# 1AC Flow BVN - LR

## Inherency

#### Mexico uses microfinancing but these institutions are failing because they are dominated by private banks and organizations, which marginalize communities, reduce access, increase interest rates, and create economic shocks.

Pablo Anton Diaz, 4/24/2013

Environmental Science and Policy at Columbia, “Striking a balance between private and social interests: Lessons from microfinance in Mexico,” Journal of International Affairs, http://jia.sipa.columbia.edu/striking-a-balance-between-private-and-social-interests

Microfinance institutions are a promising instrument for alleviating—not eradicating—poverty and expanding

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Crédito Popular—National Law for Community Savings and Microcredits—in 2009.¶

#### And, US funding for USAid in Mexico is down—more focus is given to drug trafficking and crime

Senior State Department and USAid Officials, 2013

(April 10, “Senior State, USAid Officials on Obama’s FY 2014 Budget Proposal,” http://iipdigital.usembassy.gov/st/english/texttrans/2013/04/20130410145570.html#axzz2YIfPI8dp)

SENIOR STATE DEPARTMENT OFFICIAL ONE: They are. But they – the programs in

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we’re providing $323 million, which is a $61 million decrease.

#### Thus the Plan: The United States federal government should substantially increase its funding for urban and rural financial service providers through the government of Mexico and microenterprises and provide for regulation of such institutions.

## Advantage 1: Disease

#### People are dying every day in rural Mexico from disease as a result of no health care

Fox News Latino January 7, 13

“Bacterial Disease Outbreak in Mexico Leaves 5 Babies Dead” (http://latino.foxnews.com/latino/health/2013/01/07/five-babies-killed-from-disease-in-mexico/)

A bacterial disease has killed five babies and sickened 41 others in a remote indigenous

AND

1 year old. Three medical teams have been sent to the village.

#### Due to low levels of health care in Mexico, a disease epidemic is highly likely to sprout

Future Agenda July 10, 2010

“Global Pandemics” (http://www.futureagenda.org/pg/cx/view/318)

We are likely to see two to three major pandemics start in regions with limited

AND

need to cooperate in the future when more lethal strains of virus spread.

#### Though we have made leaps in medical advances, the world is more vulnerable to pandemics than before.

Lewis, Nancy Davis. 2008. Director of Research. “Public Health Systems Have Come a Long Way in Pandemic Readiness”. http://www.eastwestcenter.org/news-center/east-west-wire/public-health-systems-have-come-a-long-way-in-pandemic-readiness

There is also increased understanding of past pandemics, and guidelines have been developed by

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world, after Tokyo). Two billion passengers worldwide take commercial flights annually.

#### Pandemics outweigh are the worst possible impact – probability, loss of life, and all out nuclear war are results of it

Washington Post - Zakaria 5

Zakaria 5 [Fareed, Editor of Newsweek International whose column appears in Newsweek, Newsweek International and The Washington Post, “A Threat Worse than Terror,” 10-31, Newsweek, http://www.fareedzakaria.com/ARTICLES/newsweek/103105.html]

A flu pandemic is the most dangerous threat the United States faces today," says

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for the first time. No such expertise exists for today's deadliest threat.

#### Microfinancing key to reach impoverished communities to solve health issues

Leatherman and Dunford – November 05, 2009

(Sheila Leatherman, Gillings School of Public Health, University of North Carolina & Christopher Dunford, Freedom from Hunger, Davis, USA, 05 November 2009, “Linking health to microfinance to reduce poverty”

<http://www.who.int/bulletin/volumes/88/6/09-071464/en/>)

Every day, thousands of microfinance workers travel to poor communities to provide microfinance services

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of service delivery that is mostly self-financed by interest on loans.

**Disease spread leads to extinction**

**Yu, Dartmouth, Undergraduate Journal of Science** **9**

[Victoria, 5-22-09, “Human Extinction: The Uncertainty of Our Fate” http://dujs.dartmouth.edu/spring-2009/human-extinction-the-uncertainty-of-our-fate, accessed 7-01-13 AMS]

A pandemic will kill off all humans. In the past, humans have indeed

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could only infect birds — into a human-viable strain (10).

**No burnout**

**Torrey 5** - Directors Stanley Medical Research Institute

(E. Fuller and Robert H Yolken, Beasts of the Earth: Animals, Humans and Disease, pp. 5-6)

The outcome of this marriage, however, is not as clearly defined as it

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HIV or SARS virus may be truly capable of eradicating the human race.

## Advantage 2: Economy

#### Mexico’s economy is stable now, but poverty risks its growth

**Villagran 13** (Lauren Villagran, April 24th,2013. Lauren Villagran is a freelance correspondent in Mexico City for The Christian Science Monitor and other publications. Previously, she worked for the Associated Press in New York. She holds a degree from the Medill School of Journalism at Northwestern University. <http://www.csmonitor.com/World/Americas/2013/0424/Is-Mexico-s-economy-more-a-fiesta-or-a-siesta>.)

China, India, and Brazil are out. Mexico is in – at least

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at a recent conference. “It’s unsustainable to continue having two Mexicos.”

#### The current system puts ultra-high interest rates on loan receivers—system is on the risk of meltdown

Bateman ‘13

(Milford Bateman, Department of Economics and Tourism, Juraj Dobrila Pula University, Pula, Croatia, May 2013 “The Age of Microfinance: Destroying Latin American Economies from the Bottom Up” Österreichische Forschungsstiftung für Internationale Entwicklung, <http://www.oefse.at/Downloads/publikationen/WP39_microfinance.pdf>) Finally, the microfinance sector in Mexico remains one of the most complicated and, by most ¶ recent accounts, most ‘saturated’ in the world. To microfinance advocates, the massive ¶ increase in the supply of microfinance in Mexico in the 1990s and 2000s remains one of the ¶ most dramatic pieces of evidence in favour of the commercialisation of microfinance (Otero ¶ 2007). However, the serious problems that have emerged in precise tandem with increased ¶ commercialisation have been simply ignored. Central among these problems is the fact that, ¶ contrary to all neoliberal theory and microfinance advocates’ predictions, the highly ¶ deregulated and ultra-competitive microfinance market in Mexico has generated ultra-high ¶ and rising interest rates. This was most graphically shown when it emerged that the high ¶ profits made by Compartamos are today being generated thanks to interest rates of around ¶ 195%,11 a significant rise on the interest rates applied in earlier years. Such ultra-high ¶ interest rates are, of course, one of the reasons that since 2007 foreign banks have been ¶ desperate to have a presence in the Mexican microfinance market. Not surprisingly, recent ¶ informal reports put the Mexican microfinance system at some considerable risk (Das 2009), ¶ with the level of multiple lending now apparently way ahead of that in Nicaragua in the run up ¶ to its own microfinance meltdown in 2010.12 In particular, there has been a significant and ¶ worrying jump in the supply of consumer credit since 2000, going from just over 32% of total ¶ private lending to 43% by 2009 (Jiménez/Manuelito 2011: 49).13 By 2011 consumer credit ¶ accounted for 23% of all bank-issued credit and, the obvious rationale behind the growth, ¶ 40% of all bank earnings arising from interest, commissions and annual fees (UNAM 2012, ¶ quoted in Faze/Mazer 2013). Thus, though the EIU’s Microscope 2012 rated Mexico highly – ¶ equal ninth place overall – it felt the need to issue a warning to the effect that overindebtedness in Mexico was becoming a real concern, particularly in the south (EIU ¶ 2012:46).

#### This will tank half of the micro entrepreneurs

Miroff 13 (Nick, Washington Post, “With eye on growth, Mexico seeks to ease access to credit,” Lexis.)

Economists estimate that **one-quarter to one-half of Mexicans work in the "informal" sector, the off-the-books bazaar of churro vendors, fruit stands and other forms of micro-commerce that rarely offers more than a subsistence living. Providing those entrepreneurs with affordable banking services and credit is viewed as a key step toward building a broader Mexican middle class**.

#### Micro entrepreneurs are key to economic growth

AllAfrica 13(This Day, June 13, Survey reveals lack of access to credit as entrepreneurs’ main obstacle Abimbola Akosile, Lexis.)

A survey on business carried out across 90 countries, including Nigeria, has confirmed

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small and micro businesses are vital for economic growth but face serious challenges.

#### Mexico is key to the global economy

Mexico trade and investment July 6, 2013

July 6, 2013 “Mexico Renews Itself, Meeting the World's Needs” pro mexico trade and investment (http://negocios.promexico.gob.mx/english/08-2012/art01.html)

Due to their levels of investment, exports and employment generation, the electric and

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exports keep growing at a constant rate. Numbers speak louder than words.

#### Plan key to reach the most impoverished areas of Mexico to be able to solve the economic problems

New York Times, Malkin 08

(New York Times, [ELISABETH MALKIN](http://query.nytimes.com/search/query?ppds=bylL&v1=ELISABETH%20MALKIN&fdq=19960101&td=sysdate&sort=newest&ac=ELISABETH%20MALKIN&inline=nyt-per), NYT Reporter, with a degree in finance and micro economics “Microfinance’s Success Sets Off a Debate in Mexico” <http://www.nytimes.com/2008/04/05/business/worldbusiness/05micro.html?pagewanted=all&_r=0>)

**Microlenders, the original and still the most common type of microfinance organization, help**

the poor start or expand businesses in places most banks shun, like the slums

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boundless pool of investor capital rather than the limited pool of donor money.

#### Economic downturn causes war

Mead 9

(Henry , Sr fellow in U.S. Foreign Policy at the Council on Foreign Relations, *The New Republic*, 2/4/09, http://www.tnr.com/politics/story.html?id=571cbbb9-2887-4d81-8542-92e83915f5f8&p=2)

So far, such half-hearted experiments not only have failed to work;

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the world economy back on track, we may still have to fight.

#### Economic crisis turns failed states

Kemp 10 Geoffrey Kemp, Director of Regional Strategic Programs at The Nixon Center,

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and Asia’s Growing Presence in the Middle East, p. 233-4

The second scenario, called Mayhem and Chaos, is the opposite of the first

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expected, with dire consequences for two-thirds of the planet’s population.

#### That causes nuclear war and extinction

Manwaring 05 – adjunct professor of international politics at Dickinson

(Max G., Retired U.S. Army colonel, Venezuela’s Hugo Chávez

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and their associated problems endanger global security, peace, and prosperity.65

**Mexican economic decline causes a flood of refugees, resulting in terrorism.**

**Brown ‘9** (Michael Brown, Undersecretary of Emergency Preparedness and Response in the Department of Homeland Security, “Border Control: Collapse of Mexico Is A Homeland Security & National Security Issue,” 1/14/2009, <http://michaelbrowntoday.com/journal/2009/1/15/border-control-collapse-of-mexico-is-a-homeland-security-nat.html>)

By failing to secure the borders and control immigration, we have opened ourselves up

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States, just laying in wait to attack at an appropriately vulnerable time.

**US-Mexican border terrorism results in bioterror attacks.**

**Timmerman ’10** (Ken Timmerman, Newsmax correspondent, “FBI Director

Mueller: Al-Qaida Still Wants Nuclear Bomb,” 3/18/2010,

http://newsmax.com/Newsfront/mueller-fbi-alqaida-nuclear/2010/03/18/id/353169)

FBI Director Robert Mueller warned Congress on Wednesday of ongoing al-Qaida efforts to

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it is properly spread in population centers there,” al-Nasifi said.

#### New gene manipulation takes out your bioweapons defense.

MSNBC ‘11

[“Clinton warns of bioweapon threat from gene tech,” pg online @ http://www.msnbc.msn.com/id/45584359/ns/… “For an international verification system — akin to that for nuclear weapons — saying it is too complicated to monitor every lab's activities.”]

GENEVA — New gene assembly technology that offers great benefits for scientific research could also

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for nuclear weapons — saying it is too complicated to monitor every lab's activities

**Extinction**

**Steinbruner ’97 – Brookings senior fellow and chair in international security**

(John D. Steinbruner, Brookings senior fellow and chair in international security,

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for a global contagion of this sort but not necessarily its outer limit.

## Solvency

#### Plan creates an ethical economic solution—access, caps on interest rates, and distribution of microfinance key

Pablo Anton Diaz, 4/24/2013

Environmental Science and Policy at Columbia, “Striking a balance between private and social interests: Lessons from microfinance in Mexico,” Journal of International Affairs, http://jia.sipa.columbia.edu/striking-a-balance-between-private-and-social-interests

In distinguishing between the existence of profits and the size of profits, there is

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, and promote sound economic development by improving the livelihoods of all Mexicans.

#### Government Micro financing solves

Bate 2007 (Peter, Analyst and Write for Microenterprise Americas Magazine, Fall 2007, Inter-American Development Bank, the leading source of development financing for Latin America and the Caribbean, with a strong commitment to achieve measurable results, increased integrity, transparency and accountability, <http://www.iadb.org/en/about-us/about-the-inter-american-development-bank,5995.html>)

It would seem that the pink tide that swept several Latin American countries in the

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. The title for this scenario? “Flood, distortion and collapse.”