US economic competitiveness is declining now. Investment in education is key.

**Cooper et al. 12**[[1]](#footnote-1)

**The** U.S. **economy is weakening relative to our global competitors.** Recent economic growth is 40 percent below any other growth period since World War II as other economies around the globe draw in more investment, both foreign and domestic. In contrast, despite still being the world’s leading recipient of direct foreign investment, business investment overall in the United States between 2001 and 2007 was the slowest in U.S. history. Meanwhile, competition is on the rise. From 1980 to 2011 **China increased** its share of world economic **output** from 2 percent to 14 percent. **And India more than doubled** its output during that period, from 2.5 percent of global production to 5.7 percent. The U.S. share of the world economy fell to 19 percent from 25 percent. While increasing global competition is inevitable, lackluster U.S. performance need not be. Indeed, rising growth and incomes in other countries present potential new opportunities and markets for American workers and companies. But if the United States means to continue to lead the world and to share our prosperity with it, U.S. policymakers must deploy an American strategy that is responsive to modern economic challenges—a strategy that makes it possible for every American family to ensure that children entering adulthood are prepared to find a successful place in the global economy. What should the strategy be? Economists of all stripes point to a robust pipeline of skilled workers as the essential ingredient of a strong and growing economy. Indeed, the two countries most rapidly gaining on the United States in terms of economic competitiveness—**China and India**—**have ambitious national strategies of** investing and **promoting** improved **education**al outcomes for children to strengthen their positions as contenders in the global economy. This is obviously a sweeping and complex topic, which we document in detail in the main pages of this report. But here is a brief summary of the report’s findings and recommendations. The U.S. competitiveness problem and the case for investing in children Competition from rapidly growing countries such as China and India are changing business norms and the links between national economies. We are quite familiar with what economists call “global labor arbitrage,” the substitution of high-wage workers in advanced economy countries with low-wage workers in developing economies. That’s led to a global re-ordering of production, jobs, and growth. More recently, **tech**nological **advances** in telecommunications and transportation, **as well as skills development in the developing world**, are **drag**ging more **U.S. industries**—including computer programming, high-tech manufacturing, and service sectors—**into international competition.** This development is feeding a mounting demand for high-skilled labor around the world. To position the United States for the future, substantial investments are needed in research, infrastructure, and education. The most important of these areas to address is education. Why? Because as this report shows, the **overwhelming** economic **evidence points to education**—and human capital investments, generally—**as the key driver**s **of** economic **competitiveness in the long term.** Harvard University economist Gregory Mankiw, for example, has shown that **in** advanced countries such as **the U**nited **S**tates, **human capital investment had three times the positive effect on economic growth as did physical investment.** And educational investment is particularly important in early childhood development and learning, according to growth economists. The return on investment from interventions such as prenatal care and early childhood programs is higher than for virtually any class of financial assets over time, according to Nobel Prize winning economist James Heckman. The academic literature also shows that failing to provide broad opportunities for nurturing, learning, and productive development harms economic growth and national competitiveness.

Rehab costs a lot of money long-term. **Forrest 11**[[2]](#footnote-2)

The theory of rehabilitation means that, at least in Maryland, every prisoner—even those serving life without parole—must have the chance to earn a GED. Since many are barely literate, in some cases that would be close to 12 grades of education. Rehabilitation also means drug abuse treatment, and countless classes in such things as parenting and anger management that are intended to turn people away from crime. Many institutions have production facilities such as metal, wood, and upholstery shops, where criminals get vocational training (and can find raw material for weapons). There is even an office technology program where inmates learn about computers. This **commitment to “rehab**ilitation**” means that** although Americans think they see realistic depictions of prison life in television programs, such as Lockup, there is a great deal they never see. Most taxpayers would be surprised to learn that some convicted murderers and rapists have televisions and Sony Play Stations in their cells. They would be surprised to learn that prisoners can subscribe to pornographic magazines. “Rehabilitation” does not end at the prison gates. When an inmate is released, **taxpayers** continue to **pay for** what is supposed to be a **transition** back **to civilian life. Released cons get new ID cards** issued by the Motor Vehicles Administration **and** duplicate birth certificates and **social security cards**. There is **also a whole range of services to help** prisoners with **job placement, medical treatment, and housing**. Federal law requires that inmates get one hour outside their cells every day, but it is only prisoners in administrative or disciplinary segregation who get no more than that (see “Integration at its Worst,” AR, Nov. 2009). In Maryland, everyone else gets two outdoor recreation periods of one or two hours, as well as an indoor rec period. Besides that, there are prison jobs that run from cooking to janitor work to plumbing and electrical repairs. And, of course, inmates get food, shelter, and medical care—**all provided at tremendous cost** to Maryland’s heavily burdened taxpayers. Needless to say, **none of this stops inmates from complaining** about their treatment**.** It makes no difference what they get from us; **they always want more. The thought that some** hard-working **stiff has to pay for it does not cross their minds.** It’s not enough to have cable television; they insist on certain channels. It’s not enough to have better medical care than many honest citizens on the outside; they want to tell the doctors how to treat them. Gratitude is alien to these people.

Criminal justice spending directly trades off with investment in education. Cost-effectiveness is key. **Ambrosio and Schiraldi 97[[3]](#footnote-3)**

4. Require a fiscal impact statement before implementing major crime policies. **C**riminal **j**ustice **spending must be cost-effective so it does not drain** resources **from** other vital programs like higher **education.** Unfortunately, over the last fifteen years, the massive **expansion of the c**riminal **j**ustice **s**ystem **has come at the expense of higher education**, and other programs. To ensure a better balance in criminal justice spending, all proposed changes in crime policy must be accompanied by a fiscal impact statement. This statement should be similar to a business plan. It should state how much the initiative will cost, how it will be paid for, and its expected rate of return. **Policy makers need to consider the entire budget when implementing crime policy** because a state that builds a new prison has less money to spend on education programs. The entire system must be evaluated when implementing costly crime policies. 5. Invest in the future of children, families and communities. We must not lose sight of the fact that our children, our families and our communities are the essence of America. Unfortunately, current criminal justice policies are detracting from our investments in the youth of America. As more prisons are built to house low-level nonviolent offenders, more children are denied access to higher education, unable to afford exorbitant tuition costs. **As** state **corrections budgets increase, investments in higher education decrease.** Current corrections policies are draining the lifeblood from America's youth. **We need an immediate shift in priorities** from funding prisons to funding higher education.

Empirics prove that competitiveness creates economic hegemony which solves global conflict. **Hubbard 10** writes[[4]](#footnote-4)

Research into the theoretical underpinnings of this topic revealed that there are two main subfields within the literature on hegemonic stability. One line of study, an avenue pursued by prominent theorists such as Kindleberger, Keohane, and Ikenberry focuses primarily on questions of related to the economic system. The other avenue, pursued by theorists such as Gilpin, looks at the role of hegemonic governance in reducing violent conflict. In my research, I focus on this aspect of hegemonic stability – its implications for military conflict in the international system. To research this question, I undertook a broad quantitative study that examined data from both the American and British hegemonic epochs, focusing on the years of 1815-1939 in the case of British hegemony, and 1945 to 1999 in the case of American hegemony. I hypothesized that hegemonic strength was inversely correlated with levels of armed conflict in the international system. Using the data from the Correlates of War Project, I was able to perform a number of statistical analyses on my hypothesis. To measure hegemonic strength, I used the Composite Index of National Capability, a metric that averages together six different dimensions of relative power as a share of total power in the international system. **I** then **matched this data with data cataloging all conflicts** in the international system **since 1815**. I organized this data into five-year increments, in order to make statistical analysis more feasible. **Regression** analysis of the data **revealed** that there was **a statistically significant negative correlation between** relative **heg**emonic power **and conflict** levels in the international system. However, further statistical tests added complications to the picture of hegemonic governance that was emerging. Regression analysis of military actions engaged in by the hegemon versus total conflict in the system revealed a highly positive correlation for both American and British hegemony. Further **analysis revealed** that in both cases, **military power was a less accurate predictor of** military **conflict than economic power**. There are several possible explanations for these findings. It is likely that economic stability has an effect on international security. In addition, **weaker hegemons are more likely to be challenged militarily** than stronger hegemons. Thus, the hegemon will engage in more conflicts during times of international insecurity, because such times are also when the hegemon is weakest. Perhaps the **most important** implication of this research **is that hegemons may well be more effective in promoting peace through economic power** than through the exercise of military force. II. Research Question In examining hegemonic stability theory, there are several important questions to consider. First of all, an acceptable definition of what constitutes a hegemon must be established. Secondly, a good measure of what constitutes stability in the international system must be determined. Certainly, the frequency and severity of interstate conflict is an important measure of stability in the international system. However, other measures of stability should also be taken into account. Conflict in the international system takes on a wide range of forms. While military conflict is perhaps the most violent and severe dimension, it is only one of many forms that conflict can take. Conflict need not be confined to wars between traditional states. Terrorism, piracy, and guerilla warfare are also types of conflict that are endemic to the international system. Economic conflict, exemplified by trade wars, hostile actions such as sanctions, or outright trade embargos, is also an important form of conflict in the international system. States can also engage in a range of less severe actions that might be deemed political conflict, by recalling an ambassador or withdrawing from international bodies, for example. Clearly, “stability” as it pertains to the international system is a vast and amorphous concept. Because of these complexities, a comprehensive assessment of the theory is beyond the purview of this research. However, completing a more focused analysis is a realistic endeavor. Focusing on international armed conflicts in two select periods will serve to increase the feasibility the research. I will focus on the period of British hegemony lasting from the end of the Napoleonic wars to 1939 and the period of American hegemony beginning after the Second World War and continuing until 1999, the last year for which reliable data is available. The proposed hypothesis is that in these periods, the **heg**emon **acted as a stabilizing force** by reducing the frequency and severity of international armed conflict. The dependent variable in this case is the frequency and severity of conflict. The primary independent variable is the power level of the hegemon. This hypothesis is probabilistic since it posits that the hegemon tended to reduce conflict, not that it did so in every single possible instance. One way to test this hypothesis would be through a case-study method that examined the role of Britain and the United States in several different conflicts. This method would have the advantage of approaching the problem from a very feasible, limited perspective. While it would not reveal much about hegemony on a broader theoretical level, it would help provide practical grounding for what is a highly theoretical area of stuffy in international relations. Another method would be to do a broader quantitative comparison of international conflict by finding and comparing data on conflict and hegemonic strength for the entire time covered by British and American hegemony. The hypothesis is falsifiable, because it could be shown that the hegemon did not act as a stabilizing force during the years of study. **It** also **avoids** some of **the pitfalls** associated **with the case study method, such as selection bias and** the inherently **subjective** nature of **qualitative analysis.**

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2. Robert Forrest (Maryland prison guard). “Therapeutic Incarceration.” American Rennaisance. July 2011. <http://www.amren.com/features/2011/12/therapeutic-incarceration/> [↑](#footnote-ref-2)
3. Ambrosio, Tara-Jen and Vincent Schiraldi*.*“From Classrooms to Cell Blocks: A National Perspective.” The Justice Policy Institute, Washington DC. (1997) <http://www.pixelpress.org/juvenilejustice/fromclass.html> [↑](#footnote-ref-3)
4. Jesse Hubbard, Program Assistant at Open Society Foundations Washington, District Of Columbia International Affairs Previous National Democratic Institute (NDI), National Defense University, Office of Congressman Jim Himes Education PPE at University of Oxford, Hegemonic Stability Theory: An Empirical Analysis, 2010 [↑](#footnote-ref-4)