Text: Countries defined as innovation poor according to the World Economic Forum’s Global Competitiveness Report should prioritize environmental protection over resource extraction when the two conflict.

“Innovation poor” is a better category than “developing” – it’s more relevant to promoting Latin American economic competitiveness.

**Tucker 13** writes[[1]](#footnote-1)

**The global financial crisis and** ensuing **developments have heightened the role of emerging economies in the global context**, the WEF notes, accelerating the major economic transformations already underway, fueling rapid growth and lifting millions of people out of poverty. **However, Latin America continues to suffer from low** levels of **productivity and** slow productivity growth rates which have led to a certain **stagnation in competitiveness** over the last year. On average, the ten highest ranked **Latin America states have fallen 1.2 places in the WEF competitiveness index** since 2012. The most problematic factors for doing business among these countries are: corruption, inefficient government bureaucracy, inadequate supply of infrastructure, crime and theft, inadequately educated workforces and restrictive labor regulations. In order **to heighten productivity** in the region, **action must** also **be taken to improve** the functioning of institutions; the quality of infrastructure; the allocation of production factors through enhanced competition; and the skills, technology, and **innovation** base, the WEF states. “Particularly important will be the ability of economies to create new value-added products, processes, and business models through innovation,” says WEF Executive Chairman Klaus Schwab. “**Going forward,** this means that **the traditional distinction between** countries being **‘developed’ or ‘developing’ will become less relevant and we will instead differentiate among countries based on whether they are ‘innovation rich’ or ‘innovation poor**.**’** It is therefore vital that leaders from business, government, and civil society work collaboratively to create enabling environments to foster innovation and, in particular, to create appropriate educational systems.”

Latin American competitiveness solves poverty and is key to US competitiveness.

**Noriega 12** writes[[2]](#footnote-2)

**A** stable and **prosperous Americas is indispensable to US economic success** and security. However, the US economic and fiscal crises and preoccupation with two controversial wars distracted policy makers in Washington and undermined US leadership in the region. Although access to the US market, investment, technology, and other economic benefits is valued in most countries in the region, the United States is not the only partner to choose from– with China’s influence growing. The United States must recover its own credibility by making bold decisions to restore fiscal responsibility, aggressive trade promotion, energy interdependence, and economic growth. The security challenges in the Americas are very real and growing more complicated every day. Illegal narcotics trafficking, transnational organized crime, and radical populism fueled by Venezuela’s petrodollars and allied with dangerous extra-regional forces pose a daunting set of challenges. Alongside a positive economic engagement, assessing and addressing threats is an indispensable obligation to US security and regional leadership. Expanding Regional Economic Cooperation and Trade Integration An aggressive trade promotion and foreign investment strategy in today’s hypercompetitive globalized economy are imperatives. **Mexico, Chile, Peru, Brazil, and Colombia have been at the forefront in modernizing their economies, liberalizing trade, opening** their economies **to investment, and becoming more competitive overall**. Since 2003, an estimated **73 million Latin Americans have risen out of poverty.** Moreover, between then and 2010, the average Latin American income increased by more than 30 percent, meaning that today nearly one-third of the region’s one-billion population is considered middle class. And in just the next five years, regional economies are projected to expand by one-third. **That macroeconomic stability generates** even **greater opportunities for US business**. Already the Western Hemisphere supplies one-quarter of the world’s crude oil, one-third of the world’s natural gas, nearly one-fourth of its coal, and more than a third of global electricity, while offering tremendous potential for the development of renewable energy technologies. **Three of the U**nited **S**tates**’ top four foreign sources of energy are in the Americas**. The US administration must recognize this reality and act to take full advantage of the opportunities.

US competitiveness decline tanks heg. **Segal 4**[[3]](#footnote-3)

The United States' global primacy depends in large part on its ability to develop new technologies and industries faster than anyone else. For the last five decades, **U.S.** scientific **innovation and tech**nological **entrepreneurship have ensured the country's economic prosperity and military power.** It was Americans who invented and commercialized the semiconductor, the personal computer, and the Internet; other countries merely followed the U.S. lead.¶ Today, however, **this** technological **edge**-so long taken for granted-**may be slipping, and the most serious challenge is coming from Asia**. Through competitive tax policies, increased investment in research and development (R&D), and preferential policies for science and technology (S&T) personnel, Asian governments are improving the quality of their science and ensuring the exploitation of future innovations. The percentage of patents issued to and science journal articles published by scientists in China, Singapore, South Korea, and Taiwan is rising. Indian companies are quickly becoming the second-largest producers of application services in the world, developing, supplying, and managing database and other types of software for clients around the world. South Korea has rapidly eaten away at the U.S. advantage in the manufacture of computer chips and telecommunications software. And even China has made impressive gains in advanced technologies such as lasers, biotechnology, and advanced materials used in semiconductors, aerospace, and many other types of manufacturing.¶ Although the United States' technical dominance remains solid, the globalization of research and development is exerting considerable pressures on the American system. Indeed, as the United States is learning, **globalization cuts both ways: it is both a potent catalyst of U.S.** technological **innovation and a significant threat** to it**.** **The U**nited **S**tates **will never** be able to **prevent rivals from developing new tech**nologies**; it can remain dominant only by continuing to innovate faster than everyone else.** But this won't be easy; to keep its privileged position in the world, the United States must get better at fostering technological entrepreneurship at home.

Empirics prove economic hegemony 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.**

1. Duncan Tucker (Associate Editor of Nearshore Americas, Duncan Tucker is a bilingual British journalist based in Guadalajara, Mexico. He covers a wide range of topics for NSAM and other media outlets such as Al Jazeera and the Huffington Post). “Chile and Panama Take Lead as Latin America’s Most Competitive Economies.” Nearshore Americas. October 23rd, 2013. http://www.nearshoreamericas.com/latin-americas-competitive-economies/ [↑](#footnote-ref-1)
2. Roger Noriega (former assistant secretary of state for Western Hemisphere affairs (Canada, Latin America, and the Caribbean) and a former U.S. ambassador to the Organization of American States). “Latin America is crucial to US competitiveness.” American Enterprise Institute, AEI Ideas. October 22nd, 2012. http://www.aei-ideas.org/2012/10/latin-america-is-crucial-to-us-competitiveness/ [↑](#footnote-ref-2)
3. Adam, Senior Fellow in China Studies at the C.F.R. “Is America Losing Its Edge?” <http://yaleglobal.yale.edu/content/america-losing-its-edge> [↑](#footnote-ref-3)
4. Hegemonic Stability Theory: An Empirical Analysis By: Jesse Hubbard 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, 2010 [↑](#footnote-ref-4)