NEGATIVE BRIEF: SOLAR ENERGY TRADE

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NEGATIVE BRIEF: SOLAR ENERGY TRADE

NEGATIVE PHILOSOPHY

Bright solar future will never happen unless we promote the American solar industry

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing; also served on the US Department of Commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels Part 4” 25 Sept 2014. <http://www.americanmanufacturing.org/blog/entry/leveling-the-playing-field-for-american-solar-manufacturers>

Americans will never see a world with good jobs, clean air and water, and healthy communities if we ignore the conditions created by our consumption, especially when it supports the environmental and human costs of unrealistically cheap products.  The label “Made in the U.S.A.” goes beyond a mere concept of patriotism. It means supporting the businesses, employees, and communities in which the products are made; it supports American companies and their workers who meet stringent U.S. standards for clean air, clean water, and safe workplaces; and it means not rewarding those companies that have moved their operations, investment dollars, and jobs to foreign countries and take advantage of some of the most vulnerable communities.

Affirmative philosophy is “Green Mercantilism.”

Matthew Stepp and Dr. Robert D. Atkinson 2012 (Steep is a clean energy policy analyst, has a B.S. in meteorology and an M.S. in Science, Technology, and Public Policy. Atkinson is the president of the Information Technology Innovation Foundation) “Green Mercantilism: Threat to the Clean Energy Economy” June 2012. <http://www2.itif.org/2012-green-mercantilism.pdf>

“Green mercantilism”—the adoption of policies that give countries an unfair advantage to boost exports and limit imports of clean energy technologies—is a major departure from rules-based clean technology trade. It’s represented by “beggar-thy-neighbor” policies, including lax IP enforcement, forced technology transfer, export subsidies, discriminatory standards, barriers to imports, and preferential treatment of domestic firms by their parent governments.

INHERENCY

1. Chinese factories are relocating.

Solar trade barriers are bypassed anyway because Chinese factories relocate to other countries that aren’t subject to the tariffs.

Bloomberg Business 2015 (Business magazine published by Bloomberg L.P.) “China Dodging Trade Barriers With Overseas Solar Plants” July 14th, 2015. [www.bloomberg.com/news/articles/2015-07-15/china-dodging-trade-barriers-with-overseas-solar-plants](http://www.bloomberg.com/news/articles/2015-07-15/china-dodging-trade-barriers-with-overseas-solar-plants)

By the end of this year, the Chinese producers will establish outside the country solar panel factories with a capacity of at least 5.3 gigawatts and cell plants that can make 4.7 gigawatts, according to data compiled by Bloomberg New Energy Finance. The shift shows how China’s industry is coping with mounting trade restrictions brought in to protect U.S. and European companies concerned they were being undercut on price. Companies like the world’s biggest panel maker, Trina Solar Ltd., and others such as JinkoSolar Holding Co. and JA Solar Holdings Co. are among those moving factories abroad.

HARMS / SIGNIFICANCE

1. Insignificant price impact. Tariffs on Chinese solar panels do not significantly impact the market price

John Parnell 2015 (Deputy head of content for Solar Media and has worked on UN climate change talks) " No clear winners in revised US-China solar duties: July 10th, 2015. [http://www.pv-tech.org/news/no\_clear\_winners\_in\_revised\_us\_china\_solar\_duties](http://www.pv-tech.org/news/no_clear_winners_in_revised_us_china_solar_duties" \t "_blank)

An investor note circulated by Deutsche Bank analyst Vishal Shah said the new changes to the 2012 duties were unlikely to impact Chinese firms’ pricing in the US.  “We view this development as a positive for the Chinese suppliers like Trina and Yingli. While the effect on market pricing is unlikely to be substantial (at most, a few cents likely), the Chinese should be able to achieve improved margins in the US market given strong demand trends at least through the end of 2016,” he said.

2. Tariffs are good: American manufacturers are growing

Molly Young 2015. (covers economic and financial trends for The Oregonian, an online media outlet based in Oregon). “In 'win for Oregon,' feds uphold steep tariffs on Chinese solar products” July 8th, 2015. <http://www.oregonlive.com/business/index.ssf/2015/07/us_trade_officials_uphold_tariffs_on_chinese_solar_products.html>

Executives say SolarWorld has rebounded since launching the trade cases. The company expanded earlier this year in Hillsboro and increased its workforce from 700 to 900 to meet growing demand.

3. US consumer demand not slowed by tariffs: demand is at an all-time high

PV-Tech.org 2015 (A media platform specializing in reporting on solar photovoltaic technology and is based in North America and Europe) “US reviews 2012 China trade tariffs” July 9th, 2015. <http://www.pv-tech.org/news/us_reviews_2012_china_trade_tariffs>

SolarWorld Americas, the complainant in both cases, welcomed the results of the review, despite the fact that most of its tier-one rivals have had their rates cut. “This is another strong victory for US solar manufacturers and workers as Commerce’s trade investigators once again found that China’s improper trade practices violate US trade law,” said Mukesh Dulani, US president of SolarWorld. “When the first solar trade cases were filed in 2011, many in the industry said that the sky was going to fall and US demand would plummet. That clearly did not happen. US demand is at an all-time high, and US manufacturers are rebuilding US production and jobs. SolarWorld and other US manufacturers believe that dumped pricing and subsidisation must continue to be addressed.”

DISADVANTAGES

1. Illegal trade subsidies. China subsidizes their own solar industry, in violation of international trade rules

Link: Chinese trade practices violate US trade law

Molly Young 2015. (Molly Young covers economic and financial trends for The Oregonian, an online media outlet based in Oregon). “In 'win for Oregon,' feds uphold steep tariffs on Chinese solar products” July 8th, 2015. <http://www.oregonlive.com/business/index.ssf/2015/07/us_trade_officials_uphold_tariffs_on_chinese_solar_products.html>

Many manufacturers now face anti-dumping and anti-subsidy duties of 31 percent on solar cells made in China. The tariffs stem from a 2011 trade complaint lodged by SolarWorld, the German company that employs hundreds of people at a solar-panel factory in Hillsboro. "This is another strong victory for U.S. solar manufacturers and workers as Commerce's trade investigators once again found that China's improper trade practices violate U.S. trade law," said SolarWorld's U.S. president,  Mukesh Dulani, in a statement.

Link: “Clean energy” subsidies violate WTO trade rules

Matthew Stepp and Dr. Robert D. Atkinson 2012 (Steep is a clean energy policy analyst, has a B.S. in meteorology and an M.S. in Science, Technology, and Public Policy. Atkinson is the president of the Information Technology Innovation Foundation) “Green Mercantilism: Threat to the Clean Energy Economy” June 2012. <http://www2.itif.org/2012-green-mercantilism.pdf>

Subsidies work like currency manipulation except that they explicitly target the clean energy industry. But not all subsidies are mercantilist in nature. Under the WTO, subsidies can be considered harmful if it is proven that the subsidy distorts international trade. So on one hand, subsidies to buyers of clean energy technologies can help these technologies gain market share, especially in a market where the negative externalities of fossil fuels are not priced. But on the other hand, subsidies specifically provided to domestic firms to give an unfair export advantage against foreign competitors is mercantilist. These subsidies to domestic clean energy firms are the problem.

Link: China uses unfair subsidies

Matthew Stepp and Dr. Robert D. Atkinson 2012 (Steep is a clean energy policy analyst, has a B.S. in meteorology and an M.S. in Science, Technology, and Public Policy. Atkinson is the president of the Information Technology Innovation Foundation) “Green Mercantilism: Threat to the Clean Energy Economy” June 2012. <http://www2.itif.org/2012-green-mercantilism.pdf>

For example, China utilizes subsidies to not just expand energy access to its citizens, but to also unfairly gain global market share for its clean energy producers by leveraging its first-generation technologies, like crystalline solar panels, as a market leader not on merit, but on subsidized price. After the 2008 “Great Recession” the Chinese poured hundreds of billions of yuan into their clean energy firms to help them lower their costs to gain global market share, largely through subsidies. According to the ITIF and Breakthrough Institute report, Rising Tigers, Sleeping Giant: Asian Nations Set to Dominate the Clean Energy Race by Out-Investing the United States, China is investing $397 billion in their domestic clean technology industry from 2009 through 2013.16 And by all accounts China’s subsidy policy has worked. Chinese crystalline solar PV prices decreased by 47 percent since 2010 and China now exports 54 percent of the world’s solar panels. Building off of these successes, China is increasing its annual clean energy industry development subsidies and investments by almost 400 percent from 2011 to 2012

Impact: US businesses collapse. Subsidized Chinese panels flood the US market, damaging our businesses

Molly Young 2015. (Molly Young covers economic and financial trends for The Oregonian, an online media outlet based in Oregon). “In 'win for Oregon,' feds uphold steep tariffs on Chinese solar products” July 8th, 2015. <http://www.oregonlive.com/business/index.ssf/2015/07/us_trade_officials_uphold_tariffs_on_chinese_solar_products.html>

When SolarWorld first filed the trade case, [it was struggling to survive.](http://www.oregonlive.com/business/index.ssf/2012/08/dark_days_for_solarworld.html) Executives contended Chinese companies were flooding the U.S. solar industry with below-cost products subsidized by their government. The glut of cheap panels collapsed prices -- and many U.S. manufacturers. Federal trade officials sided with SolarWorld in 2012 and placed steep penalties on imports. A second, related case [also went in SolarWorld's favor](http://www.oregonlive.com/business/index.ssf/2015/01/in_win_for_solarworld_internat.html) in 2014 and resulted in further tariffs.

Backup Evidence

Link: Chinese government illegally rewards exporting companies

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing; also served on the US Department of Commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels Part 4” 25 Sept 2014. <http://www.americanmanufacturing.org/blog/entry/leveling-the-playing-field-for-american-solar-manufacturers>

Both national and local Chinese governments offer illegal subsidies to exporting solar manufacturers. Subsidies range from “[heavily discounted land](http://www.americansolarmanufacturing.org/fact-sheet/" \t "_blank)” and tax exemptions to “[export assistance grants](http://www.americansolarmanufacturing.org/fact-sheet/" \t "_blank)” and “[export insurance at preferential rates](http://www.americansolarmanufacturing.org/fact-sheet/" \t "_blank).” With a constant supply of up-front cash grants and loans, Chinese solar manufacturing companies develop huge capacity. Because these products are destined for global trade purposes China’s subsidies are illegal.

Link: Unfair advantage. Chinese companies that are powered by subsides have an unfair advantage over US companies

Naman Sanghvi 2014 (Business development manager for CLP Power India, and has also written for multiple digital media outlets on a variety of topic ) “Market Manipulation? EU vs. China” March 30th, 2014. <http://www.businesstoday.org/articles/2014/03/eu-vs-china-allegations-of-unfair-trade-practices-and-dumping-of-solar-pv-panels/>

The case against China is that Chinese solar product manufacturers are taking advantage of unfair subsidies and benefits provided by the Chinese government at below market rates, and “dumping” solar PV panels (crystalline silicon photovoltaic modules or panels, and cells and wafers used in these panels) – purposely pricing them at a lower price as compared to the market fair value. The Chinese subsidies and lower prices make Chinese solar panels more cost effective and thus drive business away from home grown solar manufacturing companies, who find it difficult to compete. Given the fierce competition by Chinese manufacturers along with the combined cycle of the recent sharp decrease in demand and massive oversupply (the growth of the global PV market plummeted from as much as 140% in 2010 to 17% in 2011[[ii]](http://www.businesstoday.org/articles/2014/03/eu-vs-china-allegations-of-unfair-trade-practices-and-dumping-of-solar-pv-panels/#_edn2)), a lot of European manufacturers have been hit very hard and are fighting for survival, resulting in various European industry associations requesting regulators to investigate into this alleged dumping and “impose tariff’s” (referred for anti-dumping and anti-subsidy duties) on panels imported from China.

Impact: Difficult competition. Law-abiding companies can’t compete by following the rules, when Chinese companies don’t

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing. He has also served on the US department of commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels Part 4” 25 Sept 2014. <http://www.americanmanufacturing.org/blog/entry/leveling-the-playing-field-for-american-solar-manufacturers>

The environmental destruction of China’s renewables manufacturing, in hand with the illegal government export subsidies and tax incentives for solar, make it extremely difficult for legitimate, law abiding global manufacturers to compete.

Impact: Depresses US solar manufacturing industry

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing. He has also served on the US department of commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels” September 22nd, 2014. <http://www.americanmanufacturing.org/blog/entry/the-true-cost-of-chinese-solar-panels>

The influx of these artificially cheap solar panels into the market has also depressed a legitimate solar manufacturing industry in the U.S., one which is regulated by U.S. environmental and labor laws and that in 2013 employed over [29,851 people](http://www.thesolarfoundation.org/sites/thesolarfoundation.org/files/TSF%20Solar%20Jobs%20Census%202013.pdf" \t "_blank).

Impact: Chinese subsidies threaten American jobs

James Melik 2012 (Reporter for Business Daily and the British Broadcasting Company) “US turns up heat on China solar subsidies” February 22nd, 2012. <http://www.bbc.com/news/business-17094881>

"The Chinese government is heavily subsidising manufacturing, taking American jobs over to China, bringing product into the US, taking advantage of the incentives the US government offers to the customer side and taking that money back into the Chinese economy," Mr Brinser argues.

2. Environmental damage.

Link: China has poor environmental practices

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing; also served on the US Department of Commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels” 22 Sept 2014. <http://www.americanmanufacturing.org/blog/entry/the-true-cost-of-chinese-solar-panels>

However, the proliferation of cheap Chinese solar panels depends on more than just government support. The low price relies on China’s notoriously poor environmental protections, and the dangerous working conditions in its mines and factories. While China’s environment may benefit in the long-term from a strong renewable energy industry, “for the time being the industry continues to tread the traditional path of ‘pollute first, clean up afterwards.’ China’s shining solar industry, while enabling blue skies elsewhere, is [leaving behind a scarred landscape at home.](http://www.worldwatch.org/node/5650" \t "_blank)”

Link: Chinese solar manufacturing pollutes Chinese communities with toxic chemicals

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing; also served on the US department of commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels” 22 Sept 2014. <http://www.americanmanufacturing.org/blog/entry/the-true-cost-of-chinese-solar-panels>

Unfortunately, while [some](http://www.affordablesolarusa.org/in-the-news/" \t "_blank) see imported cheap Chinese solar panels as a boon for more rapid deployment of renewable energy, these cheap imports not only threaten U.S. domestic manufacturing jobs in the sector but expose many communities in China to further pollution. In the Chinese government’s pursuit of economic growth, there is little enforcement of its already weak – and in some cases, nonexistent – environmental and labor protections. As a result, pollution at manufacturing facilities continues unabated exposing workers and the general public to a growing mix of toxic chemicals.

Link: China has minimal environmental safeguards

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing; also served on the US Department of Commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels Part 2” 23 Sept 2014. <http://www.americanmanufacturing.org/blog/entry/the-true-cost-of-chinese-solar-panels-part-2>

First, consider that there are more than 20,000 factories in just the Shanghai region to be inspected, while China's Environmental Monitoring/Inspection Bureau has 45 officials and a budget of $600,000. In comparison, the U.S. Environmental Protection Agency's (EPA) enforcement bureau has a budget of $700 million and 3,000 employees. Due to lax enforcement, Chinese solar companies save '[millions of dollars by not installing pollution](http://www.washingtonpost.com/wp-dyn/content/article/2008/03/08/AR2008030802595_pf.html" \t "_blank) (controls)."

Impact: Workers die. Toxic waste, cancer, cadmium poisoning, kidney and liver failure

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing; also served on the US Department of Commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels Part 3” 24 Sept 2014. (ellipses in original) <http://www.americanmanufacturing.org/blog/entry/the-true-cost-of-chinese-solar-panels-part-3>

Located in Hunan Province along the Liuyang River, Xianghe Chemical Factory produced extremely toxic metals like cadmium and indium, both used the production and manufacture of solar panels. But two years after the factory was shuttered, thousands of villagers in Hunan were “[still living in the shadow of one of the worst pollution scandals on the mainland](http://www.scmp.com/article/968624/toxic-legacy),” reported the South China Morning Post. “The factory had been illegally producing indium since 2004 without necessary safety facilities for dealing with the toxic waste, which was discharged, untreated, into the Liuyang River.” Three out of four villagers suffer from excessive levels of cadmium in their blood. Cadmium damages the kidneys and the liver and, found the newspaper, “can cause cancer and failure of the nervous system and lungs.… The villagers are struggling to cope with their illnesses without proper medical support, let alone fair compensation.” Clinical autopsies on part-time Xianghe Chemical Factory workers showed “they died of brain damage and multiple organ failure, including their lungs, liver and kidneys, caused by acute cadmium poisoning.”

Impact: Environmental damage. Chinese solar panels destroy the communities around them

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing; also served on the US Department of Commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels Part 2” 23 Sept 2014. <http://www.americanmanufacturing.org/blog/entry/the-true-cost-of-chinese-solar-panels-part-2>

These local officials’ initiative plays well here. Artificially cheap Chinese solar panels are seized upon in the American market as an opportunity to widely deploy and install solar across the U.S. in a push for renewable energy. But these solar panels are clearly produced at the expense of workers, communities, and the environment. The result? In an attempt to decrease our dependency on carbon intensive energy, the U.S. has offshored pollution and the burdens that come with it to communities in China, who do not have the same liberties as U.S. citizens do to organize and demand enforcement, let alone creation, of public environmental protections.

3. Weakens WTO. China’s illegal trade practices weaken the WTO

Link: Chinese solar panel subsidies violate WTO rules

Brian Lombardozzi 2014. (Vice President for state government affairs for the Alliance for American Manufacturing; also served on the US Department of Commerce’s renewable energy and energy efficiency advisory) “The True Cost of Chinese Solar Panels Part 4” 25 Sept 2014. <http://www.americanmanufacturing.org/blog/entry/leveling-the-playing-field-for-american-solar-manufacturers>

Roughly 95% of China’s solar production [was exported](http://www.businessweek.com/articles/2012-03-15/firing-up-chinas-solar-market" \t "_blank) in 2010.  China’s export driven market was established by [“aggressive” Chinese government subsidies](http://www.nytimes.com/2010/09/09/business/global/09trade.html?ref=keith_bradsher&pagewanted=all" \t "_blank) and handouts to solar manufacturers to cash in on consumer subsidies in other countries. But WTO rules “[prohibit export subsidies](http://www.nytimes.com/2010/09/09/business/global/09trade.html?ref=keith_bradsher&pagewanted=all" \t "_blank)” in order to “[prevent governments from trying to help their companies gain in world markets.](http://www.nytimes.com/2010/09/09/business/global/09trade.html?ref=keith_bradsher&pagewanted=all" \t "_blank)”

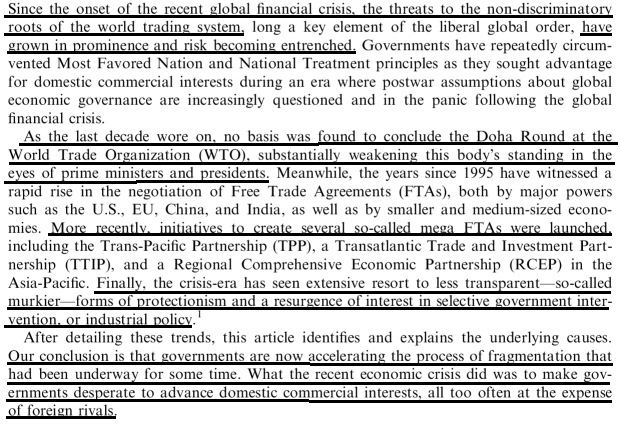
Link: Failing to sanction Chinese violations encourages further violations and weakens the WTO trade system

Dan Harris 2012 (attorney; expert on legal matters related to business in China) 6 Feb 2012 [Another China WTO Loss. Another Nail In The Coffin Of World Trade.](http://www.chinalawblog.com/2012/02/another_china_wto_loss_another_nail_in_the_coffin_of_world_trade.html) <http://www.chinalawblog.com/2012/02/another_china_wto_loss_another_nail_in_the_coffin_of_world_trade.html>

China’s recent series of losses in the WTO justifies the US and other countries imposing major tariff and related trade sanctions against China, but no such sanctions have been imposed and China has concluded that no such sanctions will ever be imposed. China correctly believes that it can afford to ignore adverse WTO decisions because the complaining countries have no interest in actually imposing sanctions. We can thus expect China to continue ignoring most (all?) adverse WTO decisions against it. This will serve to progressively weaken the WTO trade system.

Brink: WTO consensus is fragmenting and countries are beginning to shift back toward protectionism and away from freer trade policy

Dr Vinod Aggarwal and Dr. Simon Evenett 2013 (Aggarwal – PhD; Professor of Political Science, Affiliated Professor in the Haas School of Business, and directs the Berkeley APEC Study Center at the University of California at Berkeley. Evenett – PhD; Professor of International Trade and Economic Development, St Gallen Univ.) SWISS POLITICAL SCIENCE REVIEW, Dec 2013, A Fragmenting Global Economy: A Weakened WTO, Mega FTAs, and Murky Protectionism <http://onlinelibrary.wiley.com/doi/10.1111/spsr.12059/abstract?systemMessage=Wiley+Online+Library+and+related+systems+will+have+3+hours+of+downtime+on+Saturday+12th+September+2015+from+10%3A00-13%3A00+BST+%2F+05%3A00-08%3A00+EDT+%2F+17%3A00-20%3A00+SGT+for+essential+maintenance.++Apologies+for+the+inconvenience>.



Impact: Rising global protectionism kills jobs and weakens economic recovery

John Manzella 2014 (President of Manzella Trade Communications, Chair of Upstate New York District Export Council) 11 Sept 2014 [Will Rising Global Protectionism Impact Your Business?](http://www.manzellareport.com/index.php/trade-finance/892-will-rising-global-protectionism-impact-your-business) <http://www.manzellareport.com/index.php/trade-finance/892-will-rising-global-protectionism-impact-your-business>

Various international organizations, including the World Trade Organization (WTO), United Nations and the Organization for Co-operation and Development (OECD) are sounding the alarm over what appears to be a sharp increase in protectionism around the world. These rising barriers to trade result, in part, in less global business, slower economic growth, and poor job gains. They also weaken the global economic recovery.

4. Green Mercantilism.

[Mercantilism is a government policy of aiding exports and minimizing imports at all costs. Governments help their local industries and sabotage foreign industry to promote industrial development and manufacturing jobs in their own country.]

Definition: Mercantilism includes government subsidies to sell products below the cost of manufacture

Matthew Stepp and Dr. Robert D. Atkinson 2012 (Stepp is a clean energy policy analyst, has a B.S. in meteorology and an M.S. in Science, Technology, and Public Policy. Atkinson is the president of the Information Technology Innovation Foundation) “Green Mercantilism: Threat to the Clean Energy Economy” June 2012. <http://www2.itif.org/2012-green-mercantilism.pdf>

Whereas domestic production subsidies aim to lower the cost of manufacturing, export dumping aims to sell products at below-market costs in order to undercut competitors and dominate foreign markets. Governments can do so by explicitly subsidizing domestic manufacturers so they can sell the products at below cost or if the domestic firms are state-owned enterprises (SOE) the government can simply absorb any losses. In both cases, export dumping is mercantilist because it is an explicit government strategy to sell products at below-fair prices.

Link: China does export dumping with its solar industry

Matthew Stepp and Dr. Robert D. Atkinson 2012 (Stepp is a clean energy policy analyst, has a B.S. in meteorology and an M.S. in Science, Technology, and Public Policy. Atkinson is the president of the Information Technology Innovation Foundation) “Green Mercantilism: Threat to the Clean Energy Economy” June 2012. <http://www2.itif.org/2012-green-mercantilism.pdf> (brackets in original)

In the clean energy trade, China effectively utilizes this practice. According to U.S. Industry Trade Advisory Committee member Timothy Brightbill, “[China’s] rapid and unprecedented expansion [of its solar industry] was the direct result of the Chinese government’s support, including its granting of an extraordinary range and amount of subsidies to the industry. Some companies in China’s solar industry are SOE’s; many others are effectively state-controlled because of close connections to the government, or because they are dependent on the government for subsidies.” In fact, Chinese SOE’s, of which many are clean energy-related, would have operated at a 6.29 percent loss from the period of 2009 to 2011 without the help of the government.

Link: Chinese solar policies = green mercantilism

Matthew Stepp and Dr. Robert D. Atkinson 2012 (Steep is a clean energy policy analyst, has a B.S. in meteorology and an M.S. in Science, Technology, and Public Policy. Atkinson is the president of the Information Technology Innovation Foundation) “Green Mercantilism: Threat to the Clean Energy Economy” June 2012. <http://www2.itif.org/2012-green-mercantilism.pdf>

In May 2012, the U.S. Department of Commerce preliminarily ruled in favor of a coalition of U.S. solar panel manufacturers’ petition against China for illegally exporting solar panels at below market rates. A coalition of U.S. wind turbine manufacturers filed a petition asking the Administration to take action against similar Chinese and Vietnamese wind subsidy policies. Both cases are just the latest complaints against competitor nations that use green mercantilist policies to gain unfair competitive advantage in the global clean energy industry.

Link: Reduced incentive for clean energy technology development

Impact: More pollution – because it reduces our ability to develop new ways to reduce emissions

Matthew Stepp and Dr. Robert D. Atkinson 2012 (Steep is a clean energy policy analyst, has a B.S. in meteorology and an M.S. in Science, Technology, and Public Policy. Atkinson is the president of the Information Technology Innovation Foundation) “Green Mercantilism: Threat to the Clean Energy Economy” June 2012. <http://www2.itif.org/2012-green-mercantilism.pdf>

Some argue that America should not only turn a blind eye to such policies, but even embrace them because they lower the price of clean energy imports for the United States, helping both American consumers and the fight against climate change. But the long-term harm of these policies greatly outweighs the short-term benefits. Not only do green mercantilist policies hurt clean energy producers in the United States, they also limit the incentive to invest in innovative, next-generation clean energy technologies, which hurts, not helps, the global community’s ability to reduce the emission of greenhouse gases.

Impact: Turn Affirmative’s Advantage of more solar energy. Green Mercantilism sets back the goal of increasing clean energy

Matthew Stepp and Dr. Robert D. Atkinson 2012 (Stepp is a clean energy policy analyst, has a B.S. in meteorology and an M.S. in Science, Technology, and Public Policy. Atkinson is the president of the Information Technology Innovation Foundation) “Green Mercantilism: Threat to the Clean Energy Economy” June 2012. <http://www2.itif.org/2012-green-mercantilism.pdf>

Notwithstanding this fact, green mercantilism hurts, not helps the quest to transform the global economy from fossil fuels to clean energy because it limits clean energy innovation. As ITIF’s report The Good, the Bad, and the Ugly of Innovation Policy found, a global trading system plagued by “bad” and “ugly” mercantilist practices will produce less innovation than a system based on “good” innovation policies. Clean energy innovation is key to making clean energy cheaper than fossil fuels without long-term subsidy dependence. According to former Microsoft CTO and Intellectual Ventures CEO Nathan Myrhvold, “We need to invent new energy technologies…We need higher efficiency in solar. We need new kinds of nuclear technology. We need lower cost for all of these things. So there is a lot of energy invention to do.

Impact: Lost innovation. With the odds stacked against them, American companies have no desire to innovate.

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Why should U.S. firms invest in the kind of advanced, cutting edge research needed to transform the global energy system if the odds are high that firms in other nations will steal the technology to compete against them? Why should the government invest in research at leading universities that might lead to another American Superconductor if the odds are high that the Chinese will steal the trade secrets to potentially dramatically reduce American Superconductor market share and U.S. jobs? Why would an entrepreneur invest time and money in a brand new idea if the market is effectively cut off from competition? The answer to all of these questions in a clean energy industry dominated by green mercantilist is they shouldn’t.