverage **in territorial disputes** and expand its influence under the Belt and Road Initiative. Both Moscow and Beijing have moved to undercut the United States **in its own backyard by supplying vaccines to Latin America**. The Biden administration is right to want to take the lead in vaccinating the world, for a host of reasons both self-interested and altruistic. But it should not fall into the trap of trying to beat Russia and China at their own game—handing out vaccines to specific countries based on their geostrategic importance and the amount of attention they are receiving from rival powers. Rather, Biden should pursue **abroad the sort of “all in” unity** approach that he has proclaimed at home. His administration should focus less on strategic advantage than on vaccinating the largest number of people worldwide in the shortest amount of time. In so doing, the United States would concentrate on what the world’s peoples have in common—susceptibility to this and many other viruses—regardless of the nature of their governments. ALL IN AND ALL OUT The United States has successfully mobilized its own and international resources to respond to regional crises in the past. In 2003, President George W. Bush started the U.S. President’s Emergency Plan for AIDS Relief, the largest global health program focused on a single disease in history. PEPFAR brought together U.S. agencies, private companies, and local civil society groups to help sub-Saharan Africa and Southeast Asia get the AIDS crisis under control, saving millions of lives. In 2004, a tsunami in the Indian Ocean caused more than 220,000 deaths and billions in damage, and the United States led an urgent, similarly inclusive humanitarian relief and recovery effort that rescued victims, hastened reconstruction, and built lasting goodwill in South and Southeast Asia. Biden can improve on Bush’s precedent by going global, and he has already taken steps toward doing so. Under President Donald Trump, the United States refused to participate in the COVID-19 Vaccine Global Access (COVAX) Facility, an international partnership that aims to guarantee COVID-19 vaccine access for the entire world. The Biden administration reversed this stance immediately and contributed $4 billion, making the United States the largest donor to the effort. Still, even if COVAX meets the ambitious target of delivering two billion doses to developing nations by the end of 2021, it will be able to vaccinate only 20 percent of those countries’ populations. Just imagine, however, what could happen if Washington were to treat COVID-19 as **the equivalent** of the enemy in a world war or the pandemic as a global version of the regional AIDS and Ebola epidemics of years past. Imagine, in other words, what all-out mobilization would look like if the United States treated the COVID-19 pandemic like the global threat that it is. Washington would lead a multilateral, whole-of-society effort **to help COVAX vaccinate** the world. The government would activate the military and call upon allies in the G-7 and NATO for a major assistance operation that speeds the **flow of vaccine supplies** and **strengthens delivery systems**. As it has pledged to do in the Quad summit deal, the U.S. government would use the State Department, U.S. Agency for International Development (USAID), Centers for Disease Control and Prevention (CDC), and other civilian agencies and development programs to help countries with their national vaccination programs. And it would enlist companies, nonprofits, and civil society organizations to help increase vaccine production, raise funding, and provide technical assistance to foreign counterparts. The U.S. government should undertake exactly such an effort, right now: **an all-out response for an all-in global vaccination campaign.** Such a campaign would advance **U.S. economic and security interests** and reboot American global leadership after years of decline. Rather than perpetuate the transactional, friend-by-friend vaccine diplomacy of China and Russia, a U.S.-led vaccine effort could invigorate a new multilateralism that is more pragmatic and inclusive than the twentieth-century international order and better adapted to tackling twenty-first-century global threats. Washington would do well to remember that if COVID-19 does come back, authoritarian governments will be able to lock down their populations more quickly and effectively than democracies will, so even in competitive terms, America’s best bet really is to eradicate the novel coronavirus. The United States has a momentous opportunity to prove both that democracy can deliver and that **American ideals truly are universal**. By offering a model of global cooperation that draws on a far wider range of resources than any one government can provide, the United States can lead a vaccine effort that builds on the strengths of its open and pluralist society. President Biden would demonstrate unequivocally that the United States is not only “back” but looking—and leading—far ahead. THE CASE FOR GOING REALLY BIG The COVID-19 pandemic is the most extensive humanitarian and economic catastrophe of modern times. Though it lacks the cataclysmic impact of a natural disaster, its toll is far worse and more widespread. A reported 2.6 million have died from COVID-19, though that is certainly an undercount; one analysis of premature and excess mortality estimates 20.5 million years of life have been lost. According to the World Bank, the pandemic pushed as many as 124 million into extreme poverty in 2020, the first year of increase in two decades. The Economist estimates that two years of COVID-19 will cost the world $10.3 trillion—a downturn the World Bank says is twice as deep as the Great Recession. Ultimately, the only way to arrest, let alone reverse, this collapse is global vaccination. The Biden administration learned an important lesson from the government’s response to the 2008 financial crisis: do not be afraid to go big. The American Rescue Plan does just that, funneling $1.9 trillion into many different parts of the economy. The administration should heed the same advice when it comes to vaccinating the world. An all-out effort will have the **greatest and quickest impact** on the fight against COVID-19—and the impact it will have is squarely in America’s self-interest. The United States has much to gain from an accelerated recovery of the global economy. A study from the Eurasia Group estimated that vaccinating low- and middle-income nations would generate at least $153 billion for the United States and nine other developed economies in 2021 and up to $466 billion by 2025. Even if the United States vaccinates its entire population, its economic recovery will still drag so long as its trading partners don’t have full access to the vaccine and the pandemic continues. As Biden has said, “We’re not going to be ultimately safe until the world is safe.” Moreover, today’s pandemic will not be the last. The partnerships and public health infrastructure that the United States builds to inoculate the world from this coronavirus will also defend it against the next deadly pathogen or health threat. Protecting the nation against disease cannot be separated from protecting the world.

### 1NC – OFF

#### US dominance is secured in biotech now, but China’s closing the gap fast – that allows geopolitical and economic advantages

Scott **Moore** **2020** [(Director of the Penn Global China Program at the University of Pennsylvania. Previously, Moore was a Young Professional and Water Resources Management Specialist at the World Bank Group, and Environment, Science, Technology, and Health Officer for China at the U.S.) “China’s Role In The Global Biotechnology Sector And Implications For U.S. Policy” <https://www.brookings.edu/wp-content/uploads/2020/04/FP_20200427_china_biotechnology_moore.pdf>] TDI // Recut NChu

EXECUTIVE SUMMARY Even by the standards of emerging technologies, **biotechnology has the potential to utterly transform geopolitics, economics**, and society in the 21st century. Yet while the United States has long been the world leader in most segments of the global biotechnology sector, **China is fast becoming a significant player**. This brief assesses the implications of China’s changing role in biotechnology for the United States, which span national security, data security, and economic competitiveness. On current trends the United States is likely to remain the world leader in most biotechnology areas. **However, the gap between China and the U.S. is narrowing in the biotechnology sector,** and U.S. policymakers must boost public investment, liberalize immigration and foreign student visa policies, and enact regulatory reforms to ensure America remains competitive. At the same time, areas like vaccine development and regulation of emerging technologies like synthetic biology present rich opportunities for Sino-U.S. cooperation. INTRODUCTION Thanks to extensive government funding for biomedical research, an unparalleled ability to translate basic research into commercial products and applications, and strong intellectual property protections, the United States has been the dominant global player in developing and commercializing biotechnology for decades.1 This dominance is reflected in the fact that United States accounted for almost half of all biotechnology patents filed worldwide from 1999 to 2013.2 However, in the intervening years, and just as in the case of artificial intelligence and other emerging technologies, other nations, including South Korea and Singapore, have invested heavily in developing their biotechnology sectors and industries. These efforts pale, however, in comparison to those of China, and the sheer size and scale of the Chinese biotechnology industry pose a range of economic, security, and regulatory issues for American policymakers. The determination of China’s one-party state to become a leading player in biotechnology is reflected by the rapid growth in investment in the sector. Some estimates claim that collectively, **China’s** central, local, and provincial **governments have invested over $100 billion in life sciences** research and development. Regardless of the true figure, official encouragement has led to a torrid place of investment. In just the two-year period from 2015 to 2017, venture capital and private equity investment in the sector totaled some $45 billion.3 The value of commercial deals concluded in the fields of biology, medicine and medical machine technology, meanwhile increased from 25.8 billion renminbi (RMB), or $3.6 billion, in 2011 to over 75 billion RMB ($10.6 billion) in 2017.4 Annual research and development expenditures by Chinese pharmaceutical firms, the foundation of the biotechnology sector, rose from some 39 billion RMB in 2014 ($5.5 billion) to over 53 billion RMB (US$7.5 billion) by 2017. Expenditure on new product development among these firms, an important indicator of future growth potential, increased from just over 40 billion RMB ($5.6 billion) to almost 60 billion ($8.4 billion).5 By Western standards, some of these figures are still low. Swiss drugmaker Roche, the world leader in biotechnology research and development, spent some $11 billion in 2018 alone.6 As these figures suggest, the development of China’s biotechnology sector paints a nuanced picture for U.S. policymakers. On one hand, the sector’s rapid growth, and high-level commitment to continued investment, means that China will inevitably become an increasingly important player in the global biotechnology sector, **with implications for national security, economic competitiveness, and regulation**. An executive from In-Q-Tel, the U.S. government’s inhouse national security venture capital fund, warned Congress in a November 2019 hearing, for example, that China “intends to own the biorevolution… and they are building the infrastructure, the talent pipeline, the regulatory system, and the financial system they need to do that.”7 The CEO of European drugmaker AstraZeneca has similarly opined that “Much of [China’s] innovation in the last three to four years has been ‘me too,’ but now on the horizon we can see firstin-class innovation.”8 Yet on the other hand, while China’s biotechnology sector will almost certainly continue to grow in scale, sophistication, and competitiveness, there is little reason to believe on current trends that the United States will lose its edge in the sector. Indeed, the biggest risk to the global competitiveness of the U.S. biotechnology industry likely comes from the prospect of declining public investment and reduced mobility for world-class researchers and industry professionals. Moreover, the COVID-19 crisis underscores both the importance of continued investment in biotechnology and the many challenges to promoting effective international cooperation on global health security. This brief first examines the key policies and actors in China’s biotechnology sector, then offers an assessment of the sector’s current capabilities and future trends, and finally further explores the implications of developments in Chinese biotechnology for U.S. policy.

#### The aff’s waiving of IP doesn’t solve but it does give away sensitive national security information that allows China to lead ahead in biotech

Josh Rogin 4-8. [(Washington Post Columnist covering National Security Issues.) “Opinion: The wrong way to fight vaccine nationalism” https://www.washingtonpost.com/opinions/global-opinions/the-wrong-way-to-fight-vaccine-nationalism/2021/04/08/9a65e15e-98a8-11eb-962b-78c1d8228819\_story.html ] TDI // Recut NChu

Americans will not be safe from covid-19 until the entire world is safe. That basic truth shows why vaccine nationalism is not only immoral but also counterproductive. But the simplest solutions are rarely the correct ones, **and some countries are using the issue to advance their own strategic interests**. The Biden administration must reject the effort by some nations to turn our shared crisis into their opportunity. As the inequities of vaccine distribution worldwide grow, a group of more than 50 developing countries led by India and South Africa is pushing the World Trade Organization to dissolve all international intellectual property protections for pandemic-related products, which would include vaccine research patents, manufacturing designs and technological know-how. The Trump administration rejected the proposal to waive the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) for the pandemic when it was introduced in October. Now, hundreds of nongovernmental organizations and dozens of Democratic lawmakers are pushing the Biden administration to support the proposal. But many warn **the move would result in the United States handing over a generation of advanced research** — much of it funded by the U.S. taxpayer — **to** our country’s greatest competitors, above all **China**. In Congress, there’s justified frustration with the United States’ failure to respond to China’s robust vaccine diplomacy, in which Beijing has conditioned vaccine offers to pandemic-stricken countries on their ignoring security concerns over Chinese telecom companies or abandoning diplomatic recognition of Taiwan. There’s also a lot of anger at Big Pharma among progressives for profiting from the pandemic. “We are in a race against time, and unfortunately Big Pharma is standing in the way of speedily addressing this problem,” Rep. Jan Schakowsky (D-Ill.), who supports the effort to waive intellectual property protections, told me in an interview. “I think the real security issue is that while the United States balks in making sure that we help ourselves, that these adversaries will just jump right in.” Schakowsky argued that alternative measures for helping poor countries manufacture vaccines are simply not moving fast enough to save lives and that the United States has a duty to respond. House Speaker Nancy Pelosi (D-Calif.) personally conveyed her support for the waiver to President Biden, Schakowsky said. But Big Pharma is just one piece of the puzzle. Countries such as India and South Africa have been trying to weaken WTO intellectual property protections for decades. **The mRNA technology that underpins the Pfizer and Moderna vaccines was funded initially by the Defense Advanced Research Projects Agency and has national security implications.** Inside the Biden administration, the National Security Council has already convened several meetings on the issue. The waiver is supported by many global health officials in the White House and at the U.S. Agency for International Development, who believe the United States’ international reputation is suffering from its perceived “America First” vaccine strategy. On Wednesday, U.S. Trade Representative Katherine Tai spoke with WTO Director General Ngozi Okonjo-Iweala about the waiver issue. USTR is convening its own interagency meetings on the issue, which many see as a move to reassert its jurisdiction over WTO matters. If and when this does get to Biden’s desk, he will also hear from national security officials who believe that waiving TRIPS would result in the forced transfer of national security-sensitive technology to China, **a country that strives to dominate the biotechnology** ***field*** as part of its Made in China 2025 strategy. **Once countries such as China have this technology, they will apply their mercantilist industrial models to ensure their companies dominate these strategically important industries, potentially erasing thousands of U.S. jobs.** “We would be delivering a competitive advantage to countries that are increasingly viewed as our adversaries, at taxpayer expense, when there are other ways of doing this,” said Mark Cohen, senior fellow at the University of California at Berkeley Law School. **A preferable approach would be to build more vaccine-manufacturing capacity** in the United States and then give those vaccines to countries in need, said Cohen. The U.S. pharmaceutical industry would surely benefit, but **that’s preferable to being dependent on other countries when the next pandemic hits.** “If there’s anything that the pandemic has taught us, it’s that we need to have a robust supply chain, for ourselves and for the world generally,” Cohen said. What’s more, it’s not clear that waiving the TRIPS agreement for the pandemic would work in the first place. Bill Gates and others involved in the current vaccine distribution scheme have argued that it would not result in more vaccines, pointing out that licensing agreements are already successfully facilitating cooperation between patent-holding vaccine-makers and foreign manufacturers. Critics respond that such cooperation is still failing to meet the urgent needs in the developing world. Vaccine equity is a real problem, but waiving intellectual property rights is not the solution. If the current system is not getting shots into the arms of people in poor countries, we must fix that for their sake and ours. But the pandemic and our responses to it have geopolitical implications, whether we like it or not. **That means helping the world and thinking about our strategic interests at the same time.**

#### China will convert biotechnology gains to military advantages, undermining US primacy – specifically true in the context of vaccines

Mercy A. Kuo 2017 [(Executive Vice President at Pamir Consulting.) “The Great US-China Biotechnology and Artificial Intelligence Race” <https://thediplomat.com/2017/08/the-great-us-china-biotechnology-and-artificial-intelligence-race/>] TDI // Recut NChu

Trans-Pacific View author Mercy Kuo regularly engages subject-matter experts, policy practitioners, and strategic thinkers across the globe for their diverse insights into the U.S. Asia policy. This conversation with Eleonore Pauwels – Director of Biology Collectives and Senior Program Associate, Science and Technology Innovation Program at the Wilson Center in Washington D.C. – is the 104th in “The Trans-Pacific View Insight Series.” Explain the motivation behind Chinese investment in U.S. genomics and artificial intelligence (AI). With large public and private investments inland and in the U.S., China plans to become the next AI-Genomics powerhouse, which indicates that these technologies will soon converge in China. China’s ambition is to lead the global market for precision medicine, **which necessitates acquiring strategic tech**nological and human capital in both genomics and AI. And the country excels at this game. A sharp blow in this U.S.-China competition happened in 2013 when BGI purchased Complete Genomics, in California, with the intent to build its own advanced genomic sequencing machines, therefore securing a technological knowhow mainly mastered by U.S. producers. There are significant economic incentives behind China’s heavy investment in the increasing convergence of AI and genomics. This golden combination will drive precision medicine to new heights by developing a more sophisticated understanding of how our genomes function, leading to precise, even personalized, cancer therapeutics and preventive diagnostics, such as liquid biopsies. By one estimate, the liquid biopsy market is expected to be worth $40 billion in 2017. Assess the implications of iCarbonX of Shenzhen’s decision to invest US$100 million in U.S.-company PatientsLikeMe relative to AI and genomic data collection. iCarbonX is a pioneer in AI software that learns to recognize useful relationships between large amounts of individuals’ biological, medical, behavioral and psychological data. Such a data-ecosystem will deliver insights into how an individual’s genome is mutating over time, and therefore critical information about this individual’s susceptibilities to rare, chronic and mental illnesses. In 2017, iCarbonX invested $100 million in PatientsLikeMe, getting a hold over data from the biggest online network of patients with rare and chronic diseases. If successful, this effort could turn into genetic gold, making iCarbonX one of the wealthiest healthcare companies in China and beyond. The risk factor is that iCarbonX is handling more than personal data, but potentially vulnerable data as the company uses a smartphone application, Meum, for customers to consult for health advice. Remember that the Chinese nascent genomics and AI industry relies on cloud computing for genomics data-storage and exchange, creating, in its wake, new vulnerabilities associated with any internet-based technology. This phenomenon has severe implications. How much consideration has been given to privacy and the evolving notion of personal data in this AI-powered health economy? And is our cyberinfrastructure ready to protect such trove of personal health data from hackers and industrial espionage? In this new race, will China and the U.S. have to constantly accelerate their rate of cyber and bio-innovation to be more resilient? Refining our models of genomics data protection will become a critical biosecurity issue. Why is Chinese access to U.S. genomic data a national security concern? **Genomics** and computing research **is inherently dual-use, therefore a strategic advantage in a nation’s security arsenal.** Using AI systems to understand how the functioning of our genomes impacts our health **is of strategic importance for biodefense.** This knowledge will lead to increasing developments at the forefront of medical countermeasures, **including vaccines**, antibiotics, and targeted treatments relying on virus-engineering and microbiome research. Applying deep learning to genomics data-sets could help geneticists learn how to use genome-editing (CRISPR) to efficiently engineer living systems, but also to treat and, even “optimize,” human health, **with potential applications in military enhancements**. A $15 million partnership between a U.S. company, Gingko Bioworks, and DARPA aims to genetically design new probiotics as a protection for soldiers against a variety of stomach bugs and illnesses. China could be using the same deep learning techniques on U.S. genomics data to better comprehend how to develop, patent and manufacture tailored cancer immunotherapies in high demand in the United States. Yet, what if Chinese efforts venture into understanding how to impact key genomics health determinants relevant to the U.S. population? **Gaining access to increasingly large U.S. genomic data-sets gives China a knowledge advantage into leading the next steps in bio-military research.** Could biomedical data be used to develop bioweapons? Explain. Personalized medicine advances mean that personalized bio-attacks are increasingly possible. The combination of AI with biomedical data and genome-editing technologies will help us predict genes most important to particular functions. Such insights will contribute to knowing how a particular disease occurs, how a newly-discovered virus has high transmissibility, but also why certain populations and individuals are more susceptible to it. Combining host susceptibility information with pathogenic targeted design, **malicious actors could engineer pathogens that are tailored to overcome the immune system or the microbiome of specific populations.**

#### Maintenance of the US-led LIO is key to reduce a host of existential threats – establishes great-power peace.

Brands 18. [(Hal Brands is a Henry Kissinger Distinguished Professor at Johns Hopkins University’s School of Advanced International Studies, Scholar at the American Enterprise Institute. “America’s Global Order Is Worth Fighting For, Bloomberg Opinion, Politics & Policy,” August 14, 2018, Bloomberg. <https://www.bloomberg.com/opinion/articles/2018-08-14/america-s-global-order-is-worth-fighting-for>] TDI // Recut NChu

The first argument is easily disposed of. Yes, the postwar world has been thoroughly imperfect, featuring nuclear arms races, genocides, widespread poverty and other scourges. But the world has always been imperfect, and by any meaningful comparison, the last seven decades have been a veritable golden age. The liberal international economic order has led to an explosion of domestic and global prosperity: According to World Bank data, both U.S. and global per capita income have increased roughly three-fold (in inflation-adjusted terms) since 1960, with U.S. gross domestic product increasing nearly six-fold. The U.S. system of alliances and forward military deployments has contributed critically to the longest period of great-power peace in modern history, and the incidence of war and conquest more broadly have dropped dramatically. The number of democracies in the world has increased from perhaps a dozen during World War II to well over 100 today; respect for basic human rights has also reached impressive levels. As a bevy of scholarship has shown, the policies that the U.S. has pursued and the international order it has built have contributed enormously and directly to these outcomes. If the liberal international order can’t be considered a smashing success, no international order could be. The second critique is also overstated. It is true that Washington, like all great powers throughout history, has been willing to bend the rules to get its way. It is hard to reconcile Cold War-era interventions in Guatemala, Chile and other countries with a professed solicitude for human rights and democracy; the Iraq War of 2003 is only one instance in which the U.S. brushed aside the concerns of international organizations such as the U.N. Security Council. Likewise, when the U.S. government determined that the Bretton Woods system of monetary relations no longer suited its interests in the 1970s, it terminated that scheme and insisted on creating a more favorable one. But again, the proper standard here is not sainthood but reality. And the U.S. has generally enlisted its power in the service of universal values such as democracy and human rights; it has, more often than not, promoted a positive-sum international system in which like-minded nations can be secure and wealthy. This goes back to the very beginning of the liberal order: Washington did not seek to hold its defeated adversaries in subjugation after World War II; it rebuilt Japan and western Germany into thriving, democratic allies that became fierce economic competitors to the U.S. The U.S. has taken this approach not simply because it wanted to do good in the world — powerful as this motivation is — but because of a hard-headed desire to do good for itself. In an interdependent global environment, American officials have long calculated, the U.S. cannot divorce its own well-being from that of the wider world. And in contrast to how other great powers — Imperial Japan, for instance, or the Soviet Union — ruled their spheres of influence, American behavior has been positively enlightened. It is this relatively benign behavior that has convinced so many countries to tolerate American leadership — and it is the emergence of a darker form of U.S. hegemony under the Trump administration that so profoundly worries them today. As for the third critique, the premise is right, but the conclusion can easily go too far. It is always dangerous to become so enraptured by past achievements that one loses sight of the need for adaptation in the future. This is particularly true today, because the strength of the liberal order is being tested from within and without, by issues ranging from unequal burden-sharing among American allies to the ambivalence of the American people themselves. There is little evidence to suggest, however, that either American power or the liberal order it supports have eroded so dramatically that Washington’s postwar project cannot be sustained. Quite the contrary — the U.S. is likely to remain the world’s strongest power for decades to come.

## Case

### COVID

#### A vaccine waiver greenlights counterfeit medicine – independently turns Case.

Conrad 5-18 John Conrad 5-18-2021 "Waiving intellectual property rights is not in the best interests of patients" <https://archive.is/vsNXv#selection-5353.0-5364.0> (president and CEO of the Illinois Biotechnology Innovation Organization in Chicago.)//Elmer

The Biden's administration's support for India and South Africa's proposal before the World Trade Organization to temporarily waive anti-COVID vaccine patents to boost its supply will fuel the **development of counterfeit vaccines and weaken the already strained global supply chain**. The proposal will not increase the effective number of COVID-19 vaccines in India and other countries. The manufacturing standards to produce COVID-19 vaccines are **exceptionally complicated**; it is unlike any other manufacturing process. To ensure patient safety and efficacy, only manufacturers with the **proper facilities and training should produce the vaccine, and they are**. Allowing a temporary waiver that permits compulsory licensing to allow a manufacturer to export counterfeit vaccines will **cause confusion and endanger public health**. For example, between 60,000 and 80,000 children in Niger with fatal falciparum malaria were treated with a counterfeit vaccine containing incorrect active pharmaceutical ingredients, resulting in more than **100 fatal infections.** Beyond the patients impacted, counterfeit drugs erode public confidence in health care systems and the pharmaceutical industry. Vaccine hesitancy is a rampant threat that feeds off of the distribution of misinformation. Allowing the production of vaccines from improper manufacturing facilities further opens the door for antivaccine hacks to stoke the fear fueling **vaccine hesitance**.

#### The Plan can’t solve COVID - Lack of key supplies – conceded in cx that they don’t have the resources

Tepper 21 James Tepper, 4/10 [James Tepper, (James M. Tepper is an American neuroscientist currently a Board of Governors Professor of Molecular and Behavioral Neuroscience and Distinguished Professor at Rutgers University and an Elected Fellow of the American Association for the Advancement of Science.)]. "Global Covid vaccine rollout threatened by shortage of vital components." Guardian, 4-1-2021, Accessed 8-8-2021. https://www.theguardian.com/world/2021/apr/10/global-covid-vaccine-rollout-threatened-by-shortage-of-vital-components // duongie

Vaccine-makers around the world face shortages of vital components including large plastic growbags, according to the head of the firm that is manufacturing a quarter of the UK’s jab supply. Stan Erck, the chief executive of Novavax – which makes the second vaccine to be grown and bottled entirely in Britain – told the Observer that the shortage of 2,000-litre bags in which the vaccine cells were grown was a significant hurdle for global supply. His warning came as bag manufacturers revealed that some pharmaceutical firms were waiting up to 12 months for the sterile single-use disposable plastic containers, which are used to make medicines of all kinds, including the Pfizer, Moderna and Novavax Covid-19 vaccines. But Erck and his British partners said they were confident they had enough suppliers to avoid disruption to the supply of Novavax. The vaccine is waiting for approval from the Medicines and Healthcare products Regulatory Agency (MHRA) but the first of 60 million doses ordered by the government are already in production in Teesside. The Fujifilm Diosynth Biotechnologies factory began growing the first cells for the Novavax vaccine in Billingham, County Durham this month and in a few weeks they will fill the bioreactor bag, ready to be transported to GlaxoSmithKline’s plant at Barnard Castle to be put into vials for distribution. “The first hurdle is showing it works and we don’t have that hurdle any more,” Erck said. But he added there were others still to overcome. “There’s the media that the cells have to grow in,” Erck said. “You grow them in these 2,000-litre bags, which are in short supply. Then you pour it out and you have to filter it, and the filters are in short supply. The little things count.” Novavax almost ran out of bags at one of its 20 factories earlier this year, but there had been no delays for the UK operation, according to Martin Meeson, global chief executive of Fujifilm Diosynth. “We started working on our part of the supply chain in summer last year,” he said. “We had to accelerate some of the investment here, but the commitment we made last summer to start manufacturing in February has been fulfilled.” Production of coronavirus vaccines is being ramped up. Production of coronavirus vaccines is being ramped up. Photograph: Christophe Archambault/AP Both Meeson and Erck said the UK’s vaccine taskforce had been helpful in sorting out supply issues so far, but other countries and other medical supplies might be affected. ABEC makes bioreactor bags at two plants in the US and two in Fermoy and Kells in Ireland, and delivered six 4,000-litre bags to the Serum Institute in India last year for its Covid vaccines. Brady Cole, vice-president of equipment solutions at ABEC, said: “We are hearing from our customer base of lead times that are pushing out to nine, 10, even 12 months to get bioreactor bags. We typically run out at 16 weeks to get a custom bioreactor bag out to a customer.” He said ABEC was still managing to fulfil orders at roughly that rate. “The bag manufacturing capacity can’t meet demand right now,” he added. “And on the component side, the tubes and the instruments and so forth that also go into the bag assembly – those lead times are also starting to get stretched as well. But the biggest problem we see is it really is just the ability to get bags in a reasonable amount of time.” ABEC expanded its factories last year and has now started making 6,000-litre bags, which are roughly the size of a minibus. Other firms including MilliporeSigma, part of German company Merck, have also been expanding their manufacturing facilities. American firm Thermo Fisher Scientific expects it will finish doubling its capacity this year. The US government has also blocked exports of bags, filters and other components so it can supply more Pfizer vaccines for Americans. Adar Poonawalla, the chief executive of the Serum Institute of India, said the restrictions were likely to cause serious bottlenecks. Novavax is hoping to avoid delays and “vaccine nationalism” by operating on four continents, with 20 facilities in nine countries. “One year ago, we had exactly zero manufacturing capacity,” Erck said. “We’re self-sufficient. The two main things we need to do are done in the UK. And in the EU we have plants in Spain and the Czech Republic and fill-and-finish in Germany and the Netherlands.” There was no need for vaccines to cross borders to fulfil contracts, he said. The Oxford/AstraZeneca vaccine was hit by a delay to a delivery of 5 million doses from India and a problem with a batch made in Britain, and the company has been dragged into a lengthy row between the UK and the EU over vaccine exports.

### WTO Credibility

#### Conceding WTO Credibility – the WTO is bad – yes the I/L is reverse causal since 1AC Meyer says collapse will happen in the Status Quo and the Plan prevents it.

#### Low WTO causes regional trade – yes trade-off

Isfeld 14 Gordon Isfeld 3-17-2014 business.financialpost.com/2014/03/17/with-rise-of-shot-gun-trade-agreements-is-the-wto-even-relevant-anymore/ “With the rise of 'shot-gun' trade agreements, is the WTO even relevant anymore” //Elmer

OTTAWA — It’s getting awfully crowded out there in the free-trading world. The seemingly endless hunt for new global partners is redefining the traditional and hard-fought rules of engagement between nations. So much so, observers say, the old world order — remember the WTO, and GATT before it — has increasingly become a sideshow to the proliferation of bilateral, **trilateral** **and**, often, **multi-lateral** agreements. Even the term “free trade” no longer accurately describes the “new world” of negotiations — one that encompasses far more than what and how products are permitted to slide under domestic tariff radars. For Canada, we can now add South Korea and the European Union — deals long in the making but only weeks in the signing — after a string of minor agreements since the landmark free trade act 25 years ago with the United States, and later to include Mexico. Now, as the growing mass of country-to-country, region-to-region agreements has made apparent, it’s open season on anything that moves between borders — not only products, investments and intellectual property, but also new rules on competition, and the inclusion of labour laws and environmental guidelines. These are just some of the areas of possible disputes that the World Trade Organization “does not deal with,” said Debra Steger, a professor of law at University of Ottawa, specializing in international trade and development. “These are new models. These are not traditional trade agreements, per se.” Ms. Steger, who worked for the federal government on the Uruguay Round of negotiations that led to formation of the WTO, said the framework of recent deals goes “way beyond subjects that NAFTA dealt with.” “Trade, even in the WTO, isn’t only about tariffs. It’s not just about customs and border measures,” she said. “But it’s not about behind-the-border regulatory matters, like environmental regulation and labour standards, competition policy and human rights, corruption, and on and on it goes.” Free trade, between where ever, has become the go-to issue for politicians, business leaders, public-policy makers and private interest groups. Note, this month’s sudden but long-rumoured announcement by the Harper government of a free-trade deal with South Korea, nearly 10 years after talks began and stumbled, and resumed again. Arguably, the deal was finally done as a result of the resolution to Canada’s drawn-out dispute with Seoul over our beef exports — the so-called “mad cow” disease leading to a ban in that county and others. Of course, the United States, the European Union and Australia, among others, already had agreements in hand with South Korea. A few months earlier, Ottawa inked its EU deal — the Comprehensive Economic and Trade Agreement — which was again the outcome of a seemingly endless circle of negotiations that still left Canada trailing similar pacts by the U.S. and others. Even so, these pacts “affect the WTO and WTO negotiations for a number of reasons. That’s a major problem,” said Ms. Steger. “The major developed countries have gone off and started these efforts to negotiate these big FTAs [free trade agreements] as a response to the declining situation in the Doha Round. The WTO — reborn in 1995 out of the General Agreement and Tariffs and Trade, the original body created in 1948 — has been struggling to maintain its relevance as the global arbiter of trade agreements and dispute resolution. The cachet of the 159-member body, however, has been diminished in recent years as countries moved to seal their own free-trade deals with major partners in the absence, some would argue, of any significant movement by the WTO on its own 2001 trade liberalization initiative, launched in Doha, Qatar. Late last year, members managed to agree to only limited movement on trade under the Doha Round of talks. Even now, details remain to be worked out. “One of the reasons why we’re seeing this sort of shot-gun approach [to trade agreements outside of the WTO] is because a number of countries are concerned that the big global deals are probably next to impossible at this stage, given how the Doha Round went and what we ended up with there, which was next to nothing,” said Douglas Porter, chief economist at BMO Capital Markets in Toronto. “They did manage to reach a tiny deal when all was said and done, but it was very modest in terms of its scope.” The move toward bilateral or multi-lateral agreements “is a symptom of the problems that we were running into at the WTO,” Mr. Porter said. “Important players are probably quietly questioning the future for the WTO…. Is it that death knell for the WTO? I don’t think so. [But] it just means we might not be able to accomplish grand, global deals in the future.” However, “there’s really no other way to approach trade disputes with, say, a country like China, then through that body at this point.” “Even 10 years ago, I think it was more straightforward to come to global trade rules. You had two major players, Europe and the U.S., and a few next tier players, including Japan,” Mr. Porter said. “Now, though, you have all kinds of important big players that have a huge chunk of global trade, and have very different goals and aims, and it might be the nature of the global economy now — the reality that we have many different groups in many different regions. “It might be impossible to square that circle.” Over the course of 25 years, Canada has piled on more than a dozen free trade agreements. The first — taking effect on Jan. 1, 1989 — was with the United States. A heated political issue in the 1988 federal election, which Brian Mulroney’s Conservatives won, the FTA was expanded in 1994 to include Mexico and rebranded as NAFTA. Other free trade deals, though much smaller, were signed in subsequent years, some yet to take effect: Israel, Jordan and Chile, followed later by Costa Rica, Peru, Panama, Honduras and Colombia, leading up to the pacts with EU and South Korea. Negotiations are ongoing for at least another dozen agreements. For countries such as Colombia, which has had an agreement in effect with Canada since 2011, the goal is “to insert our economy into the world economy,” said Alvaro Concha, trade commissioner of Proexport Colombia, based in Toronto. “At the beginning of this decade, we had only our preferential access to over 500 million consumers,” Mr. Concha said. “With all the potential FTAs we’ve been signing with potential markets and with potential partners, we believe that not just the potential buyers of our products, but also the potential investors in our country, we have opened our preferential access to over 1.5 billion consumers.” Likely to push the WTO further into the shadows of global trade will be the Trans Pacific Partnership. “In many ways, the Trans Pacific Partnership will be, if it is successful, an updating of the NAFTA, because the U.S. and Mexico are involved, as well as some [trading] partners we already have within Latin America, like Peru,” said Ms. Steger, at the University of Ottawa. “But [there are] also some key countries in Asia that we don’t have agreements with yet. And some other developed countries in that regional, New Zealand and Australia, that we don’t have agreements with,” she adds. “So that [TPP] agreement is very, very important. It’s also the first major plur-lateral agreement that the world has seen.”

#### Regionalism promotes trade and stops war – avoids their impact because our regionalism is different than protectionist blocs.

Brkić 13, Snježana, and Adnan Efendic. "Regional Trading Arrangements–Stumbling Blocks or Building Blocks in the Process of Global Trade Liberalization?." 5th International Conference «Economic Integration, competition and cooperation», Croatia, Opatija. 2013. papers.ssrn.com/sol3/papers.cfm?abstract\_id=2239275 (Economics Prof at U of Sarajevo) //Elmer

Besides those advocating the optimistic or pessimistic view on regionalism effect on global trade liberalization, some economists, such as Frankel and Wei, hold a neutral position, in a way. Frankel and Wei believe that forms and achievements of international economic integrations can vary and that, for this reason, regionalism can be – depending on circumstances – linked to greater or smaller global trade liberalization. In the years-long period of regional integration development, four periods have been identified during which the integration processes were becoming particularly intensive and which have therefore been named "waves of regionalism". The first wave was taking place during the capitalism development in the second half of the 19th century, in the course of British sovereign domination over the world market. Economic integrations of the time primarily had the form of bilateral customs unions; however, owing to the comparative openness of international trading system based on the golden standard automatism, this period is called the "era of progressive bilateralism". The next two waves of **regionalism** occurred in the years following the world wars. Since the disintegration processes caused by the wars usually spawned economic nationalisms and autarchic tendencies, it is not surprising that post-war regionalisms were marked by discriminatory international economic integrations, primarily at the level of so-called negative integration, with expressedly “beggar-thy-neighbor” policies that resulted in considerable trade deviations. This particularly refers to the regionalism momentum after the First World War, which was additionally burdened by the consequences of Big Economic Crisis. The current wave of regionalism started in late 1980s and spread around the world to a far greater extent than any previous one did: it has covered almost all the continents and almost all the countries, even those which have mis to join all earlier regional initiatives, such as the USA, Canada, Japan and China. Integration processes, however, do not show any signs of flagging. Up till now, over 200 RTAs have been registered with GATT/WTO, more than 150 of them being still in force, and most of these valid arrangement have been made in the past ten years. Specific in many ways, this wave was dubbed "new regionalism". The most specific **characteristics** of new regionalism **include: geographic spread** **of RTAs** **in** terms of **encompassing entire continents;** **greater speed**; integration forms success; deepening of integration processes; **and**, the most important for this theoretical discussion, generally **non-negative impact on outsiders, world economy as a whole, and** the **multilateral liberalization** process. Some theorists (Gilpin) actually distinguish **between** the "**benign**" **and** "**malign**" **regionalism**. On the one hand, **regionalism can advance** the **international economic stability**, multilateral liberalization **and world peace**. On the other, it can have mercantilist features leading to economic well-being degradation and increasing international tensions and conflicts. Analyses of trends within the contemporary integration processes show that they mainly have features of "benign" regionalism. Reasons for this are numerous. **Forces driving** the **contemporary** **regionalism** development **differ from** those that used to drive **earlier** regionalism periods in the 20th century. The **present regionalism emerged in** the period characterized by the **increasing economic inter-dependence** between different world economy subjects, countries attempts to resolve trade disputes and multilateral framework of trade relations. As opposed to the 1930s episode, contemporary regional initiatives represent **attempts to make** the members' **participation in the world economy easier**, rather than make them more distant from it. As opposed to 1950s and 1960s episode, new **initiatives** are **less frequently motivated** **exclusively by political interests**, and are **less frequently** being used **for mercantilist purposes**. After the Second World War, more powerful countries kept using the economic integration as a means to strengthen their political influence on their weaker partners and outsiders. The examples include CMEA and European Community arrangements with its members' former colonies. As opposed to this practice, the new regionalism, mostly driven by common economic interests, yielded less trade diversion than previous one, and has also **contributed to** the **prevention of military conflicts of greater proportions**. Various analyses have shown that many regional integrations in earlier periods resulted in trade deviations, particularly those formed between less developed countries and between socialist countries. In recent years, however, the newly formed or revised regional **integrations** primarily seem to **lead to trade creation**. Contrary to the “beggar thy- neighbor” model of former international economic integrations, the integrations now offer certain advantages to outsiders as well, by stimulating growth and spurring the role of market forces. The analyses of contemporary trends in world economy also speak in favor of the "optimistic" proposition. The structural analysis shows that the world trade is growing and that this growth results both from the increase in intra-regional and from the increase in extra-regional trade value (Anderson i Snape 1994.)28. Actually, the intraregional trade has been growing faster, both by total value and by its share in world GDP. The extra-regional trade share in GDP was increasing in some regions – in North America, Asia-Pacific and Asian developing countries. However, the question arises as to whether the extra-regional trade would be greater without regional integrations or not? The answer would primarily depend both on the estimate of degree of some countries' trade policy restrictedness in such circumstances, and on factors such as geographic distance, transport communications, political relations among states. One should also take into account certain contemporary integration features – the primarily economic, rather than strategic motivation, and continuous expansion, which mostly includes countries that are significant economic partners. With respect to NAFTA, many believe that the negative effects on outsiders will be negligible, since the USA and Canada have actually been highly integrated economies for a long time already, while the Mexican economy is relatively small. The same view was pointed out by the EU, with respect to its expansion. It particularly refers to the inclusion of the remaining EFTA countries, because this will actually only complete, in institutional terms, the EU strong economic ties with these countries. Most EFTA countries have been part of the European economic area (EEA), i.e. the original EC-EFTA agreement, for a few years already, and conduct some 70% of their total international exchange with the Union countries. EU countries are also the most significant foreign-trade partners of Central and East Europe countries, and the recent joining the Union of several of them is not expected to cause a significant trade diversion. Besides, according to some earlier studies, during the previous wave of regionalism, in the 1967-70 period, the creation of trade in EEC was far greater than trade diversion: trade creation ranged from 13 to 23% of total imports, while trade diversion ranged from 1 to 6%. In Latin America, the new regionalism resulted in the faster growth of intra-regional trade, while the extra-regional exports and imports also continued to grow. Since early 1990s, the value of intra-regional imports registered the average annual growth of 18%. In the same time, the extra-regional exports were also growing, although at a lower rate of 9% average a year; its share in the total Latin America exports at the end of decade amounted to 18% as compared to 12% in 1990. In the 1990-1996 period, the intraregional imports grew by some 18% a year. The extra-regional imports were also growing very fast, reaching the 14% rate. These data reflect a great unbalance in the trade with extra-regional markets, since the imports from countries outside the region grew much faster the exports.30 Since the described trends point to the continued growth of extra-regional imports and exports, they also show that regional integration in Latin America has had the open regionalism character. Besides, the pending establishment of FTAA – Free Trade Area of Americas will gather, in the same group, the so-called "natural" trade partners – countries that have had an extremely extensive mutual exchange for years already, and the outsiders are therefore unlikely to be affected by strengthening of regionalism in this part of the world. Contemporary research shows that intra-regional trade is growing, however, same as interdependence between North America and East Asia and between the EU and East Asia. It can also be seen that the biggest and the **most powerful** countries, i.e. **blocs**, **are extremely dependent** **on the rest of the world in terms of trade.** For the EU, besides the intra-European trade, which is ranked first, foreign trade has the vital importance since it accounts for 10% of European GDP. In early 1990s, EU exchanged 40% of its foreign trade with non-members, 16% out of which with North America and East Asia together. EU therefore must keep in mind the rest of the world as well. The growing EU interest in outsiders is confirmed by establishing "The Euro-Med Partnership", which proclaimed a new form of cooperation between the EU and the countries at its South periphery32. Besides, the past few years witnessed a series of inter-regional agreements between the EU on the one hand, and certain groups from other regions on the other (MERCOSUR, CARICOM, ASEAN and GCC). In case of North America the ratio between intra-regional and inter-regional trade is 40:60, and in East Asia, it is 45:55. Any attempt to move towards significantly closed blocs ("fortresses") would require overcoming the significant inter-dependence between major trading blocs. Besides the analysis of contemporary trends in extra- and intra-regional trade, other research was conducted that was supposed to point to the reasons why the **new regionalism has** mainly a **non-negative impact on** outsiders and **global liberalization**. The distinctive features of new regionalism were also affected to characteristics of international economic and political environment it sprouted in. In the 1980s, economic nationalisms were not so expressed as in the interventionism years following the Second World War; however, the neo-liberalism represented by GATT activities did not find the "fertile ground” in all parts of the world. Regionalism growth in the circumstances of multilateral system existence is, among other things, the consequence of distrust in multilateralism. „The revival of the forces of regionalism stemmed from frustration with the slow pace of multilateral trade liberalization... If the world trade regime could not be moved ahead, then perhaps it was time for deeper liberalization within more limited groups of like-minded nations... Such efforts would at least liberalize some trade... and might even prod the other nations to go along with multilateral liberalization.“33 Kennedy's round and Tokyo round of trade negotiations under GATT auspices brought a certain progress in the global trade liberalization. However, the 1980s witnessed significant changes in the world economy that the GATT trade system was not up to. Besides. GATT had not yet managed to cover the entire trade in goods, since there were still exceptions in the trade in agricultural and textile products that particularly affected the USA and developing countries. GATT system of conflict resolutions, and its organizational and administrative mechanism in general also required revision. In this vacuum that was created in promoting trade and investment multilateralism from the point when GATT inadequacy became obvious until the start of the Uruguay round and the establishment of World Trade Organization, the wave of regionalism started spreading across the world again. Prodded by the Single European Act and the success of European integration, many countries turned to an alternative solution – establishment of new or expansion and deepening of the existing economic integrations. Even the USA, the multilateralism bastion until then, made a radical turn in their foreign-trade policy and started working on designing a North American integration.

#### That outweighs—multilateral trade causes wars with a larger impact

Thoma 7 Mark Thoma July 2007 “Trade Liberalization and War” <http://economistsview.typepad.com/economistsview/2007/07/trade-liberaliz.html> (Economics Professor at the University of Oregon)//Elmer

Globalisation is by construction an increase in both bilateral and multilateral trade flows. What then was the net effect of increased trade since 1970? We find that it **generated an increase in the probability of a bilateral conflict by** around **20%** for those **countries separated by less than 1000kms,** the group of countries for **which the risk of disputes that can escalate militarily is the highest.** The effects are much smaller for countries which are more distant. Contrary to what these results (aggravated by our nationality) may suggest, we are not anti-globalisation activists even though we are aware that some implications of our work could be (mis)used in such a way. The result that bilateral trade is pacifying brings several more optimistic implications on globalisation. First, if we think of a world war as a war between two large groups or coalitions of countries, then globalisation makes such a war less likely because it increases the opportunity cost of such a conflict. Obviously, this conclusion cannot be tested but is a logical implication of our results. From this point of view, our work suggests that globalisation may be at the origin of a change in the nature of conflicts, less global and more local. Second, our results do confirm that increased trade flows **created by regional trade agreements** (such as the EU) are indeed **pacifying** as intended. Given that most military conflicts are local, because they find their origins in border or ethnic disputes, **this is not a small achievement**. These beneficial political aspects of regional trade agreements are not usually considered by economists who often focus on the economic distortions brought by their discriminatory nature. Given the huge human and economic costs of wars, this political effect of regional trade agreements should not be discounted. This opens interesting questions on how far these regional trade agreements should extend – a topical issue in the case of the EU. The entry of Turkey in the EU would indeed pacify its relations with EU countries (especially Greece and Cyprus), but also increase the probability of a conflict between Turkey and its non-EU neighbours. However, our simulations suggest that in this case, the first effect dominates the second by a large margin. More generally, our results should be interpreted as a word of caution on some political aspects of globalisation. As it proceeds and weakens the economic ties of proximate countries, those with the highest risk of disputes that can escalate into military conflicts, local conflicts may become more prevalent. Even if they may not appear optimal on purely economic grounds, regional and bilateral trade agreements, by strengthening local economic ties, may therefore **be a necessary political counterbalance to economic globalisation**.