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### 1NC – EU CP

#### The European Commission should adopt the principle of separating platforms from commerce for platforms in the private sector.

#### The Brussels effect solves certainty and ensures spillover, but unilateralism is key to maintain influence

Bradford 12 [Anu, International Trade Law Professor @ Columbia Law School, Adam S. Chilton, Professor @ University of Chicago Law School, Katerina Linos, Professor @ University of California, Berkeley. Alex Weaver, Linklaters Law Prof. “The Brussels Effect” p. 44-45 https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=1275&context=faculty\_scholarship]

The strictest antitrust laws prevail in situations where conflict exists among different regulators. If lenient antitrust jurisdiction A and stringent antitrust jurisdiction B investigate the same transaction, B's standard will prevail. A company seeking to merge that would be rejected by State B has two options: abandon the merger or abandon State B. If State B's market is relatively insignificant, the company might choose the latter. However, if State B's market is large, abandoning it is not often a realistic option.74 At the international level, the EU antitrust laws are, indeed, often the most stringent." The EU also consists of a consumer market that is too large and important to abandon. For this reason, the EU antitrust laws have often become the de facto global antitrust standards, to which the more permissive U.S. antitrust laws must yield.76 The reasons for the U.S.-EU difference in antitrust enforcement are manifold. At the most basic level, the EU antitrust authorities remain suspicious of the market's ability to deliver efficient outcomes and are therefore more inclined to intervene through a regulatory process." While the EU is more fearful of the harmful effects of nonintervention (so called "false negatives," anti-competitive practices that the EU fails to regulate), the U.S. authorities are often more mindful of the detrimental effects of inefficient intervention (so called "false positives," pro-competitive practices that the United States erroneously restricts)." Yet given the logic of unilateral regulatory globalization, it is the EU approach that determines the outcome. One of the most famous examples of the EU's global regulatory clout was its decision to prohibit the $42 billion proposed acquisition of Honeywell International by General Electric." When the EU blocked this transaction involving two U.S. companies, it was irrelevant that the U.S. antitrust authorities had previously cleared the transaction: the acquisition was banned worldwide because it was legally impossible to let the merger proceed in one market and prohibit it in another. In this sense, merger decisions are legally nondivisible.so The GE/Honeywell case is emblematic 20 107:1 (2012) The Brussels Effect of a difference in the antitrust regulatory approaches of the EU and the United States. The U.S. authorities considered the merger to be efficient and hence welfare enhancing. In contrast, the EU was concerned that any efficiencies that resulted from the transaction, including a short-term decrease in price, would later drive out competitors and result in a longterm increase in price." While GE/Honeywell is the most famous international antitrust enforcement conflict, it does not stand alone.82 The EU similarly threatened to block a merger between two U.S. companies, Boeing and McDonnell Douglas, even though the deal was already cleared by the U.S. authorities without conditions." In the end, the EU let the merger proceed subject to extensive commitments.84 These included abandoning Boeing's exclusive dealing contracts with various U.S. carriers." Similarly, the EU often gets to dictate the code of conduct for dominant companies worldwide. For example, the EU has imposed record-high fines and behavioral remedies against dominant U.S. companies, including Microsoft and Intel. 6 The global nature of antitrust remedies is not unusual. The EU has frequently extracted commitments that require parties to modify their behavior globally or restructure assets in foreign countries." However, the United States has similarly restructured deals where parties' productive assets are located offshore. Both the U.S. and EU agencies are vested with 21 NORTHWESTERN UNIVERSITY LAW REVIEW extraterritorial regulatory capacity." Both recognize their authority to apply laws to foreign companies as long as anticompetitive "effects" are felt on their markets. It is thus not the regulatory capacity as such but the EU's sustained preference to impose more frequent and more invasive remedies that has made it the world's de facto antitrust enforcer. In some respect, however, the EU Commission has an even greater regulatory capacity than its U.S. counterparts: the Commission is empowered to prohibit mergers and impose behavioral and structural remedies without first obtaining a court judgment." Administrative delegation does not reach this far in the United States, where the agencies need federal court endorsement to enjoin a merger.90

#### EU soft power hinges on winning the global regulatory race of competition law – the plan and the perm flips that

Bradford 19 [Anu Bradford, Henry L. Moses Distinguished Professor of Law and International Organization at the Columbia Law School, expert in international trade law. Adam S. Chilton, UChicago Law School, Katerina Linos, University of California, Berkeley, Alex Weaver, Linklaters. “The Global Dominance of European Competition Law Over American Antitrust Law.” 7/2/2019. https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=3517&context=faculty\_scholarship]

Competition laws are critical in balancing the relative role of private and public power in the marketplace. 1 These laws shape global business conduct and often determine which products are produced and consumed. Yet the world’s two biggest competition regulators—the European Union and the United States—often find themselves at odds in high-profile investigations of anticompetitive conduct.

EU regulators typically take a more aggressive stance than American regulators reviewing the very same conduct under their respective competition laws. For example, in 2017 the European Commission imposed a record-high $2.3 billion fine on Google for, allegedly, manipulating its search results to favor its own shopping comparison service to the detriment of its rivals.2 In contrast, the US Federal Trade Commission found no “search bias” and concluded instead that Google’s behavior benefited consumers. In 2018, the EU doubled down on Google with an even higher fine of $5 billion in another competition law case involving Google’s operating system Android, 3 followed by a 2019 fine of $1.7 billion in a case involving Google’s AdSense online advertising program. 4 Again, equivalent conduct has not been challenged in the US to date. Other recent targets of the EU’s competition enforcement include Qualcomm5 and Apple.6 These prominent cases against US companies are not a new phenomenon. They build on a series of decisions against US corporate giants—including Intel,7 Microsoft,8 and General Electric9—over the past several decades. In all these instances, US regulators have either taken no action or intervened with a more modest remedy. While these examples all involve US companies, the EU regulators have also targeted EU companies with similar fervor. For example, in a 2016 acquisition involving the world’s largest and second largest brewer, the Commission required the Belgian acquirer of Anheuser-Busch InBev to sell practically their entire UK-based beer business as a condition for approving AB InBev’s over $100 billion acquisition of SABMiller.

The EU and the US not only have their regulatory differences, but they also want the rest of the world to follow their respective regulatory models. Both jurisdictions have actively promoted their competition laws as “best practices” abroad, urging developed and developing countries alike to adopt domestic competition laws and build institutions to enforce them (Kovacic 2015; Tappan and Byers 2013; Kovacic 2008; Fox 1997). They promote their models through a specialized network of competition regulators—the International Competition Network (ICN)—and also more general bodies—notably the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) (Tritell and Kraus 2018). They also employ bilateral tools in their promotion effort—including offering technical assistance to emerging competition law jurisdictions (Tritell and Kraus 2018). In its trade agreements, the EU also explicitly conditions access to its markets on the adoption of a competition law, exporting its own law in the process (Bradford and Chilton 2019), while the US relies primarily in its persuasive powers rather than on formal treaties in exporting its laws (Kovacic 2015).

There are multiple motivations for states to seek export their laws abroad. For one, having the rest of the world replicate one’s regulatory framework lowers the costs of entering foreign markets. The regulatory similarity with the EU is expected to lower the entry costs for EU companies to those third markets given that the EU companies already comply with similar standards at home. For the same reason, the US prefers to export its model and hence avoid adjustment costs that its companies may face when confronted with regulatory differences. For another, exporting one’s rules ensures that competition takes place on “optimal,” “efficient,” or “fair” terms across the global markets—as defined by the jurisdiction that successfully exports its laws. Finally, the winner of the regulatory race is able to export its economic philosophy to third countries, which serves as a testament to the appeal of that jurisdiction’s value system. In case of competition law, the countries’ choice of aligning themselves with the EU or the US reflects a more fundamental choice between an ideology that either places greater trust in the governments’ ability to improve outcomes through intervention (EU model) or, alternatively, trust in the markets’ ability to self-correct (US model).

These efforts to globalize competition law appear, at first glance, largely successful: today, over 130 jurisdictions have a domestic competition law, making competition law one of the most widespread forms of economic regulation around the world. But, because the EU and US competition laws differ in key respects, understanding the type of competition law a country has adopted is critical to understanding which country is having greater influence. For example, whereas promoting consumer welfare is the goal of US antitrust law, EU competition law has historically allowed additional goals to enter the analysis, including the protection of small and medium enterprises, employment, regional development, and, most critically, market integration. Moreover, the EU is generally more likely to find that a company is abusing its dominant position in a market and to challenge vertical and conglomerate mergers. In addition, the EU and US competition enforcement institutions differ dramatically: EU law is dominated by administrative actions and US law is dominated by private litigants. And whereas the EU relies on administrative fines, US antitrust law is also backed by criminal sanctions. While competition law scholars are familiar with the major differences between the EU and US regimes, and with individual examples of countries emulating the EU or the US, the relative influence of each regime has not been studied quantitatively.

By leveraging a novel and highly detailed data coding of competition statutes around the world, this article is the first systematic study the relative influence of EU and US competition regimes in shaping the global regulatory landscape. Using data on dozens of competition law provisions from 126 countries, we trace the evolution of competition regimes for over a half a century of lawmaking, from when the EU joined the US as another major competition regulator in the world in 1957 to 2010. Our analyses reveal that the majority of jurisdictions with competition law regimes have laws that more closely resemble the European Union’s competition laws than the United States’ antitrust laws. Moreover, our detailed data allows us to trace the evolution of EU and US influence over time. This analysis reveals that the European model of competition became more emulated than United States’ model in the 1990s, and the EU’s “sphere of influence” in the domain of competition regulation has continued to increase ever since. Thus, the significant diffusion of competition rules we have witnessed over the past three decades has not only led to a globalization of competition law, but also to a notable “Europeanization” of competition regulation across the world markets.

The Europeanization, rather the Americanization, of global competition law is notable because the US has a considerably longer history of using competition law. Indeed, the United States the Sherman Act long before the EU and its competition laws were conceived. The US has also been an influential leader in competition economics and law alike, spearheading early efforts to adopt competition law regimes in many parts of the world—including in the EU. However, after the EU adopted its own competition law, it eventually eclipsed the US as the leader in providing the template for the global expansion of competition laws, marginalizing the US’s global influence in the decades that followed. In other fields, such as corporate law, thousands of articles have been devoted to debating whether there’s a race to the top or the bottom, what mechanisms drive the race, whether shareholders or managers benefit, and more (e.g., Romano 1987; Roe 2003).11 However, because the literature on the world’s competition regimes is in its infancy, a key contribution of this article is to document that there exists a global regulatory race in the area of competition law, and that the EU is clearly winning it.

We also advance a set of explanations for why the European model has come to predominate. First, a set of “push factors” explains the EU’s ability to effectively externalize its laws. The EU’s competition law dominance can be partially traced to the EU’s conscious efforts to expand its regulations through a myriad of trade, association, and other political agreements. The EU has required many countries seeking greater market access or closer political association to adopt competition laws. In addition, as Bradford (2012) outlines in “The Brussels Effect,” the EU has the greatest ability to shape foreign jurisdictions’ laws given that the companies often apply the most stringent regulatory standard—typically the EU standard—across their global operations to capture the benefits of uniform production while maintaining compliance worldwide. Second, the EU competition law model also spreads due to strong “pull factors.” In many countries, domestic politics are more conducive to EU-style competition laws, which accommodate more diverse policy goals and defer less to markets and more to governments’ ability to correct market failures. Another major pull factor is the EU’s tendency to promulgate more precise and detailed rules, making them easier to copy in the absence of technical expertise in the adopting country.

Our findings have several implications. First, our results offer evidence of the EU’s outsized influence in regulating global markets. This narrative stands in contrast to many critics who have declared the end of the EU’s influence and ability to shape outcomes globally as its relative economic and political power wanes. Second, our results suggest that, although the law and economics movement may have had a large influence on the development of America’s antitrust law and policy, it may have had a more modest influence on the development of competition policy in the rest of the world (Bradford et al. 2020). Third, and more generally, our analysis illustrates the ability of a single jurisdiction to attract countries with starkly different characteristics into its orbit, vesting it with a sizable regulatory influence that spans economic, linguistic, and political boundaries. Out of this dynamic, a new form of globalization of norms emerges—globalization emerging as a result of EU’s unilateralism as opposed to multilateralism. Finally, beyond illuminating the regulatory influence in the competition law context, our results speak more broadly to the literature on regulatory competition, diffusion of norms, and legal transplants. Competition between the European and US regulatory schemes has been prominent in many areas, ranging from privacy (Schwartz 2013; Schwartz and Peifer 2017), to chemicals (Scott 2009), to finance (Gadinis 2010), to discrimination law (Linos 2010), to name but a few. Documenting the specific pathways through which the EU has succeeded in externalizing its models thus contributes to a broad range of fields and advances the diffusion literature, which to date has primarily focused on countries receiving foreign models and not on the entities promoting them.

#### EU-based multilateral fora solve global peace by deescalating conflicts---independently, solves warming and prolif.

EEAS 18. European Union External Action. “A Global Strategy for the European Union” https://eeas.europa.eu/headquarters/headquarters-homepage/49323/global-strategy-european-union\_uz

The European project which has brought unprecedented peace, prosperity and democracy is being questioned. To the East, the European security order has been violated, while terrorism and violence plague North Africa and the Middle East, as well as Europe itself. Yet these are also times of extraordinary opportunity. Global Growth, mobility, and technological progress – alongside our deepening partnerships- enable us to thrive, and allow ever more people to escape poverty and live longer and freer lives.

The EU Global Strategy sets out the EU's core interests and principles for engaging in the wider world and gives the Union a collective sense of direction. Its ambition is to make Europe stronger: an even more united and influential actor on the world stage that keeps citizens safe, preserves our interests, and upholds our values. To confront new challenges and keep us safe we need a response that combines internal and external policies. The EU Global Strategy helps makes our Union more effective in confronting energy security, migration, climate change, violent extremism, and hybrid warfare. Because none of our countries can tackle these challenges alone, we are taking steps to solve them together. We will navigate this difficult, more connected contested and complex world guided by our shared interests and principles. We will stand united in building a stronger Europe.

From Vision to Action - Strategic Priorities of the EU Global Strategy

The EU Global Strategy seeks to turn vision into common action. In October 2016 EU Foreign ministers decided on the most important strategic priorities for implementing the EU Global Strategy (Council Conclusions in October 2016). These priorities are security and defence, building state and societal resilience, taking an integrated approach to conflicts and crises, strenghtening cooperative regional orders and a rules-based global governance.

Security and Defence

To implement the EU Global Strategy, decisive steps are being taken on Security and Defence. In November 2016, EU Foreign and Defence ministers decided on a new level of ambition and key steps to upgrade cooperation to ensure the Security of our Union in line with the Global Strategy (Council conclusions). These Conclusions were based on former HRVP Federica Mogherini's Implementation Plan on Security and Defence. This aims to improve the protection of the EU and its citizens, help governments jointly build military capacity, and develop better response to crises. Further actions to step up EU Security include the European Defence Action Plan, which proposes financial help for Member States for more efficient joint procurement and capability development, and steps to put into effect the EU-NATO Joint Declaration.

Building State and Societal Resilience

Building resilience at home and abroad means creating a more responsive union. The EU will strengthen the resilience of states and societies by supporting good governance, accountable institutions, and working closely with civil society.

The High Representative and the European Commission launched a Joint Communication on Resilience that aims to further enhance common action on building resilience on the ground.

Our support will target in particular the EU's surrounding regions in the East and the South, spanning from Central Asia to Central Africa.

Integrated Approach to Conflicts and Crisis

The EU also supports an integrated approach to conflicts and crises, which means being fully engaged in all stages of a conflict, from early action and prevention, wherever possible to staying on the ground long enough for peace to take root. A particular emphasis is placed on early warning and risk assessment.

Cooperative Regional Orders

Guided by the values on which it is founded, the EU is committed to a rules-based multilateral international order. The Union regards the respect for and promotion of international law - including the principles of the UN Charter – to be crucial for preserving peace, human rights, sustainable development and lasting access to the global commons. Multilateral organisations – in particular the United Nations – sit at the heart of this framework of international norms. They are providers of global governance as well as fora for the peaceful resolution of disputes and jointly tackling global challenges. To strengthen rather than just preserve the rules-based multilateral system, the European Union is committed to reform, transform, and further expand the existing system. The European Union leads by example with the implementation of new and reinvigoration of existing multilateral projects like the Paris Agreement, the Sustainable Development Goals, as well as the global effort on nuclear non-proliferation and disarmament. We will seek to widen the reach of international norms and institutions. Not only is the EU committed to living up to its obligations under such regimes, rather it will strongly support expanding their membership, universalisation, full implementation, and enforcement.

### 1NC – T

#### The FTC already has the authority under section 5.

Zeisler 14 [Royce Zeisler, J.D. Candidate 2014, Columbia Law School; B.S., B.A. 2012, University of British Columbia, "CHEVRON DEFERENCE AND THE FTC: HOW AND WHY THE FTC SHOULD USE CHEVRON TO IMPROVE ANTITRUST ENFORCEMENT", Columbia Business Law Review, 2014, HeinOnline]

The FTC and antitrust law began to expand radically in post-war America. The Court grounded this expansion in a wide range of economic and social considerations. In service of these heterogeneous goals, the FTC brought-and the Supreme Court decided-antitrust cases premised purely on section 5 grounds, sometimes with no explicit reference to the Sherman Act.40 Brown Shoe exemplifies the Court's understanding.4' There, the Court found that section 5 was a key tool for stopping "incipient" trade practices and that the "[b]road power of the Commission is particularly well established with regard to trade practices which conflict with the basic policies of the Sherman and Clayton Acts even though such practices may not actually violate these laws. 42 Similarly, in the consumer protection case Sperry & Hutchinson Co., the Court concluded that the powers contained in section 5 were broad, ambiguous, and unique to the FTC.43

\*\*footnote 43 begins\*\*

While Sperry is a consumer protection case, it is also the Court's final extended examination of the scope of the section 5 antitrust mandate. See FTC v. Sperry & Hutchinson Co., 405 U.S. 233, 239-40 (1972) ("First, does [section] 5 empower the Commission to define and proscribe an unfair competitive practice, even though the practice does not infringe either the letter or the spirit of the antitrust laws? Second, does [section] 5 empower the Commission to proscribe practices as unfair or deceptive in their effect upon consumers regardless of their nature or quality as competitive practices or their effect on competition? We think the statute, its legislative history, and prior cases compel an affirmative answer to both questions. When Congress created the Federal Trade Commission in 1914 and charted its power and responsibility under [section] 5, it explicitly considered, and rejected, the notion that it reduce the ambiguity of the phrase 'unfair methods of competition' by tying the concept of unfairness to a common-law or statutory standard or by enumerating the particular practices to which it was intended to apply.")

\*\*footnote 43 ends\*\*

#### That doesn’t expand the scope

**Federal Register: Rules and Regulations - ‘9**

Federal Trade Commission - *16 Code of Federal Regulations*- 255 Guides Concerning the Use of Endorsements and Testimonials in Advertising Federal Acquisition Regulation; *Final Rule* - “Rules and Regulations” - Federal Register - Vol. 74, No. 198 - Thursday, October 15, 2009 - #E&F - https://www.ftc.gov/sites/default/files/documents/federal\_register\_notices/guides-concerning-use-endorsements-and-testimonials-advertising-16-cfr-part-255/091015guidesconcerningtestimonials.pdf

The Commission’s inclusion of examples using these new media is not inconsistent with the staff’s 2006 statement that it would determine on a case-by-case basis whether law enforcement investigations of ‘‘buzz marketing’’ were appropriate.95 All Commission law enforcement decisions are, and will continue to be, made on a case-by-case basis, evaluating the specific facts at hand. Moreover, as noted above, the Guides **do not expand the scope** of liability **under Section 5**; they simply provide guidance as to how the Commission intends **to apply** governing **law** **to** various **facts**. **In other words**, the Commission ***could*** challenge the dissemination **of deceptive representations made via these media** **regardless of whether the Guides contain these examples**; thus, not including the new examples would simply deprive advertisers of guidance they otherwise could use in planning their marketing activities.96

#### Vote neg for limits and ground – allowing affs to enforce existing statutes in greater or different capacity allows thousands of tiny affs based on any law review or court case and short circuits core neg ground AND link uniqueness which makes it impossible to be neg

### 1NC – Cables

#### Breaking up tech companies undermines innovation in cloud computing, security, and undersea cables

Beaupre 20 [Jacob Beaupre is an Associate Attorney with The Hunt Law Group, "BIG IS NOT ALWAYS BAD: THE MISUSE OF ANTITRUST LAW TO BREAK UP BIG TECH COMPANIES", in s. DePaul Business & Commercial Law Journal, 18(1), Winter 2020, HeinOnline]

Proponents of breaking up Big Tech contend the consumer welfare standard should apply because the tech giants present a future threat to consumers and small businesses. However, the consumer benefit standard looks at what is benefitting or not benefitting consumers at the time of the analysis. 12 2 Declaring a company a threat to consumers in the future is not sufficient to bring an antitrust action. 123 A reduction of competition does not invoke the Sherman Act until it harms consumer welfare. 124 By breaking up internet companies because of their sheer size, the U.S. would be limiting the amount of innovation that could be produced. Goldman Sachs keeps an index tracking tech industry spending and the June 2018 spending levels are the third highest since Goldman Sachs created the index in 2002.125 This investment is primarily targeted at security software, software as a service applications, analytics, and private and public clouds.1 2 6 Apple, Amazon, and Google have spent a combined $80 billion on physical assets alone such as real estate, powerful computers, and undersea internet cables. 127 These investments benefit the economy and help drive the pace of innovation. Because of these innovations and investment, the tech giants added more market capitalization than the GDP of India since 2008.128 Even the U.S. government is dependent on the benefits of these industries. For example, the Department of Defense relies on Big Tech's cloud computing to meet its needs. 129 Untangling the interwoven nature of Big Tech would be an incredibly difficult task that would likely curb innovation and, in turn, economic growth.

#### That sustains the global internet, small disruptions alone tube markets—the aff turns private companies away from cable coop with the US government

Stavridis 17, [Foreword by Admiral James Stavridis, USN (Ret), former NATO Supreme Allied Commander Europe, Undersea Cables Indispensable, insecure Rishi Sunak MP https://policyexchange.org.uk/wp-content/uploads/2017/11/Undersea-Cables.pdf]

It is fitting then, today, that it is the oceans that underpin the digital communications that have come to define our age. It is a little known or appreciated fact that well over 95% of everything that moves on the global internet passes through a network of just 200 undersea fibreoptic cables; some as far below the surface as Everest is above it. It is not satellites in the sky, but pipes on the ocean floor that form the backbone of the world’s economy. The technology that this vast network facilitates should make us all optimistic about the future of democracy. Carrying communications, knowledge and trillions of dollars of capital to people in every corner of the world, the internet represents a radical culture of openness. This is in stark contrast to the walls and divisions – from the trenches of Verdun to the Iron Curtain – that too often defined the 20th century. As Rishi Sunak’s powerful report highlights, we have allowed this vital infrastructure of undersea cables to grow increasingly vulnerable. This should worry us all. Cables are isolated in the midst of the oceans, their locations are known, and they are often subject to only minimal security at on-shore landing sites. Furthermore, the technical capabilities required to damage cables are relatively low and unsophisticated. The risk posed to these garden hose-thin connections that carry everything from military intelligence to global financial data is real and growing. In the most severe scenario of an all-out attack upon undersea cable infrastructure by a hostile actor the impact of connectivity loss is potentially catastrophic, but even relatively limited sabotage has the potential to cause significant economic disruption and damage military communications. The waters of the Atlantic have long symbolised the spirit of openness and exploration and, today, the course once charted by the Mayflower is the world’s busiest digital sea-lane. But if that openness is to be preserved, we must be prepared to act with both creativity and strength. This Policy Exchange report accurately highlights the Russian dimension to this risk. Over my own career, I have seen the Atlantic transition from being a theatre characterised by near complete NATO supremacy following the collapse of the Soviet Union to a space that Russia is actively contesting through a resurgent and revanchist naval doctrine. This rise in Russia’s maritime assertiveness has been well-documented and in many respects this bellicosity is a symptom of weakness, attempting to deflect from domestic economic failures that once led Senator John McCain to describe the Putin regime as “a gas station masquerading as a country”. But if the relative weakness of the Russian position makes a conventional conflict with NATO unlikely, it also raises the appeal of asymmetric targets like fibre-optic cables. Recent reports make clear that Russian submarine forces have undertaken detailed monitoring and targeting activities in the vicinity of North Atlantic deep-sea cable infrastructure. And as another example of Russian interest in asymmetric targets, it is worth remembering that in Crimea, Russia successfully took control of land based communications infrastructure early in its annexation of the peninsula. Russia’s relative weakness also attracts it to conducting hybrid warfare. The fundamental idea of hybrid warfare is hostile activity that stops short of full, overt, offensive action and is sufficiently ambiguous that it allows the aggressor plausible deniability and makes international response more difficult. Hybrid warfare has traditionally been land-based, but as I have argued previously, this is about to change and we should prepare for increased maritime hybrid activity. Chinese activities in the South China Sea and Iranian actions in the Arabian Gulf already show characteristics of a hybrid approach, using civilian vessels rather than easily identifiable ‘gray hull’ naval platforms to obfuscate the involvement of state actors. Underwater cables are an obvious target for such hostile action: they are a vital infrastructure asset with ambiguous protection in international law that can be damaged with relatively unsophisticated, non-military hardware. The question that this provokes is what we should do about it? The recommendations Mr Sunak sets out in this report are a serious contribution to the field and a welcome recognition of the precautions that nations like the UK and the US must take in confronting risks posed to communications infrastructure. As well as the actions each government must take unilaterally to improve their security, there is much that can be achieved through partnership. Firstly, governments working with private companies can build more redundancy into their cable systems by creating more “dark cables” which are kept in reserve.

#### Disrupts second strike which ensures nuclear miscalc

Clark 16, [Bryan Clark is a senior fellow with the Center for Strategic and Budgetary Assessments, in Washington, Undersea cables and the future of submarine competition, Bulletin of Atomic Scientists]

Stability in international relations depends in part on predictability, and the ability of targets to detect attacks and respond appropriately. Emerging changes in undersea warfare threaten to undermine today’s relative stability – including essential underwater infrastructure like submarine cables – through the loss of surveillance information and command-and-control capabilities, or risks to “second strike” nuclear capabilities of ballistic-missile submarines. To sustain their national security and preserve stability, large economies and nuclear powers will need to improve their ability to monitor and control the waters off their shores, just as they do the skies above their lands.

#### Undersea cables are necessary for transatlantic security and modern society—content providers are increasingly key to redundancy

Morcos 21 [Pierre Morcos Visiting Fellow, Europe, Russia, and Eurasia Program, Colin Wall Research Associate, Europe, Russia, and Eurasia Program, CSIS, "Invisible and Vital: Undersea Cables and Transatlantic Security", 6/11/21, https://www.csis.org/analysis/invisible-and-vital-undersea-cables-and-transatlantic-security]

The planning, production, deployment, and maintenance of subsea cables are almost entirely in the hands of the private sector. Currently, the four largest suppliers are Alcatel Submarine Networks (France), SubCom (United States), NEC (Japan), and newcomer Huawei Marine Networks (China), whose market share has progressively risen to 10 percent. If network operators have traditionally been the main investors in undersea cables, content providers (Google, Amazon, Microsoft, Facebook) are also expanding their investments in this sector to ensure the interconnection of their data centers.

This global network of undersea cables provides the high-bandwidth connections needed for a wide range of activities vital for our modern society, from financial transactions to global communications or international scientific cooperation. In the financial sector alone, undersea cables carry some $10 trillion of financial transfers daily. Reliance on submarine cables will continue to increase as demand for data is expected to grow: driven by a shift toward cloud services and the spread of 5G networks, bandwidth demand will almost double every two years in the near future.

Submarine cables are also critical for transatlantic security as governments rely heavily on this infrastructure for their own communications. Diplomatic cables and military orders largely pass through these privately owned cables as military operated, and classified cables remain marginal. Undersea cable breaks between Egypt and Italy in 2008 led U.S. drone flights in Iraq to decrease sharply from hundreds to tens a day. This reliance on subsea cables to project and sustain power will increase in the future as the military applications of 5G are many in terms of intelligence, command and control, or unmanned and autonomous vehicles.

The Nature of the Threat

Undersea cables have two types of vulnerabilities: physical and digital. However, it should be noted that the most common threat today—responsible for roughly 150 to 200 subsea cable faults every year—is accidental physical damage from commercial fishing and shipping, or even from underwater earthquakes. Industry actors have the prime responsibility for accounting for and mitigating these incidents. Of greater concern are more malicious threats. Regarding physical challenges, the two primary concerns are that the cables might be destroyed or tapped—by either a non-state actor, as per some recent isolated incidents of piracy, or, more likely, by a state adversary like Russia.

Indeed, in recent years, Russian attention to transatlantic undersea cables, particularly in the North Atlantic Ocean, has increased commensurately with NATO’s perception of undersea cables’ importance and vulnerability. Moscow has two primary means by which it could directly threaten the cables: submarines and surface vessels that can deploy autonomous or manned submersibles. An example of the former was the Losharik spy submarine, which—before a tragic fire in 2019 decommissioned it—likely had the deep-sea capability necessary to map or destroy undersea cables. While the Losharik is being repaired, the Russian Navy has other such submarines and is developing unmanned undersea drones, such as the nuclear-powered Poseidon. As for surface ships, the most famous is the Yantar, which is ostensibly a research vessel but is understood to act as a spy ship that could deploy underwater submersibles to attack and destroy sections of cables.

There are several conceivable objectives severing a cable might achieve: cutting off military or government communications in the early stages of a conflict, eliminating internet access for a targeted population, sabotaging an economic competitor, or causing economic disruption for geopolitical purposes. Actors could also pursue several or all of these objectives simultaneously.

### 1NC – Politics

#### Biden’s using all his PC for reconciliation—everyone’s close to a yes

Mascaro 10/29 [LISA MASCARO, AAMER MADHANI and FARNOUSH AMIRI, "Biden announces ‘historic’ deal — but still must win votes", 10/29/21, https://apnews.com/article/joe-biden-congress-democrats-budget-framework-60a1bc276d0ab8eb3e0347fc54ee8c2c]

The fast-moving developments put Democrats closer to a hard-fought deal, but battles remain as they press to finish the final draft in the days and weeks ahead

“Let’s get this done,” Biden exhorted.

“It will fundamentally change the lives of millions of people for the better,” he said about the package, which he badly wanted before the summits to show the world American democracy still works.

Together with a nearly $1 trillion bipartisan infrastructure bill, Biden claimed the infusion of federal investments would be a domestic achievement modeled on those of Franklin Roosevelt and Lyndon Johnson.

“I need your votes,” Biden told the lawmakers at the Capitol, according to a person who requested anonymity to discuss the private remarks

But final votes will not be called for some time. The revised package has lost some top priorities, frustrating many lawmakers as the president’s ambitions make way for the political realities of the narrowly divided Congress.

Paid family leave and efforts to lower prescription drug pricing are now gone entirely from the package, drawing outrage from some lawmakers and advocates.

Still in the mix, a long list of other priorities: free prekindergarten for all youngsters, expanded health care programs — including the launch of a new $35 billion hearing aid benefit for people with Medicare — and $555 billion to tackle climate change.

There’s also a one-year extension of a child care tax credit that was put in place during the COVID-19 rescue and new child care subsidies. An additional $100 billion to bolster the immigration and border processing system could boost the overall package to $1.85 trillion if it clears Senate rules.

One pivotal Democratic holdout, Sen. Kyrsten Sinema of Arizona, said, “I look forward to getting this done.

However, another, Joe Manchin of West Virginia, was less committal: “This is all in the hands of the House right now.”

The two Democrats have almost single-handedly reduced the size and scope of their party’s big vision, and are crucial to sealing the deal.

Republicans remain overwhelmingly opposed, forcing Biden to rely on the Democrats’ narrow majority in Congress with no votes to spare in the Senate and few in the House.

Taking form after months of negotiations, Biden’s emerging bill would still be among the most sweeping of its kind in a generation, modeled on New Deal and Great Society programs. The White House calls it the largest-ever investment in climate change and the biggest improvement to the nation’s healthcare system in more than a decade

In his meeting with lawmakers at the Capitol, Biden made clear how important it was to show progress as he headed to the summits.

“We are at an inflection point,” he said. “The rest of the world wonders whether we can function.”

With U.S. elections on the horizon, he said it’s not “hyperbole to say that the House and Senate majorities and my presidency will be determined by what happens in the next week.”

At one point, Biden “asked for a spirited, enthusiastic vote on his plan,” said Rep. Richard Neal, D-Mass.

Twice over the course of the hour-long meeting Democratic lawmakers rose to their feet and started yelling: “Vote, vote, vote,” said Rep. Gerald Connolly of Virginia.

Biden’s proposal would be paid for by imposing a new 5% surtax on income over $10 million a year, and instituting a new 15% corporate minimum tax, keeping with his plans to have no new taxes on those earning less than $400,000 a year, officials said. A special “billionaires tax” was not included.

Revenue to help pay for the package would also come from rolling back some of the Trump administration’s 2017 tax cuts, along with stepped-up enforcement of tax-dodgers by the IRS. Biden has vowed to cover the entire cost of the plan, ensuring it does not pile onto the debt load.

With the framework being converted to a 1,600-page legislative text for review, lawmakers and aides cautioned it had not yet been agreed to.

Rep. Pramila Jayapal, D-Wash., the progressive leader, said her caucus endorsed the framework, even as progressive lawmakers worked to delay further action. “We want to see the actual text because we don’t want any confusion and misunderstandings,” she said.

#### Antitrust requires PC—that trades off

Carstensen 21 [Peter; February 2021; Fred W. & Vi Miller Chair in Law Emeritus at the University of Wisconsin Law School; Concurrences, “The ‘Ought’ and ‘Is Likely’ of Biden Antitrust,” <https://www.concurrences.com/en/review/issues/no-1-2021/on-topic/the-new-us-antitrust-administration-en#carstensen>]

14. Similarly, despite bipartisan murmurs about competitive issues, the potential in a closely divided Congress that any major initiatives will survive is limited at best. In part the challenge here is how the Biden administration will rank its commitments. If it were to make reform of competition law a major and primary commitment, it would have to trade off other goals, which might include health care reform or increases in the minimum wage. It is likely in this circumstance the new administration, like the Obama administration’s abandonment of the pro-competitive rules proposed under the PSA, would elect to give up stricter competition rules in order to achieve other legislative priorities.

15. Another key to a robust commitment to workable competition is the choice of cabinet and other key administrative positions. Here as well, the early signs are not entirely encouraging. In selecting Tom Vilsack to return as secretary of agriculture, the president has embraced a friend of the large corporate interests dominating agriculture who has spent the last four years in a highly lucrative position advancing their interests. Given the desperate need for pro-competitive rules to implement the PSA and control exploitation of dairy farmers through milk-market orders, the return of Vilsack is not good news. Who will head the FTC and who will be the attorney general and assistant attorney general for antitrust is still unknown, but if those picks are also centrists with strong links to corporate America the hope for robust enforcement of competition law will further attenuate!

16. In sum, this is a pessimistic prognostication for the likely Biden antitrust enforcement agenda. There is much that ought to be done. But this requires a willingness to take major enforcement risks, to invest significant political capital in the legislative process, and to select leaders who are committed to advancing the public interest in fair, efficient and dynamically competitive markets. The early signs are that the new administration will be no more committed to robust competition policy than the Obama administration. Events may force a more vigorous policy—I will cling to that hope as the Biden administration takes shape.

#### That allows an unprecedented investment in combatting climate change

Morton 10/28 [Joseph Morton, "Democrats tout climate spending in reconciliation", 10/28/21, https://www.rollcall.com/2021/10/28/framework-includes-clean-energy-tax-credits-omits-methane-fee/]

“At the same time, substantial investments in electric vehicle charging stations and clean heavy-duty vehicles, like school buses, will serve the dual purpose of slashing our carbon emissions while helping American manufacturing stay globally competitive,” Pallone said.

Rep. Cindy Axne, D-Iowa, had pushed for funding to support biofuels infrastructure, complaining it was left out of the bipartisan infrastructure bill even as that measure delivered significant funding for electric vehicles.

The latest reconciliation package text includes $1 billion over 10 years in funding for the Agriculture Department to provide grants for expanding biofuel pump infrastructure, upgrade existing infrastructure and increase usage of higher blends of ethanol and biodiesel.

“Not only does the Build Back Better Act represent the largest investment in clean energy and combating climate change ever — it also confirms that my colleagues have listened to my central argument in our clean energy discussions: biofuels can and should be a part of our fight against climate change,” Axne said in a statement.

The White House framework released earlier in the day envisions that $320 billion would be delivered in the form of clean energy tax credits to accelerate the transition from coal and gas-fired power plants to renewable energy sources such as wind turbines and solar panels.

That includes incentives for both utilities and residents and support for additional transmission and storage capacity — areas where bottlenecks have hampered the development of renewable energy sources.

The framework includes incentives intended to cut the cost for Americans to put rooftop solar panels on their homes and make it easier to purchase electric vehicles. New EV tax credits would lower the cost of a vehicle by $12,500 for a middle-class family, according to the White House.

The framework calls for $105 billion for climate resiliency and addressing legacy pollution in communities.

For example, a new Clean Energy and Sustainability Accelerator that would invest in climate-related projects around the country would allocate 40 percent of those benefits to disadvantaged communities — part of a pledge the Biden administration has made to deliver climate spending to communities traditionally on the front lines of environmental damage.

It also would fund grants to support environmental justice in disadvantaged communities and create a new Civilian Climate Corps with more than 300,000 members working on conservation projects that could help mitigate climate change.

The framework includes $110 billion in spending and incentives to boost domestic supply chains supporting solar power and batteries. It also would fund grants, loans and tax credits aimed at moving steel, cement and aluminum industries toward decarbonization.

There’s also $20 billion for the government to purchase new technologies such as long-duration storage, small modular reactors and clean construction materials.

While the size of the package falls short of initial proposals, some Capitol Hill Democrats declined to say they were disappointed with the climate portion.

Sen. Christopher S. Murphy, D-Conn., said he didn’t want to undersell the framework, as it would represent the most significant spending on climate policy since he joined Congress.

The fact that climate makes up about one-third of the overall spending shows how much the issue has been elevated within the Democratic Party, he said, and negotiations over bolstering it aren’t finished.

“I think there's a number of things that we can still find consensus on that might not be in this agreement. So climate is something you’ve got to work on every single day,” Murphy said. “If we're not passing climate change legislation every year, then we're not doing our job. So this is just one admittedly very big piece of the overall policy puzzle.”

#### It causes extinction.

Dunlop 17. (Ian Dunlop chaired the Australian Coal Association in 1987-88, chaired the Australian Greenhouse Office Experts Group on Emissions Trading from 1998-2000 and was CEO of the Australian Institute of Company Directors from 1997-2001. He has a particular interest in the interaction of corporate governance, corporate responsibility and sustainability. An engineer by qualification, he holds an MA (Mechanical Sciences) degree from the University of Cambridge, he is a Fellow of the Australian Institute of Company Directors, the Australasian Institute of Mining and Metallurgy, and the Energy Institute (UK), and a Member of the Society of Petroleum Engineers of AIME (USA). He also chairs the Australian National Wildlife Collection Foundation. David Spratt is a Research Director for Breakthrough and co-author of Climate Code Red: The case for emergency action (Scribe 2008). His recent reports include Recount: It’s time to “Do the math” again; Climate Reality Check and Antarctic Tipping Points for a Multi-metre Sea-level Rise. A Failure of Imagination on Climate Risks. July 26, 2017. www.resilience.org/stories/2017-07-26/a-failure-of-imagination-on-climate-risks/)

Climate change is an existential risk that could abruptly end human civilisation because of a catastrophic “failure of imagination” by global leaders to understand and act on the science and evidence before them. At the London School of Economics in 2008, Queen Elizabeth questioned: “Why did no one foresee the timing, extent and severity of the Global Financial Crisis?” The British Academy answered a year later: “A psychology of denial gripped the financial and corporate world… [it was] the failure of the collective imagination of many bright people… to understand the risks to the system as a whole”. A “failure of imagination” has also been identified as one of the reasons for the breakdown in US intelligence around the 9/11 attacks in 2001. A similar failure is occurring with climate change today. The problem is widespread at the senior levels of government and global corporations. A 2016 report, Thinking the unthinkable, based on interviews with top leaders around the world, found that: “A proliferation of ‘unthinkable’ events… has revealed a new fragility at the highest levels of corporate and public service leaderships. Their ability to spot, identify and handle unexpected, non-normative events is… perilously inadequate at critical moments… Remarkably, there remains a deep reluctance, or what might be called ‘executive myopia’, to see and contemplate even the possibility that ‘unthinkables’ might happen, let alone how to handle them. Such failures are manifested in two ways in climate policy. At the political, bureaucratic and business level in underplaying the high-end risks and in failing to recognise that the existential risk of climate change is totally different from other risk categories. And at the research level in underestimating the rate of climate change impact and costs, along with an under-emphasis on, and poor communication of, those high-end risks. Existential risk An existential risk is an adverse outcome that would either annihilate intelligent life or permanently and drastically curtail its potential. For example, a big meteor impact, large-scale nuclear war, or sea levels 70 metres higher than today. Existential risks are not amenable to the reactive (learn from failure) approach of conventional risk management, and we cannot necessarily rely on the institutions, moral norms, or social attitudes developed from our experience with managing other sorts of risks. Because the consequences are so severe — perhaps the end of human global civilisation as we know it — researchers say that “even for an honest, truth-seeking, and well-intentioned investigator it is difficult to think and act rationally in regard to… existential risks”. Yet the evidence is clear that climate change already poses an existential risk to global economic and societal stability and to human civilisation that requires an emergency response. Temperature rises that are now in prospect could reduce the global human population by 80% or 90%. But this conversation is taboo, and the few who speak out are admonished as being overly alarmist. Prof. Kevin Anderson considers that “a 4°C future [relative to pre-industrial levels] is incompatible with an organized global community, is likely to be beyond ‘adaptation’, is devastating to the majority of ecosystems, and has a high probability of not being stable”. He says: “If you have got a population of nine billion by 2050 and you hit 4°C, 5°C or 6°C, you might have half a billion people surviving”. Asked at a 2011 conference in Melbourne about the difference between a 2°C world and a 4°C world, Prof. Hans Joachim Schellnhuber replied in two words: “Human civilisation”.

### 1NC – Advantage CP

#### The United States federal government should:

* Substantially increase development aid for digital business capabilities in the developing nations, including national digital infrastructure
* Provide research and development funding for small and medium enterprises
* Increase international cooperation with NATO member states and the Quad on international technology norms
* Set federal cybersecurity standards for the electrical grid
* Require nuclear power plants to maintain backup generators for power outages

#### Plank 1 solves digital inequity

1AC Gurumurthy ’20 [Anita et al; Executive Director of IfTC and Expert Advisor for the UN Secretary General; “Unskewing the Data Value Chain: A Policy Research Agenda for Equitable Platform Economies”; (September 1, 2020); Available at SSRN: <https://ssrn.com/abstract=3872492>]

Without endogenous capacities to process data and generate digital intelligence and thereby move into the high value segments of data value chains, most developing countries can only realize the “first-order benefits” of accessing global digital trade markets (UNCTAD, 2019). Investments in domestic digital and data infrastructure are hence vital to bridge the “digital capability gap” between domestic firms (in digital and other sectors) and transnational corporations, and to leverage the “second-order benefits” of productivity, wealth and well-being that the data revolution brings (UNIDO, 2020; UNCTAD, 2019). Official Development Assistance (ODA) has an important role to play in bridging this gap. But as current studies of the nexus between ODA, digital economies and sustainable development suggest, not enough attention has been paid to the potential downsides of ODA projects in the digital sector: harmful concentration and monopoly, rising inequality, or state and corporate use of digital technologies to control rather than empower citizens (Bennett, 2019). As a response to this deficit in global development cooperation, the UNCTAD has been advocating for stronger South-South cooperation in digital industrialization: development of public broadband and connectivity programs, investment in cloud infrastructure, and creation of regional level single digital markets that can contribute to the strategic integration of non-personal data flows for development of regional AI capacity (Banga & Kozul-Wright, 2018).

#### Plank 2 solves slow growth—supports SMEs, gives them a leg up over platform companies

#### Plank 3 solves digital authoritarianism—coordinates US allies around tech challenges

#### Planks 4 and 5 solve grid collapse and meltdowns—ensure security and resiliency!

### 1NC – States CP

#### The 50 state governments and relevant sub-federal territories, in coordination through the National Association of Attorneys General’s, should adopt the principle of separating platforms from commerce for platforms in the private sector and state that, if preempted, the states will withhold cooperation with federal initiatives.

#### State action solves, won’t be preempted, and causes federal follow-on

Juan A. Arteaga 21, Partner at Crowell & Moring LLP, Former Senior Official in the Antitrust Division of the US Department of Justice, JD from Columbia Law School, and Jordan Ludwig, Counsel in the Antitrust Group at Crowell & Moring LLP, JD from Loyola Law School, “The Role of US State Antitrust Enforcement”, Private Litigation Guide – Second Edition, Global Competition Review, 1/28/2021, https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement

Prior to the enactment of the first federal antitrust law – the Sherman Act – in 1890, state antitrust enforcement was quite robust in the United States because at least 26 states had already enacted some form of antitrust prohibition.[2] In addition, state enforcers had often used general corporation law and common law restraint of trade principles to regulate anticompetitive business practices and transactions.[3] This well-established state antitrust enforcement infrastructure – coupled with the fact that the Antitrust Division and FTC had only recently been created – permitted state attorneys general to continue playing a leading enforcement role for the first 30 years after the Sherman Act’s passage.[4] Indeed, state attorneys general successfully prosecuted a number of the most consequential antitrust enforcement actions during this period.[5]

In the early 1920s, however, state antitrust enforcers began playing a less prominent role because ‘the national dimension of the most important trusts, . . . as well as their ability to restructure in order to evade problematic state laws’, made clear that the federal government needed to step forward in order to adequately protect consumers and the competitive process.[6] As a result, the DOJ and FTC – whose national jurisdiction and greater resources enabled them to tackle the most pressing competition issues of the time – displaced state attorneys general as the primary source of government antitrust enforcement within the United States.[7] This largely remained true until the mid-1970s when Congress, in response to the DOJ and FTC’s perceived inactivity, passed two laws that expanded the authority of state attorneys general to enforce the federal antitrust laws and provided them with financial resources to do so.[8]

In 1976, Congress passed the Hart-Scott-Rodino Antitrust Improvement Act, which, among other things, authorised state attorneys general to bring *parens patriae* suits (i.e., legal actions brought on behalf of natural persons residing within their states) seeking monetary (treble damages) and injunctive relief for Sherman Act violations.[9] Congress also passed the Crime Control Act of 1976, which, among other things, provided state attorneys general with tens of millions in federal grants as ‘seed money’ for the creation of antitrust bureaus within their offices.[10] These laws had their intended effect of reinvigorating state antitrust enforcement.

During the 1980s, for example, state attorneys general once again emerged as vigorous antitrust enforcers, especially with respect to the prosecution of resale price maintenance practices and other vertical restraints.[11] The rise in the level and prominence of state antitrust enforcement during this period was largely due to a perceived enforcement void at the federal level, where the DOJ and FTC had mostly limited their focus to ‘prohibiting cartels and large horizontal mergers’.[12] No longer content with ceding antitrust enforcement to federal enforcers, state attorneys general expanded their antitrust dockets from prosecuting purely ‘local matters, such as bid-rigging on state contracts’, to actively investigating and litigating matters with multistate and national implications.[13] To help ensure that they had a larger seat at the antitrust enforcement table, state attorneys general also increased the coordination of their enforcement efforts and competition advocacy through organisations such as the National Association of Attorneys General (NAAG), which created a Multistate Antitrust Task Force and issued state Vertical Restraints and Horizontal Merger Guidelines during this period.[14]

Since the reawakening of state antitrust enforcement nearly 30 years ago, state attorneys general have continued to play an important role in the enforcement of both state and federal antitrust laws. During periods of lax federal antitrust enforcement, state attorneys general have often ramped up their enforcement activity in order to protect consumers from anticompetitive transactions and business practices.[15] During periods of vigorous federal antitrust enforcement, they have often served as strong partners for the DOJ and FTC by, among other things, offering valuable insights about competitive dynamics in local markets, assisting with obtaining information from key market participants (including state governmental entities that are direct purchasers of goods and services), and helping develop and implement litigation strategies for cases being tried before federal judges presiding in their states.[16]

Since January 2017, state attorneys general have increasingly played a leading and independent antitrust enforcement role. State antitrust enforcers have significantly increased their enforcement activity and willingness to act separately from their federal counterparts because many of them believe that there has been ‘under-enforcement’ by the DOJ and FTC.[17] State antitrust enforcers have also been able to enhance their influence over key competition policy issues and the antitrust enforcement agenda within the United States because there appears to have been a significant decline in the coordination and relationship between the DOJ and FTC.[18]

In once again flexing their enforcement muscle, state attorneys general have shown a willingness to publicly disagree with the DOJ and FTC on both policy and enforcement decisions, and have also sought to pressure their federal counterparts into more aggressively policing certain industries. Recent examples of the increased independence and assertiveness of state antitrust enforcers include:

* The DOJ, FTC and several state attorneys general have been actively investigating and prosecuting ‘no-poach’ agreements (i.e., where competitors for employees agree not to recruit or hire each other’s employees) in recent years. However, the DOJ and state attorneys general have taken directly opposing positions in private litigation challenging the legality of ‘no-poach’ clauses in corporate franchise agreements. The DOJ has argued that courts should review these clauses under the rule of reason whereas various state attorneys general have argued that these clauses should be deemed per se unlawful.[24]
* In their joint investigation into the T-Mobile/Sprint merger, nearly 20 state attorneys general sued to block the transaction in September 2019 even though the DOJ, along with seven state attorneys general, approved the deal after securing certain structural and behavioural remedies.[19] After the DOJ announced its proposed settlement with the companies, the Attorney General for New York, who led the states’ challenge to the merger, issued a press release dismissing the adequacy of the remedies negotiated by the DOJ: ‘The promises made by [the divestiture buyer] and [the merging companies] in this deal are the kinds of promises only robust competition can guarantee. We have serious concerns that cobbling together this new fourth mobile [phone] player, with the government picking winners and losers, will not address the merger’s harm to consumers, workers, and innovation.’[20] Thereafter, the DOJ opposed the states’ enforcement action by, among other things, moving to disqualify the private counsel hired by the states to represent them[21] and filing submissions that argued against the states’ requested injunction.[22] Ultimately, the state attorneys general were unsuccessful in their bid to block the deal.[23]
* None of the more than 20 state attorney general offices that actively investigated the AT&T/Time Warner merger joined the DOJ’s unsuccessful challenge to the transaction despite the DOJ’s concerted effort to secure their support.[25] In fact, nine state attorneys general filed an amicus brief opposing the DOJ’s appeal of the trial court’s decision.[26]
* After the FTC declined to seek any Colorado-related remedies in connection with Optum’s acquisition of DaVita Medical Group, the Attorney General for Colorado required the merging companies to lift the exclusivity provisions in contracts with certain healthcare providers and to extend their existing contracts with certain health insurers. In announcing this settlement, the Colorado Attorney General stated: ‘I recognize that this case marks an important step in state antitrust enforcement . . . . I am committed to protecting all Coloradans from anticompetitive consolidation and practices, and will do so whether or not the federal government acts to protect Coloradans.’[27]

After voicing displeasure with federal antitrust enforcement in the technology sector, numerous state attorneys general launched their independent investigations into ‘Big Tech’ companies even though the DOJ and FTC have ongoing investigations into these companies.[28]

## Dynamism

### 1NC—FTC Bad

#### Turn – Backlash –

#### Industry persuades Congressional circumvention – durable fiat doesn’t solve

Darren Bush Fall, 2016 [Leonard B. Rosenberg College Professor of Law, University of Houston Law Center “Out Of The DOJ Ashes Rises The FTC Phoenix: How To Enhance Antitrust Enforcement By Eliminating An Antitrust Enforcement Agency” Willamette Law Review, 53, 33. <https://advance-lexis-com.libproxy.berkeley.edu/api/document?collection=analytical-materials&id=urn:contentItem:5NSX-DKH0-00CV-B14S-00000-00&context=1516831>]

The largest threats to the FTC come from outside its walls. While courts have not significantly limited the authority of the FTC, particularly with respect to investigations, they do serve as a limitation on the ultimate ability of the FTC to successfully adjudicate matters that result from an investigation. To successfully swing the pendulum back in favor of court deference to FTC outcomes, the agency must be fully unchained. The following subsections describe both appropriate and inappropriate chaining of the FTC.

Constitutionally, Congress is an appropriate constraint upon agency power. It was an act of Congress that gave the agency life, and certainly that power could be used to terminate an agency acting beyond the will of Congress. Within that delegation of authority from Congress is the ability of the agency to use the twin weapons of rulemaking and adjudication, backed with its expertise. However, such appropriate Congressional oversight can be misused to constrain an agency, particularly when a large and power corporation or industry perceives itself as being unfairly under FTC scrutiny.

First, aggrieved industries or corporations could seek express immunity for the antitrust laws. Numerous industries already enjoy immunity from section 5 of the FTC Act, including "banks, savings and loan institutions … federal credit unions … common carriers subject to the Acts to regulate commerce, air carriers and foreign air carriers subject to the Federal Aviation Act of 1958, and persons, partnerships, or corporations insofar as they are subject to the Packers and Stockyards Act … ." 70 More broadly, statutory immunity from the antitrust laws is all too common. Congress has enacted at least twenty-nine statutory immunities that completely immunize industries or conduct from the antitrust laws, or at least limit the scope of antitrust within those realms. 71

[\*54] The FTC itself has been the impetus of several of these statutory immunities. For example, Congress passed the Soft Drink Interbrand Competition Act in reaction to the FTC's strong position against non-price vertical restraints. 72 The FTC had challenged the industry's distribution system following a controversial Supreme Court decision in United States v. Arnold, Schwinn & Co. 73 Soft drink bottlers lobbied for and won immunity designed to protect local bottlers from the vertical integration of syrup manufacturers. 74

Alternatively, Congress may create a modified standard with respect to a particular type of conduct, as it did with the Standards Development Organization Advancement Act. 75 The SDOAA requires that the rule of reason analysis to standard setting bodies and limits the ability of private plaintiffs to obtain attorneys' fees. Registered standard development organizations are also protected from treble damages. This legislation too is a response to FTC antitrust enforcement. The FTC had investigated Dell's, 76 Rambus's, 77 and Unocal's 78 participation and conduct within particular standard-setting organizations. While members of the standard-setting body still face liability, there is somewhat of a shield effect arising from the standard development organization's immunity. This threat is particularly poignant when a single party controls both Houses of Congress, or when there is a veto-proof majority. On the bright side, this type of immunity applies equally to both the FTC and the DOJ, so in theory it is immaterial whether or not there is a single antitrust enforcement agency or two. The result would be the same: the antitrust laws would be limited in those instances.

Beyond outright barring investigation and enforcement of the antitrust laws in a particular industry, Congress can severely hamstring the agency. For example, rather than passage of an unpopular statutory immunity, it might be easier for Congress to curtail directly the FTC's authority to enforce or even investigate anticompetitive conduct within an industry by directly barring FTC authority within its organic statute. Congress has done so numerous times. For example, Congress limited the FTC's power to engage in rulemaking for the purpose of consumer protection when it passed the Federal Trade Commission Improvements Act of 1980. 79 This limitation arose from industry backlash after the FTC engaged in rulemaking concerning children's advertising. 80 The amendments also make the FTC an adversary in its own rulemaking proceedings by importing adjudicatory norms. For example, the provisions call for a presiding officer with independence from staff influence, protected by ex parte communications. 81 The 1980 amendments thus severely impede the agency to engage in any effective rulemaking.

Another method Congress has employed to curtail the FTC's authority is to evaluate the anticompetitive effects of particular conduct. In 1994, Congress sought to confine the Agency's interpretation of unfair methods of competition by requiring what is essentially a rule of reason plus criteria. In particular, the amendment bars the FTC from declaring unlawful any act or practice the FTC determines to be unfair, unless the "the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition." 82 It is equally plausible for Congress to deploy other requirements into the Agency's calculus of unfair methods of competition.

Even if an industry or company is unable to convince Congress that it should receive a coveted immunity, Congress still has other means at its disposal to "check" the FTC. In particularly, public posturing by companies and Congressional allies might be sufficient to heel the FTC.

Nor is Congress immune from attempting to influence agency decisions. Often times Congress holds hearings regarding particular agency investigations and actions. As a recent example, take the [\*56] DOJ's one hundred eighty degree reversal in U.S. v. American Airlines. The DOJ had originally challenged the merger of American Airlines. The complaint alleged in sweeping terms harm to nonstop competition, competition in connect markets, and competition across networks. Then, just as quickly, the bold complaint was no more, as the DOJ and the parties settled. According to a ProPublica piece, 83 a full-on blitz was in play to convince the DOJ to change its mind. While internal deliberations within the DOJ are barred from sunlight, there was a stark "before and after" picture of the effects of such a lobby.

It could be argued that the FTC would be more immune from such a lobbying campaign due to its independence from the Executive Branch, but that does not preclude intervention by Congress. As a former Chair of the FTC has pointed out, "Congress intended the FTC to be largely independent from the Executive Branch in its day-to-day operations, despite the provision authorizing the President to direct the agency to undertake specific investigations. But Congress intended far less independence from itself." 84

As an example, when the DOJ and the FTC agreed to a different clearance process between the agencies in 2002, Congress balked. One of the first threats Congress made was reducing agency funding, 85 apart from calling for the hide of Chairman Tim Muris. It was not the first time Congress (or a member of Congress) had threatened an antitrust enforcement agency via the budget. The DOJ received backlash as a result of its antitrust challenge against Microsoft. Because of this antitrust challenge, Microsoft started to engage in political activity, making campaign contributions to both parties and targeting state Attorneys General who had joined the suit. When the DOJ brought its antitrust challenge against Microsoft in a series of cases, 86 it received backlash once Microsoft awoke from its [\*57] slumber and started to engage in political activity, 87 making campaign contributions to both parties 88 as well as targeting state Attorneys General who had joined the suit. 89

#### Courts roll it back

Darren Bush Fall, 2016 [Leonard B. Rosenberg College Professor of Law, University of Houston Law Center “Out Of The DOJ Ashes Rises The FTC Phoenix: How To Enhance Antitrust Enforcement By Eliminating An Antitrust Enforcement Agency” Willamette Law Review, 53, 33. <https://advance-lexis-com.libproxy.berkeley.edu/api/document?collection=analytical-materials&id=urn:contentItem:5NSX-DKH0-00CV-B14S-00000-00&context=1516831>]

The FTC receives almost no deference with respect to cases it brings under the "unfair methods of competition" prong of the Federal Trade Commission Act. In contrast, the FTC usually receives Chevron deference 57 when it acts under the "unfair or deceptive trade [\*48] acts or practices" prong of section 5 of the FTC Act. Theories abound as to why this is so.

The most obvious theory is that the dual enforcement scheme clouds the ability of the courts to offer the FTC any deference. Unlike with the FTC's "unfair methods of competition" actions, the courts do not face a non-agency duplicate that appears in the bulk of cases before the courts regarding "unfair or deceptive trade acts or practices." 58 The FTC and DOJ both enforce the Clayton Act, and while the Sherman Act is exclusively within the confines of the DOJ, the FTC cases, to the courts, are parallel actions. 59 With an "ugly stepsister" in the midst, it is difficult for the FTC to make a claim of deference successfully. 60

One way around this issue would be for the FTC to engage in rulemaking. 61 However, there are serious risks to rulemaking, as will be discussed later. Moreover, such an action would cause the FTC to run squarely into a second theory of why it is not afforded deference; namely, that it is engaged in the creation of a pseudo "common law" that is extracted away from Article III courts. 62 At the very least, it would be "high stakes rulemaking" that would likely trigger additional scrutiny from the courts. 63

[\*49] Suffice to say for the moment that it is unlikely that even a promulgated rule would survive in courts that typically view the antitrust laws as strongly within their own domain. 64 A second way to eliminate the issue is to place the antitrust laws in the exclusive jurisdiction of the FTC. This may eliminate the redundancy, but, unfortunately, undermines the will of Congress to have multiple antitrust enforcers to serve as checks against the courts and the DOJ. The proposal discussed later seeks a middle position by establishing the FTC as the sole federal enforcement agency, excluding criminal enforcement.

### 1NC – UQ

#### Combination of pandemic innovation and tech adaption ensure long-term, virtuous growth cycles. Innovation is high now, which disproves their turns but continued demand growth is a precondition for continued growth the aff doesn’t solve. Cal reads blue!

Manyika ’21 [James; Chair and Director @ McKinsey Global Institute; and Michael Spence; Philip H. Knight Professor and Dean Emeritus @ Stanford University's Graduate School of Business; “A Better Boom: How to Capture the Pandemic's Productivity Potential,” *Foreign Affairs* 100(4), p. 107-117; AS]

Surprising as it may seem, out of the deepest economic crisis since World War II could come a new era of productivity gains and prosperity. Whether that happens will depend largely on the decisions that governments and businesses make as they prepare to exit the pandemic in the coming months. In the short and medium term, the prospects for increased productivity-and prosperity-are encourag2 ing, as the United States and other countries spend heavily on economic recovery and businesses reap the benefits of digitization. But the outlook is less optimistic over the long term, since governments cannot spend indefinitely and consumer and investment spending may not fill the gap.

Governments and businesses must therefore seek to create the conditions for sustained productivity growth and prosperity, in particular by facilitating the diffusion of technological and organizational innovations and bolstering consumer demand. Out of a major global crisis could come a major jolt of productivity growth-but only if policymakers and business leaders make the most of this moment.

THE PRODUCTIVITY PARADOX

The history of productivity growth can be understood as a succession of technological revolutions, from the steam engine to the computer. Each offered the promise of accelerated productivity and economic growth, and each eventually delivered. But there has often been a delay between innovation and adoption, and another between adoption and economic impact. The economist Robert Solow summed up these apparent discrepancies in a 1987 article in The New York Times Book Review, writing, "You can see the computer age everywhere but in the productivity statistics." His formulation became known as "the Solow paradox."

But then came the revolution in information and communication technologies between 1995 and 2005, a decade in which the Solow paradox was temporarily resolved. Widespread adoption of these technologies was accompanied by a simultaneous acceleration in productivity, which grew at an annualized rate of 2.5 percent in the United States, a full percentage point faster than the rate between 1970 and 1995. Companies invested heavily in information and communication technologies and reorganized their operations and managerial practices around them. They did so out of the desire to gain a competitive edge, but also because of relatively robust consumer demand for their products.

Productivity growth accelerated in several sectors as a result, driving growth in the U.S. economy as a whole. This period was characterized by an unusual combination of large spurts in productivity growth in a few big sectors employing many workers, such as retail and wholesale, and even larger productivity growth in smaller sectors, such as those that produced computers and electronic products. In both bi and small sectors, there was a virtuous cycle of employment growth to meet demand and even faster growth in the value of the output from these sectors. The value of outputs across all sectors of the economy grew by 3.4 percent per year between 1995 and 2005, whereas the total number of hours worked grew by only 0.9 percent per year.

But the boom did not last. Between 2005 and 2019, annual productivity growth in the United States fell by more than half, to 1.0 percent. In the aftermath of the 2008 global financial crisis, from 2010 to 2019, it was even lower, at 0.6 percent. Unlike the United States, z European countries had not experienced rapid productivity gains in the 1995-2005 period, but they did experience the postcrisis decline. r Between 2010 and 2019, annual productivity growth fell below one percent in France, Germany, and the United Kingdom.

The Solow paradox was back. After a decade of rapid productivity gains, the information technology revolution had reached a point of diminishing returns. But the next wave of technology-the digitization of processes, big data and analytics, cloud computing, the Internet of Things-was not yet ready to fill the gap. Despite early breakthroughs in image recognition and natural language processing, few firms had begun to make use of artificial intelligence technologies, and digitization was proceeding slowly. We estimated, based on a sector-by sector assessment, that in 2015, the United States had reached only 18 percent of its digital potential and Europe had reached only 12 percent. Moreover, a gap had opened up between the firms that were digital leaders and those that were digital laggards-a gap that other researchers found was correlated with a gap in labor productivity.

This gap in technology adoption was widening at a time of weak consumer demand for goods and services, in large part due to the aftereffects of the financial crisis. Firms scaled back their investments, and fewer new businesses were created. Making matters worse, the share of income that flowed to top earners and the owners of capital increased, while the share that went to labor decreased, further weakening demand.

Across the United States and Europe, the vast majority of sectors experienced declines in productivity growth. Only four percent of all sectors recorded productivity jumps in 2014, compared with an average of 18 percent of sectors that achieved substantial increases in productivity in the previous two decades. Growth in gross value added-a measure of a firm's or a sector's contribution to GDP-declined from 3.4 percent annually between 1995 and 2005 to 1.8 percent between 2005 and 2019. Growth in hours worked remained roughly unchanged, at 0.7 percent, throughout both periods.

These two very different periods of economic activity in the United States reveal much about the underpinnings of productivity growth. It stems first and foremost from the widespread adoption of technological innovations, especially general-purpose technologies such as electricity and the Internet. But it also stems from the managerial innovation and reorganization of functions and tasks that occur when firms adopt new technologies. Both of these processes must spur leaps in productivity growth in many sectors, or at least in a few large ones, so that productivity jumps in the economy as a whole. Finally, adoption and reorganization within and across sectors must be driven by competition, which incentivizes firms to innovate and helps spur technological diffusion.

Not all productivity growth is created equal, however. Productivity growth can be achieved through gains in the volume or value of outputs for a given number of hours worked, or it can come about as a result of a reduction in hours worked for a given output. Often both happen at the same time. But it is when the former exceeds the latter that a virtuous cycle is created in which innovation and investment generate growth in employment and wages, which in turn generates demand for increased (or more valuable) output. This is what happened during the period from 1995 to 2005. When the latter source of productivity growth exceeds the former, however, a vicious cycle results in which firms reduce labor costs faster than they grow the volume or value of their outputs, which in turn puts pressure on employment and incomes.

POST-PANDEMIC POTENTIAL

The pandemic has primed advanced economies for another period of rapid productivity growth. It is too early to say for sure whether such growth will be the product of a virtuous or a vicious cycle, but signs point to the former. Despite uncertainty, stress, and plummeting economic activity in the early days of the covID-19 crisis, many firms boldly deployed and used new general-purpose technology-especially digital technology-in ways that have driven virtuous productivity gains in the past. In October 2020, we surveyed 900 C-suite executives in various sectors and countries and found that many had digitized their business activities 20 to 25 times as fast as they had previously thought possible. Often, this meant shifting their businesses to online channels, since roughly 60 percent of the firms we surveyed experienced a significant increase in customer demand for online goods and services as a result of the pandemic.

Before the pandemic, e-commerce was forecast to account for less than a quarter of all U.S. retail sales by 2024. But during the first two months of the covID-19 crisis, e-commerce's share of retail sales more than doubled, from 16 percent to 33 percent. And that growth did not just reflect brick-and-mortar firms setting up shop online for the first time. Firms that were already highly digitized before the pandemic significantly expanded their online capabilities to meet the surge in demand. They also reorganized their operations, including their logistics, to complement what they were doing digitally-for example, by expanding their direct-to-home delivery capabilities.

Businesses also strove to become more efficient and agile. In Europe and North America, nearly half of the respondents to our survey said that they had reduced their operating expenditure as a share of revenue between December 2019 and December 2020. Two-thirds of senior executives said they had increased investment in automation and artificial intelligence, whether to help warehouse and logistics operations cope with higher e-commerce volumes or to enable manufacturing plants to meet surging demand. Many companies used technology to reduce the physical density of their workplaces or to enable contactless service-for instance, by expanding self-checkout in grocery stores and pharmacies and employing online ordering apps for restaurants and hotels. Other businesses, such as meatpacking and poultry plants, accelerated the deployment of robotics to reduce their need for labor. If there was one lesson from the pandemic, it was that digital capability and resilience go hand in hand.

But even as the arrival of vaccines has made it possible to imagine a return to relative normalcy in parts of the developed world, continued digitization and the adoption of other technological innovations promise to deliver still more productivity gains. The largest of these gains-roughly an additional two percentage points per year-could come in the health-care, construction, information technology, retail, pharmaceutical, and banking sectors. In health care, for instance, accelerating the use of telemedicine beyond the pandemic could drive incremental productivity growth for years. According to one recent U.S. poll, 76 percent of patients expressed interest in using telemedicine in the future, and industry experts project that the services for 20 percent of health-care spending could be delivered virtually-up from 11 percent before the pandemic. Other sectors, including automotive, travel, and logistics, show less-but still substantial-potential for productivity growth as a result of more flexible task scheduling, leaner operations, and smarter procurement.

Overall, these innovations and organizational changes could accelerate productivity growth by around one percentage point per year between now and 2024 in the United States and the six large European economies that we analyzed (France, Germany, Italy, Spain Sweden, and the United Kingdom). This gain would result in a productivity growth rate twice as high as the rate after the 2008 global financial crisis, and in the United States, it would expand per capita GDP by roughly $3,500 by 2024. That would be a stunning outcome, but it will hinge on continued technology adoption by firms and the maintenance of robust demand.

Even more productivity gains could be on the horizon thanks to other advancements. The accelerating revolution in biology, for instance, could transform sectors from health care and agriculture to consumer goods, energy, and materials. Biological innovation has already enabled the rapid development of new vaccines for covID-19. Equally impressive revolutions in energy could make possible the widespread adoption of solar and wind power, especially in light of recent progress toward better (and cheaper) batteries. Artificial intelligence is also advancing rapidly, but is still a long way from being deployed widely across companies and sectors. When and if that happens, the productivity gains could be enormous.

FOLLOW THE DIGITAL LEADER

Future gains in productivity, even those that boost overall growth, are likely to be uneven. We analyzed metrics that have the potential to unleash future productivity growth-such as research-and-development spending, revenue, capital expenditures (including digital expenses), and mergers and acquisitions-and found that especially in the United States, a small number of large superstar firms accounted for a disproportionately large share of the activity in all these categories. From the third quarter of 2019 to the third quarter of 2020, U.S. superstars (defined as the top ten percent of firms by profit) saw much shallower declines in capital expenditures and revenue than did other companies. During the same period, U.S. superstars spent $2.6 billion more on R & D than they did the previous year, while all other firms spent just $1.4 billion more.

If this investment, innovation, and technology adoption gap between superstars and the rest of the large firms and smaller, less profitable firms persists, any post-pandemic acceleration in productivity growth could fall short of its potential. Small and mediumsized enterprises have been hit disproportionately hard by the covID-19 crisis. As a result, many of them are unable to make big investments in future productivity and are therefore liable to fall even further behind the superstars. This is what happened in the aftermath of the 2008 global financial crisis, when only a minority of companies achieved productivity growth.

But there is room for cautious optimism about the ability of nonsuperstars to close some of the gap. Before the pandemic, the superstars tended to be highly digitized and innovative in their managerial approaches, as well as more profitable and resilient. They were therefore better placed to weather and even take advantage of the shock. But as the hardest-hit firms and sectors recover, and as early digital adaptors demonstrate the enormous potential of these technologies, many of the digital laggards could begin to catch up. Indeed, in another survey of executives we conducted in December 2020, about 75 percent of respondents in North America and Europe said they expected investment in new technologies to accelerate substantially between 2020 and 2024, up from 55 percent between 2014 and 2019. This expected uptick was similar across firm sizes.

Another reason for optimism is that in 2020, a year that saw the darkest economic days of the pandemic, 24 percent more new businesses were created in the United States than in 2019. Europe lagged behind the United States on this metric, with new business creation staying roughly flat in 2020 in France, Germany, and the United Kingdom and declining by more than 15 percent in Italy and Spain. If the American increase in business dynamism persists, however, it should contribute to more productivity growth.

Investment, innovation, and technology adoption are only one-half of the virtuous cycle of productivity growth, however. The other half is demand for the expanded output that results-in other words, income growth from increased productivity has to flow to people who will spend that additional money. In the short term, the outlook for demand is good, especially for countries that have made progress toward vaccinating their populations and could be among the first to open up their economies. Pent-up demand and savings from the pandemic could be unleashed all at once, resulting in a strong initial bounce in demand led by consumers. In the United States, President Joe Biden's $1.9 trillion economic support bill should push demand even higher.

In the medium term, the outlook for demand is also relatively solid, although it will depend on the size, deployment, and longevity of government spending. In the United States, Biden now has set his sights on a large infrastructure package. As his administration shifts its focus from economic relief to investment in productive areas, it could also increase productivity growth by raising demand to match potential supply, creating a high-pressure economy, that is, one with low unemployment and high growth. The outlook in continental Europe, where large-scale government economic support is harder to coordinate, is less certain. Nonetheless, the EU has put in place an unprecedented plan totaling some $900 billion to boost investment in the digital and green energy transitions.

But government spending on this scale will likely be time-limited, making the long-term outlook for demand less rosy. Moreover, long neglected problems, including the falling share of firms' income going to workers, rising inequality, and the long-term decline in private investment, could drag down demand. Roughly 60 percent of the postpandemic productivity gains that we estimate could come from innovations and organizational restructuring-the one percentage point of acceleration per year between now and 2024-would stem from firm-level measures, such as automation, designed to cut labor and other business costs. Unless firms do more to boost the volume or value of their output and help workers transition by acquiring new skills, the drive for efficiency will risk generating productivity gains through a vicious, rather than a virtuous, cycle, undermining wages and jobs and weakening consumption-driven demand and investment.

A NEW AGE OF DYNAMISM?

What can businesses and governments do to capitalize on the positive short- and medium-term outlook for productivity and to improve the long-term outlook? First, they should work to speed up technology adoption and managerial innovation, helping these changes spread within and across sectors. As the recovery begins, firms that have until recently been focused on crisis management and survival should follow the lead of superstar firms by investing in technology and reorganization. The superstars can assist in this process by supporting their broader ecosystems, in particular by doing business with smaller firms that offer complementary products and services. Governments can support the process, as well, by investing in research and development.

Policymakers should also seek to strengthen competition and business dynamism. In a healthy economy, the firms that add the most value prosper and grow, while the firms that add the least value shrink or disappear: so-called creative destruction. Policymakers can revive and reinforce this natural sorting process by revising competition rules, bankruptcy procedures, and product and labor-market regulations.

### 1NC – AT: Slow Growth

#### Venture capital ensures small startups thrive. But breakup would undermine innovation. Cal’s blue.

Rizzo ’21 [Andrea Minuto; Head of International Affairs @ Italian Competition Authority; “Digital Mergers: Evidence from the Venture Capital Industry Suggests That Antitrust Intervention Might Be Needed,” *Journal of European Competition Law & Practice* 12(1); AS]

In recent years, a debate about the possible existence of a kill zone around technology incumbents has gone beyond venture capital circles to involve a broader audience.33 In the kill zone, incumbents allegedly have both the ability and the incentive to foreclose promising potential competitors. Their position allows them to collect large amounts of data and to identify emerging trends early and to react to them, whether by adopting aggressive exclusionary practices to protect their core market or by pre-emptive acquisitions of innovative start-ups at generous multiples.34 Exclusionary conduct and acquisitions may actually be complementary strategies, rather than substitutive ones, as the former may allow the incumbent to reduce the acquisition price.35

Despite the growing concern that the possible existence of a kill zone might negatively impact innovation, the venture capital industry itself has diverse views about the need to increase antitrust scrutiny against large digital incumbents changing the current approach to M&As. In particular, among the venture capitalists that have actively engaged with US antitrust enforcers36, even those that acknowledge the existence of a problem at the same time express their fears for the possible unintended consequences of changes introduced with the best of intentions.

Tackling incentives to innovate in the digital sector represents a multifaceted phenomenon, where the opposing sides are nevertheless part of the same coin. On one hand, venture capital has so far greatly contributed to the transformation of high-risk start-ups into fully fledged independent companies, participating in the creation of the most valuable public companies globally. Moreover, start-ups benefit in many ways from the ecosystems created by large technology incumbents, among others, by using their platforms as effective distribution channels.

Furthermore, the incumbents might simply offer a better product or service. On the other hand, however, there seems to be evidence, on the investment side, highlighting a possible reduction of venture-backed start-ups operating in the same space where digital incumbents are active. As stated during these debates ‘funds have a limited size and they have to allocate capital and they would much rather pursue a market that has tailwinds behind it as opposed to a market that has matured and that has deep entrenched incumbents’.37 In markets dominated by incumbents, ‘(... ) start-ups building superior products (... ) may also find it difficult to secure VC investment’.38

In addition, some venture capitalists have expressed their views that competition to digital incumbents might likely arise from adjacent markets. A ‘viral’ success in a separate vertical could, as it grows, spill into the core market of a dominant player. These adjacent markets might be an area where antitrust agencies could focus more.

Some of the evidence described in the previous section is consistent with the existence of reduced first-time venture-backed funding in markets dominated by digital incumbents. Despite the evidence still being limited, it nevertheless provides suggestive food for thought and should trigger more detailed research on this complex topic. First of all, the existence and the magnitude of this reduction have to be further verified, for example, through a precise identification of the companies actually competing in the same space of digital incumbents and their evolution. The second step should then verify the existence of a causal link between the alleged aggressive behaviour of the incumbents in the kill zone and the reduction of venture capital financings, especially in the early stages of start-ups.

This reduction might, indeed, not necessarily pertain to the antitrust domain as it could stem from changing requirements of start-ups themselves as their technological and commercial needs evolve. The widespread ‘blitzscaling’ 39 strategy—where start-ups enter a digital niche with a narrow focus then gradually expanding—has been made possible by developments—such as the advent of smartphones, social media and cloud computing40—that allow for global reach and scalability41 at almost no initial technological cost, while marketing and human capital budgets may be on the rise at successive stages of the start-ups’ development.42

Moreover, changes have taken place also in the investment industry landscape through an expansion of the types of capital provided. Among others, non-traditional newer investors and sovereign wealth funds have invested in later-stage companies.43 Lastly, as for the exits through a sale, generous acquisitions might, as well, reflect prospective efficiencies deriving from the synergies between the acquirer and the acquired start-up.

However, the evidence thus far collected does suggest that current digital incumbents face very little threat of entry. Competition for the market dynamics are not necessarily symptomatic of the presence of the exploitation of market power, provided that incumbents still face, actual or potential, competitive pressures and could be substituted by a more efficient rival.44 What is needed is not just incremental innovation, but the drastic innovation that makes market leadership highly contestable. This is especially true for technology markets, where, as stated by Google itself, ‘changes tend to be revolutionary, not evolutionary’.45

Some recent studies and antitrust agency reports suggest that digital markets are becoming progressively less dynamic. Among others, the UK’s Digital Competition Expert Panel (UK Report46) observes that competition for the market does not appear to be able to solve competition issues linked to winner-take-all outcomes, as the next technological revolution is likely to focus on data that existing firms control to a large extent and that successful new entrants are generally acquired by incumbents. Moreover, Organisation for Economic Co-operation and Development (OECD) research suggests that, in digital-intensive sectors, mark-ups are increasingly higher47 while the decline in business dynamism occurs faster than in other sectors of the economy.48

As highlighted by the Stigler report49, key players in the digital industry remained the same over the last two technology waves, staying dominant through the shift to mobile and the rise of artificial intelligence, without significant impact on market share or profit margins.

Lastly, worrying evidence emerges also from the application of profitability analysis to digital incumbents. High profits substantially and persistently above the cost of capital 50 could signal that the market is not functioning properly, as in the long term, return on investment should equal the cost of capital. In that regard, the UK’s Competition and Markets Authority (CMA) has found, in the context of the sector enquiry into online platforms and digital advertising51, that the return on capital employed (ROCE) of Google and Facebook has been well above any reasonable estimate of a competitive benchmark for many years. In 2018, the estimated cost of capital for both Google and Facebook was around 9%, compared to actual returns on capital of over 40% for Google and around 50% for Facebook. Even though these results have to be interpreted with caution52, they seem to indicate that digital platforms are not facing the threat of entry and this evidence is consistent with the actual exploitation of market power.

Schumpeter 53 highlighted the prospect of new competition and innovation as incessantly playing a key role in fostering dynamic competition and economic efficiency. The evidence so far described may indicate that this impulse for creative destruction is fading in digital market.

#### It’s inevitable AND has no impact.

Dietrich Vollrath 20, Professor of economics at the University of Houston, "Slow economic growth is a sign of success," USAPP, 02/22/2020, https://blogs.lse.ac.uk/usappblog/2020/02/22/slow-economic-growth-is-a-sign-of-success/.

We’re accustomed to looking at the growth rate of GDP to evaluate the health of our economy. Which is why the recent slowdown in growth appears so troubling. In the US, GDP growth for 2019 was 2.3%, meaning it has been nineteen years since growth hit 4%, and nearly as long since it touched 3%. For the UK the story is similar, as it has been fifteen years since growth hit 3%. In the Eurozone as a whole, growth last came close to 4% in 2000. These slowdowns across developed economies predates the financial crisis, and leads to natural questions: what went wrong with the economy, and how do we fix it?

But the slowdown we’re observing isn’t something we can fix – or that we would want to fix – because the slowdown was never a consequence of things that went wrong. Instead, as I show my new book, the slowdown is a consequence of things that went right.

From a simple accounting perspective, there are two main factors behind slower growth: the fall in fertility during the 20th century, and the shift of our expenditures away from goods and towards services. And both of those explanations can be traced back to economic success.

The fall in fertility had a significant impact on economic growth for decades, particularly in the US. The baby boom generated a one-time wave of human capital that hit the economy during the middle of the 20th century. As those new workers hit the workforce, the proportion of workers to population rose substantially, as evidenced by the fall in the youth dependency ratio between 1960 and 1980 (see Figure 1). Combined with the relatively high educational attainment of the baby boomers compared to prior generations, this provided a substantial boost to the growth rate, increasing it around 1.25 percentage points in 1990 compared to immediately after World War II.

As that wave of human capital receded, so did the growth rate. Starting in the early 2000s, the old age dependency ratio started to rise (see Figure 1) the inevitable consequence of the drop in youth dependency back in the 1960s and 1970s. As workers aged out of the workforce – and continue to do so – this dragged down the growth rate of the aggregate economy. That 1.25 percentage point boost during the 20th century disappeared in the 21st, explaining most of the slowdown in the US.

But why should we see these demographic shifts as a success? The drop in fertility after the baby boom which explains the shifts was driven by several successes. Expanded access to college education pushed back the age at which people were willing to marry. The opening up of many professions to women, along with growth in overall wages, meant that it made sense for many women to delay marriage. Finally, advances in contraceptive technology meant it was possible for women to take advantage of the new educational and professional opportunities that arose. The growth slowdown today is a consequence of family decisions made decades ago in response to rising living standards and the expansion of women’s rights.

The second source of the slowdown, the shift from goods towards services, was also driven by success. In the past one hundred years we became incredibly efficient at producing goods like clothes, food, furniture, and computers. The consequence was a steady reduction in the price of those goods relative to services. We could have used that reduction to buy even more goods than we did, but instead we took advantage of the savings to purchase more services like education, healthcare, and travel. Therefore the composition of our expenditures shifted away from goods and towards services (see Figure 2). We still consume more goods than before; it is just that they got so cheap that their share of our total expenditure fell relative to services.

This had a consequence for overall economic growth, however. Productivity growth in services is lower than for goods. That wasn’t a failure of services in the last few years. It appears to be an inherent quality noted by economist William Baumol in the 1960s. If a restaurant — a service — tried to operate with half their normal staff, you’d complain about the slow service and lack of attention. In comparison, if a manufacturer produced a laptop – a good – with half as much labour, you’d never know. This makes productivity growth harder for services than for goods. As we shifted expenditures towards services, aggregate productivity growth was thus bound to fall. Between the middle of the 20th century and today, that probably shaved another 0.2 to 0.25 percentage points off of the growth rate. But note that this only happened because of the productivity growth we experienced in the first place, a success.

Relative to the successes in the demographic shifts and spending shifts, the usual suspects are not capable of explaining the growth slowdown. Tax rates fell right as the slowdown started, and evidence from across states and industries shows that, if anything, more regulation was associated with faster growth, not slower. Trade with China exploded in the last twenty years, but evidence suggests that this had little effect on growth for the economy as a whole, even though individual regions and industries saw booms or busts. Economy-wide measures of the mark-up of price over cost rose, but it turns out that this didn’t lower growth. The shift of activity to high mark-up industries kept economic growth rates from falling even further than they did, as it meant we produced more valuable products.

If you’re still uncertain that the growth slowdown is a consequence of success, ask yourself what you’d give up to bring growth back to 4%. We could destroy half of all our goods: cars, couches, TVs, laptops, houses, trampolines, and so on. That would lead to a massive shift of spending towards goods as we scrambled to replace everything, and we’d see a jump in productivity growth. Alternatively, we could roll back contraceptive rights and women’s participation in the workforce in the hopes of starting a new baby boom. Wait twenty years and we’d have another surge of human capital into the economy. Would either of those be worth it just to see growth hit 4% again, perhaps not until 2040? Assuming the answer is “no”, that tells us the growth slowdown happened because of things that went right, things we would not sacrifice.

### 1NC—AT: Digital Authoritarianism

#### American tech dominance is high. Only antitrust threatens it.

Abbott ’21 [Alden Abbott, Paul Redmond Michel, Adam Mossoff, Kristen Jakobsen Osenga, and Brian O’Shaughnessy; March 10; the Federal Trade Commission’s General Counsel (2018-2021), adjunct professor at George Mason University, J.D. from Harvard Law School, M.A. in economics from Georgetown University; Retired Chief Judge and United States Circuit Judge of the United States Court of Appeals for the Federal Circuit; Law Professor at George Mason University; Law Professor at the University of Richmond; chair of Dinsmore’s IP Transactions and Licensing Group; the Regulatory Transparency Project, “Aligning Intellectual Property, Antitrust, and National Security Policy,” https://regproject.org/wp-content/uploads/Paper-Aligning-Intellectual-Property-Antitrust-and-National-Security-Policy.pdf]

The U.S. government has recognized that “5G is a critical strategic technology [such that] nations that master advanced communications technologies and ubiquitous connectivity will have a long-term economic and military advantage.”8 The U.S. has had a substantial technological edge over our military and intelligence rivals in foundational R&D for 5G and other next-generation technologies. U.S. companies have long been leaders in the development of previous generations of core mobile standards (2G, 3G, 4G, and LTE). This technological leadership has made it possible for U.S. companies to ensure the security and integrity of the hardware and software products that make up the backbone of the U.S. telecommunication systems. This leadership must continue for the U.S. government to more effectively anticipate potential security risks and take the necessary steps to protect national security.9

Despite this history of clear technological leadership, there are causes for concern. First, a very small number of U.S. companies have made the investments in the overwhelming majority of the R&D necessary to develop 5G.10 Historically, U.S. companies have heavily invested in R&D, which has propelled the U.S. into leadership positions in critical standard development organizations working on foundational next-generation technologies like 5G.11 U.S. companies like Qualcomm play a significant and important role in this process through innovation, patenting, and standard setting, but they are not alone in the global community of high-tech companies.12 Backed by their nations’ leadership, Chinese and Korean companies have also invested heavily in developing the core technologies for 5G.13

The willingness of U.S. companies to invest in R&D is threatened, however. The development of 5G is a bit like a race, with the companies who develop the best technology coming out ahead. While U.S. companies are savvy and talented competitors in this race, aggressive and unwarranted use of antitrust law by U.S. regulators, as well as by foreign antitrust authorities, threatens to put obstacles in these companies’ paths and hinder their ability to lead.

#### China rise is peaceful

Shifrinson 19 [Joshua Shifrinson is an Assistant Professor of International Relations with the Pardee School of Global Affairs at Boston University. Should the United States Fear China’s Rise? Winter 2019. www.bu.edu/pardeeschool/files/2019/01/Winter-2019\_Shifrinson\_0.pdf]

In short, limited predation—not an overt and outright push to overtake and challenge the United States—is the name of China’s current and highly rational game. As significantly, it appears Chinese leaders are aware of the structural logic of the situation. Despite ongoing debate over the extent to which China has departed from its long-standing “hide strength, bide time” strategy first formulated by Deng Xiaoping in favor a more assertive course seeking to increase Chinese influence in world affairs, Chinese leaders and China watchers have been at pains to point out that Chinese strategy still seeks to avoid provoking conflict with the United States.49 As one analyst notes, China’s decision to carve out a more prominent role for itself in world politics has been coupled with an effort to reassure and engage the United States so as to avoid unneeded competition while facilitating stability.50 Chinese leaders echo these themes, with one senior official noting in 2014 that Chinese policy focused on “properly addressing] conflicts and differences through dialogue and cooperation instead of confrontational approaches.”51 Xi Jinping himself has underlined these currents, arguing even before taking office that U.S.-Chinese relations should be premised on “preventing conflict and confrontation,” and more recently vowing that “China will promote coordination and cooperation with other major countries.”52 Ultimately, as one scholar observes, there is “hardly evidence that [... China has] begun to focus on hegemonic competition.”53 Put another way, China’s leaders appear aware of the risks of taking an overly confrontational stance toward a still-potent United States and have scoped Chinese ambitions accordingly.

## Systemic Risk

### 1NC—Solvency

#### Khan is about banks – they don’t solve it. Cal is blue

Khan ’19 [Lina; Chairperson @ Federal Trade Commission, JD @ Yale Law School; “The Separations of Platforms and Commerce,” *Columbia Law Review* 119(4), p. 973-1098; AS]

Preserving System Resiliency

Another justification that recurs is promoting the resiliency of systems. Because several of the entities subject to structural separations serve an “infrastructural” role—structuring access to markets or to an essential good or service—the public has a strong interest in maintaining their stability and shielding them from disruption.497 Crashes that cripple these infrastructural services can have an outsized effect on economic activity, and involvement in multiple lines of business can increase the likelihood of system crashes. For this reason, policymakers treated strict limits on entry and exit as one way to shield critical services from undue risk.498 Structural separations in banking and telephony, too, were partly justified on grounds of promoting system stability.499

Precisely because banking services constitute a critical good, ensuring the soundness and stability of banking is a central goal of banking policy. Lawmakers and regulators have argued that preventing banks from expanding into commercial activities may help insulate banks from the vagaries of other sectors.500 This line of argument is premised on the idea that exposing banks to manufacturing, physical trading, or other commercial activities “increases the vulnerability of the banking and payments systems, the federal deposit insurance fund, and thereby the broader economy.”501 A question frequently raised during the 2013 debates around banks’ expansion into physical commodity trading was: What would happen if Morgan Stanley repeated the BP oil spill? Would taxpayers be on the line for the $61.2 billion in damages? In this way, a structural separation helps eliminate the risk that instability or disruption in commercial markets could necessitate a financial bailout.502 To be sure, not all commercial activities are inherently more risky than financial activity—and, some might argue, expanding into these spheres may help banks diversify risk. That said, it is true that some commercial activities—like drilling oil or mining—pose particularly expensive risks to which federally insured depository institutions should not be exposed.503

Concerns about system stability and resiliency also informed the FCC’s Computer Inquiries. The carriers argued that, in order to promote efficiency, they should be permitted to use excess capacity for data processing.504 The Commission stated, first, that “the potential abuses inherent” in the system far outweighed any purported efficiencies,505 and, second, the carriers should have a “‘back-up’ system” that “should be designed to meet foreseeable breakdowns of equipment dedicated to public service” and “should be available instantly for that purpose without the conflicting claims of other users.”506 In other words, the FCC privileged redundancy over efficiency, recognizing that the former would serve the public by helping to ensure the stability of communications services and networks. Although expanding into data processing wouldn’t necessarily heighten the risk of a crash, keeping that capacity for backup would enable the system to absorb any shocks, helping promote resiliency.

### 1NC—AT: ILs

#### Systemic risk from cyber is wrong---infrastructure isn’t interconnected

Jeremy **Rabkin &** John **Yoo 17**. Rabkin is a Professor of Law at the Antonin Scalia Law School, George Mason University; Yoo is currently the Emanuel S. Heller Professor of Law at the University of California, Berkeley. 09/12/2017. “CHAPTER 6 Cyber Weapons.” Striking Power: How Cyber, Robots, and Space Weapons Change the Rules for War, Encounter Books.

Some writers, however, dwell on the fear that cyber attacks and retaliation could spark a spiral of uncontrolled escalation that unleashes mass destruction. The underlying thought seems to be that cyber attacks always risk harm to unintended targets because of their unforeseen consequences.40 The Stuxnet virus, for example, did not just cause Iranian nuclear centrifuges to crash, it also found its way into thousands of computers around the world. Hence, cyber weapons are likely to generate more harm than originally intended. The concern is exaggerated. The rhetoric used to describe cyber attacks may heighten the sense of the risk, such as when analysts speak of computers as “infected” with a “virus.” The biological metaphor is misleading. Humans have similar physical structures, which is not generally true of electronic control programs. A virus that interferes with respiration in one person is likely to restrict lung function for a great many others. But all computer systems do not possess the same “physiology” with slight variations. Systems are custom designed to do different things in different settings. A virus that successfully disrupts or redirects one network will not likely have the same effects against others. Researchers in Europe, analyzing software oddities circulating there, discovered the Stuxnet virus used to “infect” the Iranian nuclear program.41 But the virus seems to have done no serious harm to anything other than the Iranian nuclear program. Its engineers specifically designed Stuxnet to disrupt specific machines controlled by German computer software. Stuxnet’s sharp focus on the Iranian centrifuges rendered it harmless to other computer networks.

### 1NC—Grid Cyber D

#### No cyber impact.

Lewis ’20 [James Andrew; 8/17/20; senior vice president and director of the Strategic Technologies Program at the Center for Strategic and International Studies; "Dismissing Cyber Catastrophe," https://www.csis.org/analysis/dismissing-cyber-catastrophe]

More importantly, there are powerful strategic constraints on those who have the ability to launch catastrophe attacks. We have more than two decades of experience with the use of cyber techniques and operations for coercive and criminal purposes and have a clear understanding of motives, capabilities, and intentions. We can be guided by the methods of the Strategic Bombing Survey, which used interviews and observation (rather than hypotheses) to determine effect. These methods apply equally to cyberattacks. The conclusions we can draw from this are:

Nonstate actors and most states lack the capability to launch attacks that cause physical damage at any level, much less a catastrophe. There have been regular predictions every year for over a decade that nonstate actors will acquire these high-end cyber capabilities in two or three years in what has become a cycle of repetition. The monetary return is negligible, which dissuades the skilled cybercriminals (mostly Russian speaking) who might have the necessary skills. One mystery is why these groups have not been used as mercenaries, and this may reflect either a degree of control by the Russian state (if it has forbidden mercenary acts) or a degree of caution by criminals.

There is enough uncertainty among potential attackers about the United States’ ability to attribute that they are unwilling to risk massive retaliation in response to a catastrophic attack. (They are perfectly willing to take the risk of attribution for espionage and coercive cyber actions.)

No one has ever died from a cyberattack, and only a handful of these attacks have produced physical damage. A cyberattack is not a nuclear weapon, and it is intellectually lazy to equate them to nuclear weapons. Using a tactical nuclear weapon against an urban center would produce several hundred thousand casualties, while a strategic nuclear exchange would cause tens of millions of casualties and immense physical destruction. These are catastrophes that some hack cannot duplicate. The shadow of nuclear war distorts discussion of cyber warfare.

State use of cyber operations is consistent with their broad national strategies and interests. Their primary emphasis is on espionage and political coercion. The United States has opponents and is in conflict with them, but they have no interest in launching a catastrophic cyberattack since it would certainly produce an equally catastrophic retaliation. Their goal is to stay below the “use-of-force” threshold and undertake damaging cyber actions against the United States, not start a war.

This has implications for the discussion of inadvertent escalation, something that has also never occurred. The concern over escalation deserves a longer discussion, as there are both technological and strategic constraints that shape and limit risk in cyber operations, and the absence of inadvertent escalation suggests a high degree of control for cyber capabilities by advanced states. Attackers, particularly among the United States’ major opponents for whom cyber is just one of the tools for confrontation, seek to avoid actions that could trigger escalation.

The United States has two opponents (China and Russia) who are capable of damaging cyberattacks. Russia has demonstrated its attack skills on the Ukrainian power grid, but neither Russia nor China would be well served by a similar attack on the United States. Iran is improving and may reach the point where it could use cyberattacks to cause major damage, but it would only do so when it has decided to engage in a major armed conflict with the United States. Iran might attack targets outside the United States and its allies with less risk and continues to experiment with cyberattacks against Israeli critical infrastructure. North Korea has not yet developed this kind of capability.

### 1NC—Internet D

#### No internet collapse – self-correcting – its hype

Finnie 14 {Matthew, Chief Technology Officer for Interoute, degrees in electrical and electronic engineering, regular advisor to the European Commission on ICT research and innovation and a member of the CONNECT Advisory Forum, “Is the Internet Really Going to Collapse -- Again?,” Wired, 6/2, http://insights.wired.com/profiles/blogs/is-the-internet-really-going-to-collapse-again#axzz3EeAfWS5k# }

Every couple of months a major report is released that foretells the demise of the things we hold dear in the digital world. These are usually produced in an effort to shock people into reading the report and then promote the author’s solution to the problem. A recent example of this comes from storage behemoth EMC which cited that by 2019 the internet would collapse under the weight of content being relentlessly generated. The general theme of EMC’s report is that our desire to consume and share is ever present. In fact, the accepted assumption now is that if you’re an organisation, you want the content you create to spread globally. By doing that, combined with all you can eat storage offers from the likes of Dropbox and Microsoft, we are all heading for a technological apocalypse as our data centre infrastructure crumbles under the pressure of our storage needs. But actually, that’s just not the case. Technology has a knack of relentlessly improving its capacity to support our insatiable demand. Gordon Moore could be the father of the modern global economy when in 1965 he analysed the density with which you can put transistors onto a silicon wafer. The paper he wrote, called, ‘Cramming more components onto integrated circuits’, Electronics Magazine 19 April 1965, noted that the number of components in integrated circuits had doubled every year from the invention of the integrated circuit in 1958 until 1965. The paper concluded saying that that there was no reason this consistent ‘upgrade’ would ever stop. . What is striking is that the paper was right. The hard disk you bought 10 years ago cost the same, but the volume is 1000 times more. The networks we use are 100 times cheaper and bigger in both direction. The shift to cloud computing is as much about efficiently using silicon as convenience for the customer. Whether it’s to make financial trading faster, take photos with millions of pixels or watch TV on the train, we simply want to do everything everywhere all the time, faster. Technology simply looks at what’s hindering us and removes it. Making technology the ultimate convenience enabler. So will technology just keeping on improving, enabling us to keep up with demand? It might, but there’s a second powerful factor to consider, and that’s our fickle nature as human beings. Our love of convenience feeds our impatience. So if, a great social media site gets overly exploited by people trying to sell to you, or your inbox gets rammed full of promotions we simply switch off and move on to the new thing. Despite all the choice available to us in the big wide digital world, we end up selecting what works for us and leaving what doesn’t to fade away on the digital scrap heap. In essence, we are self correcting our consumption. So will the party carry on forever? Most likely, through a combination of technology-enabling convenience to keep up with demand and humans simply discarding what’s not needed.

## Dependency Trap

### 1NC—AT: LIO

#### Flaherty’s a critique of globalization—it’s inevitable and breaking up big tech won’t end or reverse it. Only one line mentions “superstar firms”, but those are not just big tech—walmart’s an alt cause. Cal’s blue!

Flaherty ’21 [Thomas; PhD Candidate and NSF Graduate Fellow @ University of California – San Diego; and Ronald Rogowski; Distinguished Professor of Political Science @ University of California – Los Angeles, Weatherhead Scholar @ Harvard University; “Rising Inequality as a Threat to the Liberal International Order,” *International Organization* 75(2), p. 495-523; AS]

Presiding over the November 2016 meeting of the International Political Economy Society, which followed that year’s US presidential election by only three days, David Lake began by saying, “To our theories, this result unfortunately comes as no surprise.” And indeed the field at large has believed that the growing “populist”1 backlash against the Liberal International Order (LIO)—not just the Trump victory but Brexit, the election of illiberal governments in Hungary, Poland, Turkey, the Philippines, and Brazil (to name only a few), and growing support for anti-immigrant and illiberal parties and candidates in many other democracies—has followed almost inevitably from the very changes the LIO has wrought, including of course increased trade and migration but also one major concomitant, rising economic inequality within states. According to our traditional economic theories,2 advanced and even middle-income countries are abundantly endowed with human capital, and poorly endowed with low-skill labor. And it is a rudimentary implication of international economics that, in those countries, expanded trade—or, even more, immigration of low-skill workers—will benefit the highly skilled and harm the less educated. Inequality will rise, and—perhaps the most prescient conclusion of the traditional analysis—partisanship will correlate increasingly with possession of human capital: opposition to the LIO will be strongest among the least educated and will decrease monotonically with more years of schooling.

The evidence, which we survey briefly, admits of no doubt that in almost all of the wealthier (and not a few semiwealthy) countries, inequality has risen, often quite sharply; returns on education3 have risen markedly; and education, even more than occupational status, has emerged as one of the most important predictors of electoral support for antiglobalization parties. What our theories however did not anticipate, and so far cannot explain, may well prove to have been even more important:

1. Not all who are well endowed in human capital, but chiefly a very thin upper layer—the top 1 percent, or even 0.1 percent—have harvested most of the gains from globalization.

2. The antiglobalization movements we observe • adopt a populist rhetoric that often excoriates not just globalization or immigration but also allegedly nefarious elites, who conspire, both domestically and across borders, to enrich each other at the expense of their fellow citizens;4 • benefit chiefly parties of the radical Right; and • have in important cases attracted non-negligible support among university-educated segments of the electorate, albeit far less than among the less skilled.5

We suggest that the extreme inequality and the anomalies are related, and that some insights from recent work in international economics may help explain them. Three advances in trade theory predict extreme inequality. “New new” trade theory (NNTT), with its emphasis on superstar firms, offers a natural framework. So too does an “enriched” neo-H-O-S-S (Heckscher-Ohlin-Stolper-Samuelson) perspective that explores how superstar workers arise in the context of heterogeneous talent.6 Finally, economic geography, explored thoroughly by Broz, Frieden, and Weymouth in this issue, shows how globalization gives rise to superstar cities.7 These three trade theories predict top-heavy inequality primarily by allowing for unit heterogeneity—an assumption that the actors our traditional theories treated as identical actually differ in important ways. Firms within sectors differ in productivity, workers within a factor class differ in innate talents, and regions within countries differ in agglomeration economies.

None of this suggests, of course, that rising inequality is the only, or even necessarily the most important, cause of the growing popular backlash against the LIO. Skill-biased technological innovation and resistance to cultural change also matter, as we discuss more fully later. We do find, however, at least from a cursory analysis of European elections, that backlash against shocks from immigration and imports is conditional on high inequality, disappearing where inequality is low; and we suspect that rising “top-heavy” inequality is related to a particularly prominent strain, within the antiglobalization movements, of anti-elite and anti-expert sentiment.

We go on to suggest why rising inequality matters, not only as a source of opposition to the LIO but as an impediment to economic growth and an exacerbant of domestic polarization and international conflict.

We assess the implications of top-heavy inequality for the LIO. What remedies have been proposed? And if they lack sufficient political support, what sources of resilience can sustain the LIO under top-heavy inequality? Relatedly, we return to the question of why antiglobalization sentiment has benefited the political Right more than the Left. Finally, we chart a course for future research on models of top-heavy inequality, and discuss how they illuminate “blind spots” in the literature on international political economy.

First, however, we survey briefly the extent of growing economic inequality in advanced economies and its seeming relation, chiefly through a human-capital channel, to antiglobalization and anti-elite attitudes and voting.

Convergence Across Countries, Divergence Within Them

The triumph of the LIO in the 1980s and 1990s—the collapse of Communism, the dismantling of trade barriers, the strengthening of institutions of international governance—coupled with, and facilitated by, breakthrough innovations in transport, communication, and finance, affected economic inequality in two ways that standard factor-endowment theories predicted: inequality declined significantly between countries, thus beginning to erode three centuries of the Great Divergence between rich and poor nations; but inequality within countries, especially among the advanced economies, increased almost as sharply.

• Between countries. As late as 1990, the richest 10 percent of the world’s population earned on average over ninety times what the poorest decile received; only twenty years later, that ratio had fallen to sixty-five times,8 or only slightly more than the within-country ratio of Brazil, where in 2008 the average income of the richest decile was about fifty times that of the poorest.9

• Within countries. Beginning even earlier, inequality of incomes, whether measured as the Gini index or the share of total income accruing to the top decile, has risen in virtually all of the advanced economies,10 and indeed in many of the middle-income ones.11 Bourguignon notes that the collapse of the Soviet empire and the opening of China, India, and Latin America injected roughly “a billion workers, for the most part unskilled, into international competition.”12 That will have drastically lowered the global capital-labor ratio and hence further raised returns on human and physical capital, while reducing those on low-skill labor, in virtually all but the poorest, most labor-abundant countries. In short, across much of the globe, the enormous overall gains from trade have benefited the highly skilled, the inventive entrepreneurs, and the owners of capital; the incomes of the less skilled and the capital-poor have risen more slowly, stagnated, or actually declined—exactly the development whose early manifestations alarmed Dani Rodrik two decades ago.13

Surely not all of the rise in inequality stems from globalization.14 Many analyses attribute much of the widening within-country gap—in the US, perhaps as much as four-fifths15—not to globalization but to skill-biased technological innovation.16 Bourguignon contends, to be sure, that innovation has been largely endogenous to globalization: wider markets and intensified competition have raised the returns on cost-reducing innovation.17 Cheaper labor, however, whether from offshoring or the competition of low-wage imports, might be expected to curtail the demand for labor-saving technologies, not to increase it.18 A stronger case is implied by “new new” trade theory: if managerial pay correlates closely with firm size, and if the most successful firms in a globalized economy tend to be the largest, it follows that globalization contributes directly to the rise in top incomes.19 Perhaps most importantly, however, whatever skill-biased innovation may have contributed to the gains of the top quintile or decile, it can say little about the gains of the top 1, or 0.1, percent of the distribution.20 Trade, as we argue, can more readily explain those disproportionate gains.

Rising Skills Premia

Also consistent with mainstream theory were the rising returns on education and the widening gap between high- and low-skill workers’ attitudes toward trade and migration. Exactly as theory would lead us to expect, antiglobalization sentiment rose sharply, and was increasingly concentrated, among voters with the least human capital—that is, the less educated.

Returns on education have indeed risen sharply. In the US in the 1970s, workers with a college degree earned only about a quarter more than ones of comparable ethnicity and age who had completed only high school; by 2010, that gap had risen to almost 50 percent.21 The “raw” difference in annual earnings (i.e., without controlling for ethnicity and age) between college graduates and those who have completed only high school is now 64 percent in the US, and on average in the OECD economies 45 percent.22

At the same time, less educated voters have mobilized strongly against globalization in almost all of the advanced economies. In the US, whites with less than a college education, having up to the year 2000 differed little in their partisanship from whites with university degrees, began to tilt Republican in the early 2000s23 and supported Trump in 2016 by a margin of more than two to one (64 to 28 percent).24 In the Brexit referendum, similarly, 70 percent of voters with only a General Certificate of Secondary Education, roughly equivalent to a US high-school diploma, supported leaving the European Union, while those with university degrees voted by almost the same margin (68 percent) to remain.25 And a recent International Monetary Fund working paper finds that since 2002 tertiary (i.e., university or equivalent) education has correlated, more than any other single variable, with not voting for a populist party in European parliamentary elections—an effect that has grown only stronger since 2012.26

The Riddle of the 1 Percent

In many ways, then, a standard factor-proportions picture of globalization’s distributional and political effects holds up. What it cannot explain, as economists have by now noted repeatedly,27 is why so much of the bounty has gone to the top 1 percent and why even the remainder of the top decile, let alone the highly educated generally, have benefited comparatively little. This pattern is reflected in average real income trends since 1991 across five advanced economies (Figure 1). Much of the real income growth of the top 10 percent owes to gains by the top 1 percent (compare panels 1 and 2); the next 9 percent (i.e., the remainder of the top decile) have seen a comparatively paltry increase. At the same time, the incomes of next 9 percent, which stagnate or even decline after about 2000, mirror those of the middle 40 percent (compare panels 2 and 3). Taken together, the three panels demonstrate the extent to which a narrow elite has risen above the rest of society’s otherwise skilled workers.

Haskel and colleagues more vividly make this case in the US with data on returns on education, finding that the median income of the top 1 percent had risen by 60 percent between 1990 and 2010, while the returns on university education, even for holders of advanced degrees, had declined in real terms after about 2000, virtually erasing their modest gains from the previous decade.28

The seemingly inexorable rise of the 1 percent, when contrasted with the relative stagnation of the rest of the top decile, and of owners of human capital in the middle 40 percent, raises at least three questions. Can our standard theories be modified to explain this “top-heavy” form of inequality? Would such a modified theory still provide a plausible link to globalization? And does such a theory help us understand the simultaneously anti-elitist and antiglobalization character of recent populist movements?

Heterogeneous Workers, Firms, and Regions: Three Ways Globalization Affects Top-Heavy Inequality

We argue that the top-heavy inequality we observe is consistent with three recent advances in trade theory. Each highlights how the bulk of globalization’s gains concentrate in a narrow subset of superstar workers, superstar firms, or superstar cities. An “enriched” H-O-S-S model shows how globalization concentrates wages in a small share of highly talented workers. New new trade theory implies that globalization concentrates profits in a few multinational corporations. Finally, economic geography, extensively reviewed by Broz, Frieden, and Weymouth (in this issue), predicts that globalization concentrates economic growth in a few metropolitan regions.29 By producing far more extreme inequality than traditional models suggest, these theories may help explain the puzzling composition of antiglobalization interests and why these movements adopt a populist tone that demonizes elites.

In presenting these advances, we spare the reader their mathematical exposition and instead focus on their sometimes subtle intuitions. We then explore their similarities and differences, as well as how they illuminate the puzzles of LIO backlash.

Neo-H-O-S-S

The first advance injects new life into the increasingly disesteemed, yet still heavily used, factor-endowments framework of Heckscher-Ohlin and Stolper-Samuelson. It turns out that modest enhancements introduced by Haskel and colleagues yield productive insights into the puzzles of LIO backlash.30 The key amendment introduces heterogeneous workers with varying degrees of innate talent. To state briefly the salient and surprising implications of that model, a drop in the relative price of labor-intensive goods, whether induced by globalization or by technology, can not only reduce the wages of low-skill workers, as in traditional models, but also distribute almost all of the resultant gains to a thin layer of highly talented people—and, at least as importantly, induce stagnation, or actual decline, in the earnings of highly skilled but less talented workers.31 And, once we observe that such a shift is both quite recent and plausibly linked to globalization, we may have shed some light on (a) the rabidly anti-elitist and antiglobalization tinge of the populist movements, (b) why such movements have recently peaked, and (c) why they gain (and may well continue to gain) support not only from the “usual suspects” among low-skill workers but also from those with moderate or even relatively high endowments of human capital.32

For those who appreciate a more rigorous introduction, we offer a graphical exposition of the “richer” H-O-S-S model in online Appendix A2. More intuitively, the key to understanding that model is what happens to high-skill workers when the relative price of capital rises.33 First consider the unsurprising fact that within most firms, sectors, and professions, some workers possess natural talent while the majority are perfectly average. Naturally, the most talented employees are far more productive than their average colleagues, even when everyone works with the same amount of capital. In Hollywood, for example, all actors may read the same script, but only A-list talent like Meryl Streep, Denzel Washington, or Tom Hanks can turn that script into an Oscar-winning performance.

In the classic model, trade lowers wages and raises the relative cost of capital; in the enriched model, the owners of capital make up for that higher cost by lowering the wages of mediocre employees and raising the wages of superstars. Capital owners become less able to afford mediocre workers whose productivity cannot keep up with rising capital costs. Instead, they hire the superstars, whose superior productivity can more than cover the increased costs of capital.

Consider the Hollywood example that Haskel and colleagues used, where film scripts represent intellectual capital, indeed the most important form of capital for the entertainment industry. As the world’s tastes and purchasing power increase demand for Hollywood entertainment, the price of scripts rises—those of stellar scripts, most of all. As that price rises, studios or streaming services become less and less likely to hire actors of only middling quality to perform such a script. The studios’ investment in a high-quality script will pay off, and bring their film the requisite audience, only if it stars actors of extremely high talent: Robert Downey Jr., Scarlett Johansson, or Samuel L. Jackson (or all three in the same film!).34

Admittedly, this analysis assumes, rather than explains, that we can attribute the rise of the top 1 percent to differences in talent but a lot of evidence supports the thesis. For one thing, in almost all countries—including such improbable cases as France and Spain—half to two-thirds of the income of the top 1 percent consists of salaries (compensation for work). Rarely, in any present-day advanced economy, do returns on capital constitute more than a quarter of the incomes of the top 1 percent (in the US, it is less than 15 percent), Thomas Piketty’s arguments notwithstanding.35 As one observer notes, “The fact that so many of [today’s] top earners work for a living is striking,”36 given that a century ago the great majority of elite incomes came from investments in property, bonds, or equities. For another, the model accurately predicts the kind of “fractal” inequality that so far has seemed to prevail almost everywhere in advanced and semi-advanced economies.37 That is, inequality seems to have grown not only between, but within firms and occupations: the top lawyers, academics, physicians, middle managers, and even shop floor workers, have begun to earn far more than the median member of their profession, or even the median co-worker of equal qualifications in their firm.

Once we grant that such differences in talent can become important, the model suggests that any globalization-induced rise in the relative price of capital-intensive goods (or, equivalently, decline in the relative price of labor-intensive products) in advanced economies will depress (or threaten to depress) the wages not only of low-skill workers but also of high-skill ones of less than superlative talent. It thus raises the prospect that the growing resistance to global markets may be embraced, sooner rather than later, not only by low-skill workers but by a growing segment of those with higher education or advanced training.

New New Trade Theory

“New new” trade theory (NNTT) offers an alternative firm-centric view of top-heavy inequality.38 Whereas neo-H-O-S-S focuses on how workers of different talents select into different sectors, NNTT focuses on how firms of different productivity levels sort into import-export activities. One of its salient implications is that increases in foreign trade concentrate the distribution of profits into the largest and most productive firms in each sector.39

The intuition is simple: import and export activities require large upfront costs, such as setting up global logistics networks and investing overseas—costs that only the largest firms can afford. The benefits of trade, access to larger markets, for example, then make these large firms even larger, which subsequently allows them to out-compete their smaller domestic rivals. Armed with global economies of scale, superstars like Walmart and Amazon flood the domestic market with lowcost goods and services. This squeezes out the smallest firms, for example, local mom-and-pop establishments, while reducing the profits of the midsize firms, whose middling productivity permits them to sell only domestically. In sum, NNTT implies, and offers evidence to show, that superstar firms in each sector reap the lion’s share of the gains from globalization.

In its earliest formulation, NNTT implied no wage inequality, because it assumed workers to be homogeneous. Recent advances draw implications for wage inequality by allowing some profits to pass through to workers—what the literature calls rentsharing. One modification allows firms to screen, and bargain over quasi-rents with, workers of varying abilities.40 More productive exporting firms pay higher wages to attract higher-ability talent. In the end, rent-sharing allows inequality in firm profits to spill over into inequality in workers’ wages.41

NNTT implies that globalization-induced inequality should manifest itself principally at the level of the firm, pulling up the compensation of all workers in the larger and more successful firms, and leaving behind all of those employed in smaller, domestically oriented firms (or those unemployed through the demise of the smallest firms). This is exactly what Helpman and colleagues find in Brazil, where 70 percent of overall inequality occurs within sectors and occupational categories; similar results were obtained by Akerman and co-authors in an analysis of wage inequality in Sweden from 2000 to 2007.42

Economic Geography

Economic geography explores the origins and effects of one of society’s most readily observable features: the unequal distribution of economic activity across space, a phenomenon commonly called agglomeration.43 Broz, Frieden, and Weymouth (in this issue) document how globalization’s effects appear most clearly at the level of communities, and operate through the mechanisms specified by economic geography.44 Here we complement their account by situating economic geography within only the broader set of trade models that contribute to extreme inequality. Globalization, we contend, exacerbates regional inequality by inflicting economic stagnation and decline on all but a handful of superstar cities. The mechanism works through the joint effect of agglomeration forces and trade costs. Globalization facilitates the lowering of trade costs (not just those of transportation and communication, but also costs imposed by tariff policies), and this frees up firms to locate in the places that confer the greatest advantage.

The literature identifies many advantages to urban agglomerations. Large cities increase access to suppliers of intermediate inputs, as well as to transportation infrastructure, large pools of specialized talent, and diverse consumers. Moreover, they facilitate the exchange of information about changes in competition, technology, and consumer tastes.45 Some locations also offer a fixed advantage such as access to deep ports or natural resources. Overall, large cities exist and continue to grow because they confer some large basket of benefits on those who locate there.46 The link to globalization seems obvious: the cheaper transportation becomes, and the farther tariff barriers fall, the easier it is for firms and workers to realize the benefits of agglomeration.

For regional inequality to speak to the puzzle of earnings inequality, it must be true that changes in regional growth both reflect and pass through to the wages of resident workers. We find this plausible and consistent with evidence of the stark spatial inequality in returns on skills. A growing literature documents the “end of spatial wage convergence” since 1980, with the bulk of wage gains going to high-skill workers concentrating in just a handful of large cities.47 However, enormous wage inequality within the largest cities suggests that between-region inequality provides only a partial picture. In reality, heterogeneity among workers and firms likely overlaps with, and is accentuated by, the effects of large cities.

Notable Similarities and Differences

All three advances in trade theory point to the same pessimistic outcome, that globalization produces extreme inequality, where a narrow segment of society benefits to the exclusion of the rest. Each theory identifies a different set of “superstars” within this narrow segment: workers with superlative talents, extraordinarily productive firms, or urban agglomerations. Despite varying mechanisms, each arrives at the conclusion of extreme inequality by introducing some form of unit heterogeneity—an assumption that the actors we once treated as identical actually differ from one another in important ways. Workers of similar education differ in innate talent; firms in the same sector vary in productivity; and regions in the same country vary in their advantages of agglomeration. This heterogeneity suggests a radically different perspective on the politics of globalization, one where we should not be surprised that populist protectionist movements arise; that they vilify elites; or that, despite finding their base constituency among lowskill workers, they enjoy nontrivial support from high-skill workers across many sectors.

We highlight two differences among these theories. First, they arrive at the implication of extreme inequality by varying degrees of theoretical complexity. In this regard, neo-H-O-S-S offers a clear advantage: its general framework requires no added assumptions about heterogeneous firms, economies of scale, locational mobility, or rent sharing.

Second, and at least as important, is the empirical accuracy of key theoretical assumptions. In the case of NNTT, evidence for the crucial rent-sharing assumption is decidedly mixed.48 For economic geography, countries almost certainly differ in the degree to which factors are spatially mobile. The neo-H-O-S-S model of differently talented workers will enjoy the most traction in longer-run analyses of wage outcomes, where factors are fully mobile across sectors and regions. Overall, the evident variance in empirical support for different modeling assumptions should caution users to validate these assumptions in their particular research contexts.

Finally, these unit heterogeneity models are not mutually exclusive—they likely reinforce one another in interesting ways. The most talented workers can earn the highest wage by working for the largest firms that can afford them. Regional agglomeration facilitates this advantageous match by locating these superstar workers and superstar firms in the same city. Thus, the top-heavy inequality we observe may very well arise at the intersection of heterogeneous workers, firms, and regions.

Hypothesis

Under any of the three trade theories described here, globalization produces topheavy inequality, wherein a thin margin of workers benefits while the rest are left behind. This drives a populist strain of backlash that views globalization as a struggle of the masses versus the elites. To our mind, this casts a different light on recent research that sees the backlash as a response to shocks from immigration or imports. To state our key hypothesis:

H: when top-heavy inequality is high, shocks from trade, whether in goods, services, or factors of production, increase public support for populist parties.49 In the absence of top-heavy inequality, however, such shocks have no effect on support for populism.50

This assumes that inequality reflects the long-run wage effects of trade and migration. That is, if our trade theories accurately predict wage outcomes, then we should observe extreme, or top-heavy, inequality. As previously discussed, even though much of the inequality we observe does reflect trade patterns, inequality also derives from other sources, such as technological change.51

Inequality and Antiglobalization: Evidence from European Elections

We offer a very preliminary test of this hypothesis in the context of two recent studies of populist far-right vote shares in Europe. Their wide empirical coverage, spanning between them twenty-eight countries over twenty-six years (1988 to 2014), affords a high degree of external validity, at least among economically developed nations in recent decades. Also, the two studies focus on different aspects of globalizationrelated shocks, one on immigration and the other on imports. Finally, both papers offer rigorous research designs. In further examining and extending their findings, we introduce as few modifications as possible to the original designs.

Immigration and Inequality

The study by Georgiadou, Rori, and Roumanias (hereafter GRR) requires the least modification.52 It explores the role of immigration shocks and inequality in all national and European Parliament elections in the twenty-eight member states of the European Union between 2000 and 2014. In particular, the authors study, at the level of Eurostat’s NUTS-2 regions,53 the vote shares obtained by “populist radical right” parties,54 which rose dramatically in the wake of the 2008–09 financial crisis (from 0.05 to 0.15 mean vote share across all countries).

In their original analysis, GRR find a positive association between right-populist vote share and both inequality and immigration, controlling for unemployment, immigration, and economic growth.55 Figure 2 replicates this result under the model labeled GRR2018.56

IO2020 extends that model simply by interacting their measures of inequality and immigration. We report the coefficients in standardized units for visual comparability and ease of interpretation. These models are also posted in Table A2 in the online appendix. Two findings follow from our analysis. First, GRR’s original finding remains intact: an increase of one standard deviation in national-level inequality, all else equal, is associated with a 2.8-percentage-point increase in populist vote shares (p < .01). Since this exercise holds immigration constant, it suggests that inequality independently undermines support for the LIO. This likely reflects, as we discuss later in the paper, inequality’s well-known effects on economic growth, polarization, and external conflict.

Second, our interaction model produces strong evidence for our key hypothesis, that surges in populist support from immigration shocks (which GRR found to have a modest and imprecisely estimated effect) are important but highly conditional on the level of inequality: magnifying backlash at extreme levels and nullifying backlash at lower levels. We visualize this result in a marginal effects plot in Figure 3. The differences in magnitudes are impressive. A one-standard-deviation (0.3 percentage point) increase in the share of migrants in the local population is associated with precisely zero change in vote shares for populist parties at even moderate levels of inequality (Gini < 0.29). At high levels of inequality (Gini > 0.34), the same one-standard-deviation increase in the share of migrants relates to a twenty-point increase in vote share for populist parties. These magnitudes are striking, given that the average NUTS-2 vote share for these parties is 6 percent, with a maximum of 54 percent. Rising immigration, it seems, poses a populist threat to the LIO only when paired with an income distribution that is, or has become, highly unequal.

Imports and Inequality

That inequality mediates shocks from immigration raises the obvious parallel question: does it similarly mediate import-related shocks? To this end, we repeat the earlier analysis, this time employing the data set from Colantone and Stanig (hereafter CS), who examine “China trade shocks” in the European context: fifteen Western European countries over the years 1988 to 2007.57 They report strong effects of Chinese imports on vote shares for radical Right parties58 at the level of the electoral district.59 We replicate their principal results, including their two-stage least squares estimators,60 in specifications 1 and 2 of Table A3 (in the online appendix).

The CS data set does not include a measure of income inequality. To test our interactive hypothesis, we employ inequality measures from the World Inequality Database.61 We report top 1 percent shares of post-tax income at the country level.62 We also apply logarithmic transformations to address issues of fit resulting from extreme outliers.63 Finally, we adopt a multilevel estimator that serves our particular data needs.64 The results rely on this preferred hierarchical estimator.65 Table A3 (in the online appendix) documents how these modifications affect the original CS findings.66

The results for import shocks closely mirror those for immigration. Figure 4 plots the coefficients of our preferred model (IO2020) alongside a baseline model in CS (CS2018). As expected, the positive association between Chinese imports and populist vote shares is highly conditioned by inequality. The coefficient on the China shock remains significant only when interacted with top-1-percent income shares. The marginal effects plot in Figure 5 translates this into real-world terms. At low to medium top-heavy inequality (top 1 percent shares < 0.09), a one-standard deviation increase in imports (approximately 170 EUR per NUTS-2 worker) relates to no statistically significant change in district vote shares for populist parties—that is, no populist backlash from rising imports. However, in countries where the top 1 percent earns approximately 10 percent or more of national income, the same magnitude of imports is associated with a 25-to-50-percent increase in district vote shares, on average, for right-populist parties.

In combination with the results from immigration shocks, this analysis provides strong support for our hypothesis that the politics of LIO backlash are best understood from the perspective of the three recent advances in trade theory that predict topheavy inequality. Trade in goods, or in factors of production, in the context of heterogeneous firms, workers, and regions, produces top-heavy inequality that, we argue, sets the stage for a particularly populist form of backlash. We provide suggestive evidence from European elections that is largely consistent with this; migration and imports drive support for populist parties only where we observe high inequality.

Possible Remedies and Sources of Resilience

An optimistic reading of this analysis is that national redistribution provides an effective remedy against right-populist backlashes. This finding is consistent with the “compensation hypothesis,” that government redistribution to globalization’s losers increases public support for trade.67 Our paper contributes to this literature by suggesting that redistribution targeted at top-heavy inequality (superstar earners, regions, and firms) to the benefit of otherwise skilled workers in smaller firms and cities would be especially effective.

However, democracies famously fail to address rising inequality with redistribution.68 This leads us to a more pessimistic conclusion that, even though lower inequality increases support for globalization, there is little evidence that governments will redistribute in countries with already high top-heavy inequality. We therefore agree with Atkinson that more redistribution of the large gains from globalization would be both possible and effective; but mass support for it, paradoxically, is weak.69 There is hope for other policy suggestions, as well. Investment in education, even if it could achieve the requisite political support, would fail to address the central problem: outsized gains from “superstar” talent, cities, and firms. Global forms of redistribution, such as the world “Tobin tax” on cross-border financial transactions, promise to tax capital without encouraging capital flight. However, such visions have been dismissed as “utopian.”70 They would also raise the substantial issues of global governance that Rodrik’s “globalization trilemma” has highlighted: who would enact such a tax, and to whom would the revenues flow?71

Instead, governments are far more likely to enact protection—restrictions on imports and immigration that reduce welfare but undeniably also reduce inequality. Williamson shows that the choking-off of US immigration from the 1920s to the 1960s contributed significantly to the “great leveling” of American inequality, including the Great Migration of African Americans out of the US South, as Northern employers began to substitute Black for immigrant labor.72 Restricting low-wage imports would of course have a similar effect. These options offer the losers from globalization only a larger slice of a (likely much) smaller pie.

If governments under pressure from top-heavy inequality continue to substitute protectionism for redistribution, can the LIO that stands for globalization nonetheless be sustained? We see two possible sources of resilience. First, powerful interests in the LIO can be expected to defend it.73 Second, international institutions still matter. The retreat of the US, as a principal guarantor of the LIO, poses an undeniable threat to its institutions and to the peace and cooperation they foster. However, IR research cautions against premature reports of its demise. Despite declining US support, international institutions will continue to serve vital functions for their members—functions that make these institutions “sticky” in the face of shocks.74 More recent scholarship in this vein suggests that the international institutions that were hardest to create, and whose rules are flexible, are the most likely to weather the shock of declining US support.75 To the extent that other institutions were created with less effort and exhibit less flexibility, however, other powerful states will seek to install alternatives that better serve them.

Limitations and Future Research

Future research in this area will need to address at least three shortcomings of our analysis: imprecise measurement, identification, and external validity. First, our nationallevel measures of inequality cannot discriminate among the three possible trade theories, since all predict top-heavy inequality. One solution would require decomposition of earnings into worker, firm, and region heterogeneity.76 Future measures should also be mindful of several indirect routes by which inequality undermines the LIO, independent of globalization shocks. It slows economic growth,77 probably by restricting the formation of human capital.78 It exacerbates domestic polarization79 and, seemingly, induces aggressiveness in foreign policy, especially among less welloff voters.80 And, to the extent that it installs governments of the Right, it further increases inequality.

Second, the lack of a careful identification strategy leaves much for future research, which must isolate the variation in top-heavy inequality that is independent of technological change (as discussed earlier), institutions, and redistributive politics, among other sources of endogeneity. Instrumental variable approaches, such as those featured by Enamorado and colleagues, offer one promising direction.81

Future research will also need to account for non-economic aspects of globalization and inequality. Our analysis assumes that inequality operates narrowly through economic mechanisms. We doubt that material interests alone explain the variance in attitudes to globalization.82 Surely status anxiety and cultural threats matter too in ways not reflected in the theory here.83 We know that some voters do not consider trade salient enough,84 or find it too complicated,85 for economics alone to determine vote preferences. Relatedly, attitudes on trade and migration partially reflect sociotropism and out-group anxieties.86 Nonetheless, an at least equally large literature confirms that economic shocks accurately predict election outcomes,87 and our own analysis shows that these economic shocks especially drive voting where inequality is high. Clearly, both economic and cultural factors matter, probably in mutually reinforcing ways. To know for sure, future research will need to test our three trade theories with individual-level data.88 What we contribute to this important debate is a way to sharpen the way international political economy thinks about the economic side of globalization politics.

Third, future research will need to investigate whether these results extend, as recent research suggests,89 to low- and middle-income countries.90 We also expect, although we lack the data to prove it, that our analysis does not extend to support for left-populist parties.

Why does rising inequality move many voters toward right-wing populism rather than left-wing populism? Put simply, the Left’s failure to enact adequate redistribution91 has pushed many of its own voters to support right-wing parties whose protectionist policies offer a plausible alternative to redistribution.92 In the US, the pattern of “Obama-toTrump” voters, particularly among less educated workers, is well documented.93 In Germany, the right-populist Alternative für Deutschland received about 15 percent of its support from traditional left-wing parties in 2017, and similar patterns seem to have driven support both for France’s Le Pen and for the right-populist FPÖ (Freedom Party) in Austria.94 In all three cases, manual workers demonstrably form the core of right-populist support.95 These shifts from redistributive to protectionist parties, we suspect, are exacerbated by the Left’s growing association with elitism, expertise, and globalization: all things that those farther down in the income distribution have come to distrust, or even to despise.

Conclusion

The openness to trade in goods, services, and factors of production the LIO has so effectively advanced over decades has concentrated real income growth in a very thin layer of workers. While this rise in top-heavy inequality doubtless has other causes, chief among them skill-biased technological innovation, trade openness has contributed mightily, particularly since the “China shock” of 2001;96 and certainly the populist movements that reject the LIO cast openness to trade and migration as the chief villain.

The ways in which rising inequality has threatened the LIO expose lacunae in international political economy’s intellectual apparatus—“blind spots” that require remediation. Most importantly, our basic economics are, if not wrong, at least outdated. The field’s adherence to classical trade models blinds us to the distributional effects revealed by top-heavy inequality: far more people lost from globalization, and fewer gained, than traditional theories (factor proportions and specific factors) suggested. While economists rapidly updated their trade models to account for the emerging reality of extreme inequality, political science largely stayed the course —and ran the danger, now realized, of misapprehending the domestic politics of globalization.

The trade literature offers three explanations for top-heavy inequality. The “enriched” Heckscher-Ohlin model of Haskel and colleagues shows how only a thin layer of extraordinarily talented individuals within the larger set of high-skill workers unambiguously benefits from a rise in the relative price of a skill-intensive product; the wages of both the less talented high-skill and the low-skill workers stagnate or fall.97 New new trade theory shows how a similarly narrow subset of very large and productive firms, and their employees, absorb the bulk of trade’s gains at the expense of all other firms. Finally, economic geography suggests that trade concentrates economic growth in a few large metropolitan regions while inflicting stagnation and decline elsewhere. Each offers a pessimistic view of the politics of globalization in which variously defined superstars gain a far larger share than the society at large.

We validate these theories of top-heavy inequality with data on local election outcomes from as many as twenty-eight countries over twenty-six years. We find that public support for right-populist parties rises dramatically with exposure to imports and immigration, but only in those countries with high top-heavy inequality. The fact that the huge gains from trade and technology have flowed to such a small elite, while earnings in other categories have stagnated, may go far to explain why the antiglobalization movements blame not only crucial elements of the LIO, but increasingly a small and nefarious global elite, for what one politician luridly portrayed as the “carnage” among many regions and sectors of the advanced economies.

That these movements, with rare exceptions, seek relief in restrictions on trade and migration from populist movements of the Right, rather than in redistribution or training, probably owes much to the failure of the political Left to redistribute sufficiently.98 That so much of these parties’ electoral support, both in Europe and in the US, comes from manual workers and former supporters of the political Left lends credence to this conjecture.

The ill effects of rising inequality, however, extend well beyond the rising tide of antiglobalization movements and politicians. They extend to slower economic growth (bound to exacerbate existing resentments), increased political polarization, and even a heightened risk of international conflict.

While eminent scholars have advanced quite plausible and growth-enhancing remedies for rising inequality, none elicits, or seems likely to elicit, sufficient political support. Tragically, inequality will likely be reduced, in any serious way, only by what Scheidel has accurately counted as one of history’s “great levelers,” our current high-mortality pandemic.99 While COVID-19 mercifully inflicts nothing approaching the death toll of history’s worst plagues, in the long run its combined effects of labor shortage, capital abundance, and panicky deglobalization will likely result—despite short-term unemployment and recession—in greater equality (but also less prosperity) in the advanced economies, greater inequality in the less developed countries, and greater between-nation inequality. Those developments may partially reduce developed-country hostility to the LIO; but, to survive, the LIO will have to find stronger sources of resilience among business elites and political leaders.

We thus conclude by disagreeing with Lake’s morning-after observation about the 2016 election. While it seemed that the populist backlash came as “no surprise” to the field of international political economy, some of its most important aspects, including the link to top-heavy inequality and the rejection of elites and expertise, were neither foreseen nor understood by our conventional theories. As Abraham Lincoln said during an earlier time of trial, “As our case is new, we must think anew and act anew.”100

### 1NC – D

#### No liberal order or SOI impact---states won’t risk war, err towards isolation, AND mediate ties economically.

Mueller ’21 [John; February 17; Adjunct Professor of Political Science and Senior Research Scientist at the Mershon Center for International Security Studies; The Stupidity of War: American Foreign Policy and the Case for Complacency, “The Rise of China, the Assertiveness of Russia, and the Antics of Iran,” Ch. 6]

Complacency, Appeasement, Self-destruction, and the New Cold War

It could be argued that the policies proposed here to deal with the international problems, whether real or imagined, presented by China, Russia, and Iran constitute exercises not only in complacency, but also in appeasement. That argument would be correct. As discussed in the Prologue to this book, appeasement can work to avoid military conflict as can be seen in the case of the Cuban missile crisis of 1962. As also discussed there, appeasement has been given a bad name by the experience with Hitler in 1938.

Hitlers are very rare, but there are some resonances today in Russia’s Vladimir Putin and China’s Xi Jinping. Both are shrewd, determined, authoritarian, and seem to be quite intelligent, and both are fully in charge, are surrounded by sychophants, and appear to have essentially unlimited tenure in office. Moreover, both, like Hitler in the 1930s, are appreciated domestically for maintaining a stable political and economic environment. However, unlike Hitler, both run trading states and need a stable and essentially congenial international environment

to flourish.128 Most importantly, except for China’s claim to Taiwan, neither seems to harbor Hitler-like dreams of extensive expansion by military means. Both are leading their countries in an illiberal direction which will hamper economic growth while maintaining a kleptocratic system. But this may be acceptable to populations enjoying historically high living standards and fearful of less stable alternatives. Both do seem to want to overcome what they view as past humiliations – ones going back to the opium war of 1839 in the case of China and to the collapse of the Soviet empire and then of the Soviet Union in 1989–91 in the case of Russia. Primarily, both seem to want to be treated with respect and deference. Unlike Hitler’s Germany, however, both seem to be entirely appeasable. That scarcely seems to present or represent a threat. The United States, after all, continually declares itself to be the indispensable nation. If the United States is allowed to wallow in such self-important, childish, essentially meaningless, and decidedly fatuous proclamations, why should other nations be denied the opportunity to emit similar inconsequential rattlings? If that constitutes appeasement, so be it. If the two countries want to be able to say they now preside over a “sphere of influence,” it scarcely seems worth risking world war to somehow keep them from doing so – and if the United States were substantially disarmed, it would not have the capacity to even try.

If China and Russia get off on self-absorbed pretensions about being big players, that should be of little concern – and their success rate is unlikely to be any better than that of the United States. Charap and Colton observe that “The Kremlin’s idee fixe that Russia needs to be the leader of a pack of post-Soviet states in order to be taken seriously as a global power broker is more of a feel-good mantra than a fact-based strategy, and it irks even the closest of allies.” And they further suggest that

The towel should also be thrown in on the geo-ideational shadow-boxing over the Russian assertion of a sphere of influence in post-Soviet Eurasia and the Western opposition to it. Would either side be able to specify what precisely they mean by a regional sphere of influence? How would it differ from, say, US relations with the western-hemisphere states or from Germany’s with its EU neighbors?129

Applying the Gingrich gospel, then, it certainly seems that, although China, Russia, and Iran may present some “challenges” to US policy, there is little or nothing to suggest a need to maintain a large US military force-in-being to keep these countries in line. Indeed, all three monsters seem to be in some stage of self-destruction or descent into stagnation – not, perhaps, unlike the Communist “threat” during the Cold War. Complacency thus seems to be a viable policy.

However, it may be useful to look specifically at a couple of worst-case scenarios: an invasion of Taiwan by China (after it builds up its navy more) and an invasion of the Baltic states of Estonia, Lithuania, and Latvia by Russia. It is wildly unlikely that China or Russia would carry out such economically self-destructive acts: the economic lessons from Putin’s comparatively minor Ukraine gambit are clear, and these are unlikely to be lost on the Chinese. Moreover, the analyses of Michael Beckley certainly suggest that Taiwan has the conventional military capacity to concentrate the mind of, if not necessarily fully to deter, any Chinese attackers. It has “spent decades preparing for this exact contingency,” has an advanced early warning system, can call into action massed forces to defend “fortified positions on home soil with precision-guided munitions,” and has supply dumps, booby traps, an wide array of mobile missile launchers, artillery, and minelayers. In addition, there are only 14 locations that can support amphibious landing and these are, not surprisingly, well-fortified by the defenders.130

The United States may not necessarily be able to deter or stop military attacks on Taiwan or on the Baltics under its current force levels.131 And if it cannot credibly do so with military forces currently in being, it would not be able to do so, obviously, if its forces were much reduced. However, the most likely response in either eventuality would be for the United States to wage a campaign of economic and military (including naval) harassment and to support local – or partisan – resistance as it did in Afghanistan after the Soviet invasion there in 1979. 132 Such a response does not require the United States to have, and perpetually to maintain, huge forces in place and at the ready to deal with such improbable eventualities.

The current wariness about, and hostility toward, Russia and China is sometimes said to constitute “a new Cold War.”133 There are, of course, considerable differences. In particular, during the Cold War, the Soviet Union – indeed the whole international Communist movement – was under the sway of a Marxist theory that explicitly and determinedly advocated the destruction of capitalism and probably of democracy, and by violence to the degree required. Neither Russia nor China today sports such cosmic goals or is enamored of such destructive methods. However, as discussed in Chapters 1 and 2, the United States was strongly inclined during the Cold War massively to inflate the threat that it imagined the Communist adversary to present. The current “new Cold War” is thus in an important respect quite a bit like the old one: it is an expensive, substantially militarized, and often hysterical campaign to deal with threats that do not exist or are likely to selfdestruct.134

It may also be useful to evaluate terms that are often bandied about in considerations within foreign policy circles about the rise of China, the assertiveness of Russia, and the antics of Iran. High among these is “hegemony.” Sorting through various definitions, Simon Reich and Richard Ned Lebow array several that seem to capture the essence of the concept: domination, controlling leadership, or the ability to shape international rules according to the hegemon’s own interests. Hegemony, then, is an extreme word suggesting supremacy, mastery, preponderant influence, and full control. Hegemons force others to bend to their will whether they like it or not. Reich and Lebow also include a mellower designation applied by John Ikenberry and Charles Kupchan in which a hegemon is defined as an entity that has the ability to establish a set of norms that others willingly embrace.135 But this really seems to constitute an extreme watering-down of the word and suggests opinion leadership or entrepreneurship and success at persuasion, not hegemony.

Moreover, insofar as they carry meaning, the militarized application of American primacy and hegemony to order the world has often been a fiasco.136 Indeed, it is impressive that the hegemon, endowed by definition by what Reich and Lebow aptly call a grossly disproportionate military capacity, has had such a miserable record of military achievement since 1945 – an issue discussed frequently in this book.137 Reich and Lebow argue that it is incumbent on IR scholars to cut themselves loose from the concept of hegemony.138 It seems even more important for the foreign policy establishment to do so.

There is also absurdity in getting up tight over something as vacuous as the venerable “sphere of influence” concept (or conceit). The notion that world affairs are a process in which countries scamper around the world seeking to establish spheres of influence is at best decidedly unhelpful and at worst utterly misguided. But the concept continues to be embraced in some quarters as if it had some palpable meaning. For example, in early 2017, the august National Intelligence Council opined that “Geopolitical competition is on the rise as China and Russia seek to exert more sway over their neighboring regions and promote an order in which US influence does not dominate.”139 Setting aside the issue of the degree to which American “influence” could be said to “dominate” anywhere (we still wait, for example, for dominated Mexico supinely to pay for a wall to seal off its self-infatuated neighbor’s southern border), it doesn’t bloody well matter whether China or Russia has, or seems to have, a “sphere of influence” someplace or other.

More importantly, the whole notion is vapid and essentially meaningless. Except perhaps in Gilbert and Sullivan’s Iolanthe. When members of the House of Lords fail to pay sufficient respect to a group of women they take to be members of a ladies’ seminary who are actually fairies, their queen, outraged at the Lords’ collected effrontery, steps forward, proclaims that she happens to be an “influential fairy,” and then, with a few passes of her wand, brushes past the Lords’ pleas (“no!” “mercy!” “spare us!” and “horror!”), and summarily issues several edicts: a young man of her acquaintance shall be inducted into their House, every bill that gratifies his pleasure shall be passed, members shall be required to sit through the grouse and salmon season, and high office shall be obtainable by competitive examination. Now, that’s influence. In contrast, on December 21, 2017, when the United States sought to alter the status of Jerusalem, the United Nations General Assembly voted to repudiate the US stand in a nearly unanimous vote that included many US allies. Now, that’s not influence.

In fact, to push this point perhaps to an extreme, if we are entering an era in which economic motivations became paramount and in which military force is not deemed a sensible method for pursuing wealth, the idea of “influence” would become obsolete because, in principle, pure economic actors do not care much about influence. They care about getting rich. (As Japan and Germany have found, however, influence, status, and prestige tend to accompany the accumulation of wealth, but this is just an ancillary effect.) Suppose the president of a company could choose between two stories to tell the stockholders. One message would be, “We enjoy great influence in the industry. When we talk everybody listens. Our profits are nil.” The other would be, “No one in the industry pays the slightest attention to us or ever asks our advice. We are, in fact, the butt of jokes in the trade. We are making money hand over fist.” There is no doubt about which story would most thoroughly warm the stockholders’ hearts.

# 2NC

### EU CP

#### American inaction is key – the perm dilutes the signal

Bradford 20 [Anu, Finnish-American author, law professor, and expert in international trade law. In 2014, she was named the Henry L. Moses Distinguished Professor of Law and International Organization at the Columbia Law School. “Hey, US Tech: Here Comes the Brussels Effect” https://www8.gsb.columbia.edu/articles/chazen-global-insights/hey-us-tech-here-comes-brussels-effect]

The United States’ own inaction has paved the way for the EU’s rise as a regulatory superpower. Embracing deregulation and techno-libertarianism as its approach to governing the digital economy, the US has long watched from the sidelines as the EU sets regulations for the global marketplace. By abandoning international engagement and regulatory cooperation, the Trump administration reinforced this regulatory isolationism – effectively, albeit inadvertently, trading globalization for Europeanization.

#### The EU counterplan is the core of the topic and key to vital real-world education

Sam Bowman, former Executive Director of the Adam Smith Institute in London, Dirk Auer, Senior Fellow in Law & Economics at the International Center for Law & Economics (ICLE) and an adjunct professor at UCLouvain and ULiege, and Geoffrey Manne, president and Founder of ICLE and a Distinguished Fellow at the Northwestern University Center on Law, Business, and Economics, Aug 9, 2021. “How US and EU Competition Law Differ”

https://truthonthemarket.com/2021/08/09/how-us-and-eu-competition-law-differ/

U.S. and European competition laws diverge in numerous ways that have important real-world effects. Understanding these differences is vital, particularly as lawmakers in the United States, and the rest of the world, consider adopting a more “European” approach to competition.

#### Us follows on—but—doesn’t link to politics, takes time to implement

Schechner 18 [Sam, covers technology across Europe, based out of the Wall Street Journal's Paris bureau. He has previously served as a French business correspondent and covered the U.S. television industry. Sam has been a reporter for the Journal since 2005. “The Woman Who Is Reining In America’s Technology Giants” <https://www.wsj.com/articles/the-woman-who-is-reining-in-americas-technology-giants-1522856428>] \*graphs omitted\*

When European Union antitrust chief Margrethe Vestager fined Alphabet Inc.’s GOOG 4.84% Google €2.4 billion last June for abusing its dominance to clobber rivals, Josh Hawley in Missouri took notice.

Mr. Hawley, the state’s attorney general, launched his own antitrust investigation into the same allegations in November and has demanded a copy of all evidence Google has given the EU. Other state attorneys general are talking to Missouri about sharing information, according to people familiar with the discussions. “We are all watching the European proceedings,” says Mr. Hawley.

Ms. Vestager, a 49-year old Dane, has become the public face of Europe’s effort to rein in technology firms and the de facto global regulator for the U.S.’s tech giants. Her approach to companies such as Google and Apple Inc. is having a ripple effect around the globe, influencing regulatory action not only in the U.S. but in countries including Brazil, India and Russia.

Missouri Attorney General Josh Hawley launched an antitrust investigation into Google after the EU fined the company for allegedly abusing its dominance.

The EU has established a reputation in recent years for being one of the world’s toughest enforcers of antitrust law. On the technology front, Brussels and individual European governments have gone after companies in areas such as competition, taxation, privacy and hate speech. European nations are preparing to enforce a strict new data-protection law, and EU regulators are increasingly interested in the potential abuse of data and algorithms.

The U.S., which for years regulated the internet only lightly, is now starting to reconsider its approach. In recent weeks, indignation over Facebook Inc.’s disclosure that a British-owned firm improperly tapped and retained information on millions of Facebook users has led U.S. federal and state authorities to announce investigations of the social-media company and raised the specter of new U.S. legislation. Facebook Chief Executive Mark Zuckerberg will appear before a House committee next week.

During her nearly four years as the EU’s competition commissioner, Ms. Vestager has completed multiple investigations into U.S. tech companies. Many probes began under her predecessor, but it was under her watch that the EU fined Google, ordered Apple to repay €13 billion (about $16 billion) in alleged unpaid taxes to Ireland, and this year hit Qualcomm Inc. with a nearly €1 billion fine for payments it made to Apple that the EU said were illegal.

That hasn’t made her popular in Silicon Valley, where corporate executives complain that she has unfairly singled out big, American technology firms to make examples of them. Some tech-firm officials also grumble that Ms. Vestager appears keenly interested in how her cases play in the press.

Google has appealed the EU’s ruling against it, arguing that its logic and conclusions are flawed. In a 2016 interview with an Irish newspaper, Apple Chief Executive Tim Cook called the EU’s allegation that the company had paid an ultralow tax rate in Ireland “total political crap,” adding “they just picked another number from I don’t know where.”

Apple and Ireland both appealed the EU’s decision, contending Apple paid all the tax it owed and received no special treatment. Qualcomm also has said it would appeal.

Rob Atkinson, president of the Information Technology and Innovation Foundation, a Washington-based think tank backed by technology companies including Google, says U.S. tech companies “make big, juicy targets” for Ms. Vestager. “This is a very popular position for her to take in Europe.”

Some technology executives complain that Ms. Vestager, appearing, above right, at a public event last year, has unfairly singled out big, American technology firms to make examples of them.

PHOTO: STEPHEN MCCARTHY/SPORTSFILE/GETTY IMAGES

Since 2010, when the EU began probing Google’s alleged abuse of its dominant search engine and, later, its Android mobile operating system, Brazil, India and Russia all opened their own antitrust investigations into the company. Russia and India have issued fines. (Google settled the Russian case and is considering whether to appeal in India.) Four Brazilian investigations into Google are pending.

“You get to learn from a lot of work that’s being done over there,” says Eduardo Frade, former general superintendent of Brazil’s antitrust regulator, who helped open the country’s probes into Google in 2013.

Ripple Effect

Since the EU's antitrust regulator began examining Google, other authorities around the world have opened their own investigations into the company's practices. Here is a selection.

Source: antitrust regulators, company filings

Last month, South Korea’s antitrust regulator—which Alphabet’s security filings suggest is also investigating Google—said it is considering updating its merger-review criteria, now based on revenue thresholds, so it can review deals involving companies with high valuations but little sales, such as when Facebook purchased WhatsApp for $22 billion in 2014. Ms. Vestager in 2016 advocated a similar change, which the European Commission is considering.

Ms. Vestager has sway beyond Europe’s borders in part because of the EU’s administrative-law system, which empowers her to issue punishments and order remedies before any judicial review. That gives her more leeway than antitrust enforcers in other countries. In the U.S., antitrust enforcers have to go to court to seek financial penalties for anticompetitive conduct. The U.S. and Canada have closed antitrust investigations against Google without charges.

“Because the [European] system allows that broader discretion, you see more of these cases being tested,” says Antonio Capobianco, senior competition expert at the Organization for Economic Cooperation and Development, which hosts an annual global meeting of competition enforcers. “A lot of jurisdictions have tended to look at Europe more than the U.S. as a model.”

#### European pressure forces immediate behavioral adjustment

Suominen 20 (Kati, adjunct professor at the UCLA Anderson School of Management. Earlier in her career, she was a trade economist at the Inter-American Development Bank, phd from the University of San Diego. “On the Rise: Europe’s Competition Policy Challenges to Technology Companies” https://www.csis.org/analysis/rise-europes-competition-policy-challenges-technology-companies]

Over the past few years, the European Commission has pursued numerous competition policy actions against U.S. technology companies. For example:

The Commission has frequently claimed that digital platforms that offer their own services and products on their platforms may be anticompetitive. For example, Amazon might sell branded Amazon merchandise alongside other brands’ merchandise on Amazon’s marketplace, while Netflix streams its own content via Netflix. This of course is nothing new: Walmart, for example, has sold its own private labels in its stores for three Europe has pursued numerous cases against U.S. companies for such supposed “self-preferencing.” For example, in June 2020, European officials announced they were looking to bring antitrust charges against Amazon for unfairly using data collected from third-party merchants to boost its own product offerings, and in July 2018, Europe fined Google $5 Billion for equipping Android smartphones with Google products as the default software—even though European app developers benefit from the one-stop system Android provides to reach 75 percent of cell phones that use the software. The European Commission’s so-called “P2B Regulation” of 2019 now requires digital platforms to disclose selection and ranking processes of goods and services on their platforms.

The Commission has claimed that offering lower prices in the form of loyalty rebates constitutes anticompetitive behavior.1 While United States law has traditionally considered loyalty rebates a pro-competitive business practice, Europe’s concern is that a market-leading company exploits its larger base to offer discounts in ways that preclude smaller but “as-efficient competitors” from competing for consumer demand. In a famous case, in 2009, the European Commission found that Intel had abused its market position by using loyalty rebates and fined it over $1 billion, but in 2017, Intel won relief from the European Court of Justice, which ordered a new trial. The case even prompted European authorities and scholars to argue that European positions on loyalty rebates “harm competition and European consumers” and only “protect less effective rivals from the inconveniences of the competitive ”

The European Union has over the years pursued lengthy investigations into mergers and acquisitions made by American technology In 2019, European authorities approved the acquisition by Apple of the popular song-recognition app Shazam, after months of analyzing whether the acquisition would give Apple an unfair advantage over other streaming music services like Europe’s Spotify. However, in June 2020, the Commission opened an investigation into whether Apple treated rivals like Spotify unfairly in its app store, and how other competitors were treated in Apple’s mobile payments service. The Commission also studied but ended up approving acquisitions between Facebook, WhatsApp, and Instagram, and between Microsoft and LinkedIn.

For U.S. companies, these actions are much more than a distraction. Not only are the fines significant; the cases are time-consuming and costly for companies to manage. They also require—even when they result in a favorable outcome—significant expenditure and time by companies’ legal teams and may cause reputational damage and uncertainties that can deter new investments.2

Now the challenges for U.S. technology firms in Europe are growing. The European Commission and various member states are actively working to expand their antitrust powers:

In June 2020, Margarethe Vestager, executive vice president for the European Commission’s “A Europe Fit for the Digital Age” initiative and the commissioner who has led Europe’s antitrust enforcement, signaled she is seeking broader antitrust powers to address “structural competition problems” within industries, rather than analyzing case-by-case the merits of arguments against a single

The Commission is also seeking new regulations to empower it to pursue potentially anticompetitive practices by dominant digital platforms before these practices even happen, arguing that ex-post investigations where officials need to prove that a company’s behavior harms consumers come too late, allowing big tech to grow bigger while investigations drag on. The Commission also wants to get ahead of the so-called killer acquisitions—where a dominant firm acquires putative competitors to preempt future.

#### Solves harmonization of international laws better and the US doesn’t solve because they don’t model on the US – no line in 1AC is actually about US law solving

Bradford 19 [Anu, Finnish-American author, law professor, and expert in international trade law. In 2014, she was named the Henry L. Moses Distinguished Professor of Law and International Organization at the Columbia Law School. “Europe beating U.S. in antitrust race” https://www.reuters.com/article/us-usa-antitrust-breakingviews/breakingviews-guest-view-europe-beating-u-s-in-antitrust-race-idUSKBN1Y021B]

NEW YORK/CHICAGO/BERKELEY, Calif. (Reuters) - Modern antitrust laws were invented in America. Yet it’s Europe that’s now acting as the global authority on competition regulation. The United States is losing the global race.

The entrance sign to Facebook headquarters is seen through two moving buses in Menlo Park, California, on Wednesday, October 10, 2018. REUTERS/Elijah Nouvelage

The Department of Justice is staffing up its online-platforms unit to probe antitrust violations by technology giants like Facebook, Apple, Alphabet and Amazon, yet will be playing catch-up to its European Union counterpart. In fact, it’s the EU that has kept these and other U.S. companies in check for years with its vigorous antitrust enforcement. Since 2017, the European Commission has fined Google, for example, nearly $10 billion for breaching EU antitrust laws. But beyond holding American companies to account, the EU has become the global authority on antitrust regulation.

To date, over 130 countries have adopted a domestic antitrust law, most of them reflecting what the EU has put in place. In a new study published in the Journal of Empirical Legal Studies, the authors of this column, together with Alexander Weaver, analyzed antitrust statutes from 125 countries for over 50 years, and compared them to U.S. and EU antitrust laws. First, by looking for linguistic similarity – seeing whether countries copied key pieces of language from U.S. or EU laws when writing their antitrust laws. Secondly, by considering whether the substantive provisions found in those laws mirrored more closely the provisions embedded in U.S. or EU antitrust laws.

Both analyses showed that countries with very different geographical, linguistic, and cultural ties overwhelmingly gravitate towards the EU. Indicatively, important regional leaders in antitrust law and major emerging markets like Brazil, China, India, Mexico, Russia, South Africa, and South Korea all now have laws more similar in substance to the EU than the United States.

This declining American influence is surprising. Modern antitrust rules were first formulated in the United States, and its law schools have continued to been profoundly influenced by the law and economics movement. The United States also masterminded the creation of the main venue for global antitrust regulatory dialogue, the International Competition Network.

Nevertheless, the EU has been pushing harder to spread its rules around the world. It has promoted its regulatory model actively through trade agreements, making access to its vast consumer markets contingent on the adoption of an antitrust law. Being able to offer market access to over 500 million consumers gives it tremendous influence.

The United States has been much more reluctant to use trade treaties as instruments to export its antitrust model.

Europe’s approach also appeals in other ways. Laws that tend to be more stringent, and defer less to markets, tend to resonate with governments that want to maintain their regulatory authority. In addition, the EU offers a detailed regulatory template that is easy to copy without further technical expertise. EU rules are already available in French, Spanish, and Portuguese, further facilitating their adoption in Africa and Latin America.

The EU’s power shows in flashes, such as when the commission imposes record fines on American tech giants or data providers around the world unveil new EU-compliant privacy policies. But analysis reveals a much more entrenched process of regulatory influence. The EU’s global antitrust dominance illustrates the ability of a single jurisdiction to attract countries with starkly different characteristics into its orbit, creating a regulatory impact that far exceeds its economic, linguistic and political boundaries.

All this is good news for an embattled European Union – but not for the United States. While it’s still home to the most robust economic theories underlying modern antitrust laws, theories and ideas alone do not determine how global regulatory races are fought and won. The more the United States, under the administration of President Donald Trump, deregulates domestically and turns its back to global trade deals and regulatory cooperation, the weaker its ability to shape other countries’ regimes becomes.

The unprecedented attack on global trade rules and traditional alliances under the Trump administration will only accelerate these longstanding trends. When U.S. regulators take a back seat, the antitrust example shows the EU is prepared to step in and write the rules for the global markets, alone.

**EU enforces competition policy abroad – it’s the biggest internal to soft power**

**Goldthau 15** [Andreas Goldthau, Belfer Center for Science and International Affairs, Harvard Kennedy School of Government, Harvard University, Cambridge, MA, USA; Department of Public Policy, Central European University, Budapest, Hungary. Nick Sitter, Department of Public Policy, Central European University, Budapest, Hungary; Department of Accounting, Auditing and Law, BI Norwegian Business School, Oslo, Norway. “**Soft power with a hard edge**: EU policy tools and energy security.” 2/26/15. <https://www.tandfonline.com/doi/full/10.1080/09692290.2015.1008547>]

The European Union (EU) is usually described as a civilian – or soft – power: an economic **giant** but a military dwarf. The reason for this lies in the EU's lack of ‘hard power’ policy tools: it does not have sizeable armed forces under joint command, a substantial federal budget or direct control of firms. Its ability to use ‘**hard power**’, by means of coercion and payment (Nye 2004), is **limited**. Indeed, very little power is centralized at the EU level. However, the present article argues that the EU's soft power comes with a **hard edge**. The EU's ability to exert more than mere soft power is a consequence of its attractiveness as a USD 17.3 trillion economy and the world's largest single market, and it is brought to bear by a policy entrepreneur with a well-stocked **regulatory toolbox**: the **European Commission**. Indeed, although its international military and economic power may be limited, the EU features a formidable **regulatory state**. Its Single European Market (SEM) operates on a liberal, rule-based model. In EU **competition policy**, the European Commission has a **powerful tool** to enforce this model, albeit directed as much at firms as at governments. The central point here is that this tool reaches well beyond the borders of the EU.

The SEM exerts soft power inasmuch as it attracts non-EU companies to ‘come and play’ on the EU's turf and accept its rules as the price for access, or when neighbouring states voluntarily choose to adopt EU rules and regulations as their own. However, to the extent that the European Commission – the EU's SEM watchdog – uses these rules purposefully to target external firms, this soft power acquires a hard edge. By these means, the EU can and does use its regulatory toolbox to foster **strategic goals** in the near abroad and at the **global level.**

**EU competition law leadership is key to SDGs that solve climate change**

**Fotis 21** [Panagiotis N. Fotis, Adjunct Professor, Hellenic Open University, Master in Business Administration (MΒΑ). Member of General Directorate of Competition at Hellenic Competition Commission. “Sustainable Development and Competition Policy.” 1/12/21. https://erl.scholasticahq.com/article/18578-sustainable-development-and-competition-policy]

Abstract

The European Union (EU) has in recent years made **significant efforts** to incorporate green growth issues to EU strategic policies in favor of public and private sectors. In this paper, we present critical aspects of the European Green Growth Deal and we discuss the role of competition policy on **promoting** **sustainability issues**. Competition policy should and can be a **reliable mechanism** to promote **sustainable growth** across the globe.

1. Introduction

The European Union (EU) has in recent years made significant efforts to incorporate green growth issues to a **concrete framework** that enables the implementation of green growth objectives in the EU strategic policies, in favor of public and private sectors. The objective of this paper is to present critical aspects of the European Green Growth Deal and to discuss the role of competition policy, on promoting and enhancing sustainability issues. For this purpose, Section 2 reviews the literature and Section 3 presents critical data of Sustainable Development Goals (SDGs). Section 4 highlights the role of competition policy and Section 5 concludes and offers some policy implications.

2. Literature Review

Competition policy relates to green growth, that is, it can take into account **environmental** and social **priorities**, through **exceptions**, **exemptions** and **exclusions**; through substantive competition rules fostering social or ecological **purposes** and through the enhanced application of competition laws (Gehring, 2006).[1] The second and the third categories are common methods used in many jurisdictions and are often perceived as the legitimate expression of broader public policy goals.

Koundouri et al. (2020) state that public and private funding should be channeled to those businesses that are sustainable and those that are willing to invest and to be monitored according to the EU taxonomy for sustainable investments. Sachs et al. (2019) suggest six transformations to achieve SDGs, that is, education, health, low – carbon energy, nutrition, environment and digital revolution, through the collaboration of state and businesses.

Lianos (2018) questions the monocentric model of competition law relying on the price-based revealed preference approach of a representative consumer and presents a polycentric competition law.

Schinkel & Spiegel (2017) argue that coordination of output or prices may boost investments in sustainability if firms are willing to choose green investments before choosing their profit maximized variables.

3. European Green Growth Agenda

Green Growth should foster economic development and natural assets must continue to provide the necessary resources in favor of humanity. Environmental sustainability seems to provide economic **opportunities** rather than challenges through the implementation of innovation and investments (OECD, 2011).

The European strategy, as part of European Green Deal, focuses on **sustainable growth** through smart, inclusive and **competitive** low-carbon economy. On the same ground, circular Action Plan, “focuses on the entire life of products [for ensuring] that the resources used are kept in the EU economy for as long as possible.”[2]

The European Green Growth Agenda (**EGGA**) is part of Commission’s policy to implement the United Nations (UN) 2030 Agenda as well as SDGs and covers all sectors of the economy (Sachs et al., 2019). It focuses on the transformation of the EU into a **competitive economy** with no net emissions of greenhouse gases in 2050. The SDGs, which were adopted in September 2015 by the General Assembly of the UN, defined 17 development goals for both developed and developing countries, encompassing economic, financial, institutional, social and environmental dimensions. Almost a year later, in 30 November 2016, the European Commission (EC), among others, proposed a new 30% energy efficiency target for 2030 (Polemis & Fotis, 2019).[3]

Table 1 presents critical indicators of SDGs of the top five EU countries and Greece from 2010 to 2018. Particularly, it is evident from Table 1 that Norway, Iceland, Sweden, Finland and Latvia are the first five countries with the highest share of renewable energy in gross final energy consumption by sector (SRE) in 2018. Slovenia, Belgium, Netherlands, Lithuania and Italy are the top five countries with the highest recycling rate of waste (RRW) in 2016. Slovenia has increased the percentage rate of recycling waste by 28% from 2010 to 2016.

Table 1 Critical indicators of SDGs of the EU28, Eurozone, Greece and top five EU countries from 2010 to 2018 **\*Table 1 Omitted for formatting\***

Table 1 also depicts greenhouse gas emissions intensity of energy consumption (GGE). Lithuania shows the highest intensity in 2018, following by Bulgaria, Netherlands, Cyprus and Luxembourg. The top five EU countries regarding energy import dependency (EID) in 2018 are Malta, Luxembourg, Cyprus, Belgium and Italy.

In regard with Greece, gross final energy consumption in 2018 is 18%, just above the average percentage of EU28. Also, Greece’s percentage share of energy import dependency in the same year is almost 70,6%, far above the average percentage of EU28 and Eurozone countries, while regarding greenhouse gas emissions, Greece is below the average figures of EU28 countries (81,4%), but it is far below also the corresponding percentage emissions of the top five EU countries.

In the light of the above evidence, the top five EU countries have made promised steps towards Green Growth regarding the use of renewable energy and the elimination of Greenhouse gas emissions. However, since all of them show high levels of energy import dependency, more efforts should be made towards the **implementation** of EGGA.

In regard with Greece significant progress needs to be made, in particular by expanding the cyclical economy, taking actions to tackle climate change and ensuring biodiversity and a sustainable environment. The latter is a priority, particularly for Greece, as an import intensive country (“National Plan for Energy and the Climate,” 2019), in order to follow a Sustainable Growth path for the transition of the Greek economy (Pissarides Commission, 2020).[4]

4. Green Growth and the Role of Competition Policy

Competition authorities should not provide straightforward competition rules when certain segments of a market need to be guaranteed to promote the development of a desirable new technology. Enhancing further competition in certain markets could also be **in favor** of green growth. Policies to encourage green growth consumption patterns have an enhanced link with competition policy. For instance, competition laws that prevent misleading advertising could be helpful to ensure greater respect for the rights of consumers, which is a component of sustainable development **in** many instances.

Around the globe one of the first cases encompassing sustainability issues is the Shell/Tepco Case[5]. In 2001, the Competition Tribunal of South Africa for the first time expressed its reading of the public policy evaluation in South African competition law. The European Court of Justice (ECJ), regarding Case C-379/98, stated that “[t]he use of renewable energy sources for producing electricity, is useful for protecting the environment in so far as it contributes to the reduction in emissions of greenhouse gases which are amongst the main causes of climate change which the European Community and its Member States have pledged to combat.” The ECJ decided that **while the law was violated** by the anti-competitive behavior of the dominant firm, it was doing so for **protecting the environment.**

According to the HCC (2020), the Greek Competition Commission, has the power to issue an exemption decision under article 1 par. 3 of Law No 3959/2011. In its Decision No. 457/V/2009 the HCC issued an exemption decision under article 1 par. 3 of Law No 3959/2011 to the Public Company of Electricity (DEH) for an exclusive supply agreement for 15 years with a lignite mine for the generation of electricity, among others, on the grounds that security of energy supply would benefit direct consumers (HCC, 2009). Moreover, in its Decision No. 627/V/2016 the HCC cleared with commitments the acquisition of Piraeus Port Authority SA (PPA) by COSCO (Hong Kong) Group Limited (COSCO), among others, on the grounds that the clearance of the acquisition would benefit the public sector and the “users” of the Greek port, by €368,5 million (HCC, 2016).[6]

With regard to Greek and European merger control, public interest considerations do not form part of the substantive test in both regimes. However, past case law indicates that HCC has engaged with green growth arguments, although in all of these cases sustainability has played a secondary role in the decision reached (HCC, 2020). Particularly, in HCC’s Decision No. 682/2019 the notifying party put forward two strategic objectives for the clearance of concentration; on the one hand, the reduction of energy required at all stages of its production process, through the recycling of aluminium products (scrap) by products whose use has been completed and, on the other hand, the achievement of acquired firm’s green attitude in favor of sustainable development (HCC, 2019).[7]

All in all, the above mentioned case law indicates that competition policy should and **must be** the **driving force** of sustainability. The next step is to internalize green growth externalities into completion law towards sustainable growth.

5. Results and Policy Implications

The interconnection between competition policy and sustainable growth is **unquestionable**. The former may play crucial role by enhancing sustainability through competition rules. National competition authorities must be the mechanism fostering sustainable growth by taking into account various aspects of externalities and comparing discounted gains against environmental costs. The analysis reveals that EU countries should strengthen their efforts towards Sustainable Development, particularly by eliminating their dependency from energy imports.

One of the critical requirements for green growth is green investments, as it has been set out by EGGA (EC, 2019). Competition policy should, therefore, offer the incentives to firms to improve technological progress towards greener technologies and to avoid investments funds being channeled to brown technologies for short-term returns (Capasso et al., 2019).[8] For these purposes, it should balance the negatives and positives during the evaluation of firms’ anti-competitive behavior for **protecting the environment**.

**SDGs are leverage points that solve extinction BUT failure causes cascading risks that cumulatively outweigh any single risk, causing extinction.**

**Fenner and Cernev ‘20** [Richard Fenner; Jan. 2020; Director of the MPhil in Engineering for Sustainable Development at Cambridge; Australian National University, Canberra, Australia; “The importance of achieving foundational Sustainable Development Goals in reducing global risk,” Volume 115, https://www.sciencedirect.com/science/article/pii/S0016328719303544]

Fig. 3 demonstrates that cascade failures can be transmitted through the complex inter-relationships that link the Sustainable Development Goals. Randers, Rockstrom, Stoknes, Goluke, Collste, Cornell, Donges et al. (2018) have suggested that where meeting some SDGs impact negatively on others, this may lead to “crisis and conflict accelerators” and “threat multipliers” resulting in conflicts, instability and migrations. Ecosystem stresses are likely to disproportionately affect the security and social cohesion of **fragile** and poor **communities**, amplifying latent tensions which lead to political instabilities that **spread far beyond** their regions. The resulting “bad fate of the poor will end up **affecting** the **whole global system**"(Mastrojeni, 2018). Such possibilities are likely to go beyond incremental damage and lead to **runaway collapse**.

The **W**orld **E**conomic **F**orums’ Global Risks Report for 2018 shows the **top** five **global risks** in terms of **likelihood** and **impact** have changed from being economic and social in 2008 to environmental and technological in 2018, and are **closely aligned** with many SDGs (World Economic Forum, 2018). The report notes “that we are much less competent when it comes to dealing with complex risks in systems characterised by feedback loops, tipping points and opaque cause-and-effect relationships that can make intervention problematic”. The most likely risks expected to have the greatest impact currently include extreme weather events natural disasters, cyber attacks, data fraud or theft, failure of climate change mitigation and water crises.

These are represented in Fig. 3 by the following exogenous variables. “Climate change” drives the need for Climate Action (SDG 13), “Cyber threat” may adversely impact technology implementation and advancement which will disrupt Sustainable Cities and Communities (SDG 11); Decent Work and Economic Growth (SDG 8) and the rate of introduction of Affordable and Clean Energy (SDG 7), with reductions in these goals having direct consequences in also reducing progress in the other goals which they are closely linked to. “Data Fraud or Threat” has the capacity to inhibit innovation and Industrial Performance (SDG 9), reducing competitiveness (and having the potential to erode societal confidence in governance processes). “Water Crises” (linked with climate change) have a direct impact on Human Health and Well Being (SDG 3) as well as reducing access to Clean Water and Sanitation (SDG 6) and reducing agricultural production which increases Hunger (SDG 2). The causal loop diagram also highlights “Conflict” as a variable (driven by multiple environmental-socio-economic factors) which together with regions most impacted by climate degradation will lead to an increase in migrant refugees enhancing the spread of disease and global pandemic risk, thus impacting directly on Human Health and Well Being (SDG 3)

4.2. Existential and catastrophic risk

The level and consequences of these risks may be severe. Existential Risks (ER) have a wide scope, with extreme danger, and are “a risk that threatens the premature extinction of humanity or the permanent and drastic destruction of its potential for desirable future development” (Farquhar et al., 2017,) essentially being an event or scenario that is “transgenerational in scope and terminal in intensity” (Baum & Handoh, 2014). With a smaller scope, and lower level of severity, global catastrophic risk is defined as a scenario or event that results in at least 10 million fatalities, or $10 trillion in damages (Bostrom & Ćirković, 2008). Global Catastrophic Risk (GCR) events are those which are global, but they are durable in that humanity is able to recover from them (Bostrom & Ćirković, 2008; Cotton-Barratt, Farquhar, Halstead, Schubert, & Snyder-Beattie, 2016) but which still have a long-term impact (Turchin & Denkenberger, 2018b).

Achieving the **S**ustainable **D**evelopment **G**oal**s** can be considered to be a means of **reduc**ing the long-term global **catastrophic** and **existential risks** for humanity. **Conversely** if the targets represented across the SDGs remain **unachieved** there is the potential for these forms of **risk** to **develop**. This association **combined** with the **likely emergence** of **new challenges** over the next decades (Cook, Inayatullah, Burgman, Sutherland, & Wintle, 2014) means that it is of great value to identify points within the systems representations of the Sustainable Development Goals that could both lead to global catastrophic risk and existential risk, and conversely that could act as **prevention**, or **leverage points** in order to avoid such outcomes. This identification in turn enables sensible policy responses to be constructed (Sutherland & Woodroof, 2009).

Whilst **existential threats** are **unlikely**, there is **extensive peril** in **global catastrophic risks**. Despite being lesser in severity than existential risks, they **increase** the **likelihood of** human **extinction** (Turchin & Denkenberger, 2018a) through **chain reactions** (Turchin & Denkenberger, 2018a), and **inhibiting** humanity’s **response to other risks** (Farquhar et al., 2017). It is **necessary** to **consider** **risks** that **may seem small,** as **when acting together**, they can have **extensive consequences** (Tonn, 2009). Furthermore, the high adaptability potential of humans, and society, means that for humanity to become extinct, it is **most likely** that there would be a **series of events** that **culminate** in **extinction** **as opposed to one** large scale **event** (Tonn & MacGregor, 2009; Tonn, 2009).

Whilst the prospect of existential risk, or global catastrophic risk can seem distant, the Stern Review on the Economics of Climate Change estimated the risk of extinction for humanity as 0.1 % annually, which accumulates to provide the risk of extinction over the next century as 9.5 % (Cotton-Barratt et al., 2016). With respect to identifying these risks, it is known that in particular, “**positive feedback loops**… represent the **gravest** existential **risks**” (Kareiva & Carranza, 2018), with pollution also having the potential to pose an existential risk.

### Dynamism

#### Case-by-case means Courts are leniant

Newman 19 [John Newman is a University of Miami School of Law professor and a former attorney with the U.S. Department of Justice Antitrust Division, "What Democratic Contenders Are Missing in the Race to Revive Antitrust", 4/1/19, https://www.theatlantic.com/ideas/archive/2019/04/what-2020-democratic-candidates-miss-about-antitrust/586135/]

But the federal courts represent a massive stumbling block for any progressive antitrust movement. Reformers have identified two paths forward; both lead eventually to the court system. The first is relatively moderate: appoint regulators who will actually enforce the laws already on the books. Warren’s plan rests in part on this straightforward idea. The second, more audacious path requires congressional action to amend and strengthen our current laws. Warren’s call for a new ban on technology companies’ buying and selling via their own platforms falls into this category. Klobuchar has also proposed new antitrust legislation that would make it easier to block harmful mergers and acquisitions.

But no matter its content, enforcing a law requires persuading a judge. When it comes to U.S. antitrust laws, federal judges—not Congress, and not regulatory agencies—are the ultimate arbiters. The Department of Justice Antitrust Division, one of our two public enforcement agencies, files all its cases in federal courts. And although the Federal Trade Commission (the other) can decide cases internally, the inevitable appeals eventually end up in court as well.

No matter how strongly worded a law may be, ideologically driven judges can usually find a way around enforcing it. The cyclical history of U.S. antitrust law is proof that judges wield nearly limitless institutional power in this area.

Soon after Congress passed the Sherman Act in 1890, a conservative Supreme Court began to chip away at its effectiveness. Congress reacted in 1914 with the Clayton Act, which sought to ban anticompetitive mergers. In 1936, at the height of the New Deal era, Congress passed the Robinson-Patman Act, which prohibits price discrimination (charging different prices to different buyers for the same product). These laws were actively enforced for decades.

But starting in the late 1970s, conservative judges began to erode the Clayton Act. Today, megamergers among competitors such as Bayer and Monsanto barely raise eyebrows. So-called vertical mergers, which combine suppliers and their customers, are now all but immune from antitrust enforcement—see the DOJ’s failed challenge to AT&T and Time Warner’s recent tie-up.

Under the business-friendly Roberts Court, the Robinson-Patman Act has similarly been eviscerated. By the 2000s, the ideas of the conservative Chicago School had become mainstream in antitrust circles. Robinson-Patman, a law intended to protect small businesses, was an easy target for Chicago School critics narrowly focused on efficiency and low consumer prices. Their attacks found a receptive audience in the federal judiciary. Among insiders, Robinson-Patman is now known as “zombie law.” It remains on the books, but regulators no longer bother trying to enforce it.

If Democrats want to change antitrust law, they will first and foremost need to change the judges who apply it

. Yet none of the 2020 contenders championing antitrust reform have even mentioned the possibility of appointing progressive antitrust thinkers to the bench.

Conservatives, on the other hand, have long recognized the centrality of antitrust to broader questions about the apportionment of power in society. In his seminal work, The Antitrust Paradox, Robert Bork called antitrust a “microcosm in which larger movements of our society are reflected.” Battles fought in this arena, Bork wrote, “are likely to affect the outcome of parallel struggles in others.” Strong antitrust enforcement keeps powerful monopolies in check. Toothless antitrust allows the unlimited accumulation of corporate power.

Recognizing the high stakes, the Republican Party has gone to great lengths to appoint conservative antitrust experts to the federal judiciary. Bork was an antitrust professor at Yale Law School before becoming an appellate judge in 1982.\* Frank Easterbrook practiced and taught antitrust before donning the black robe in 1985. Douglas Ginsburg served as the head of the Justice Department’s Antitrust Division before he became a federal judge in 1986. None of the three managed to join the Supreme Court, but not for lack of trying. Reagan nominated both Bork and Ginsburg to serve as justices, though Ginsburg withdrew and Bork was famously rejected after a contentious Senate hearing.

And whom did the GOP select as its very first U.S. Supreme Court nominee during the Trump Administration? None other than Neil Gorsuch, who practiced antitrust law for more than a decade before joining the Tenth Circuit. Even as a judge, Gorsuch continued to teach a law-school course on antitrust until his confirmation to the Supreme Court in 2017.

Once upon a time, progressives demonstrated similar concern about judicial treatment of antitrust laws. Justice Stephen Breyer, for example, served as special assistant to the head of the DOJ Antitrust Division before his judicial appointment by President Jimmy Carter. Earlier still, Justice John Paul Stevens was an antitrust lawyer, scholar, and professor before his appointment to the bench.

Today’s Democratic 2020 hopefuls seem to have forgotten the lessons of history. Their antitrust proposals focus exclusively on appointing the right regulators and amending our current statutes. These are right-minded ideas, but they overlook the central role judges play in our political system.

There is an old saying in the legal community: “Hard cases make bad law.” That may be true, but it is just as often the case that bad judges make bad law. Real antitrust reform will require more than regulatory and legislative tweaks; it will require the right judges.

#### Digital platform economies are fine now---studies.

Baye ’20 [Michael Baye, James Cooper, Kenneth Elzinga, Deborah Garza, Thomas Hazlett, Benjamin Klein, Tad Lipsky, Scott Masten, Maureen Ohlhausen, James Rill, Vernon Smith, Robert Willig, Joshua Wright, and John Yun, with some professors omitted for convenience; May 20; Former Director of the FTC’s Bureau of Economics, Bert Elwert Professor of Business at Indiana University; Former Acting and Deputy Director of the FTC’s Office of Policy Planning; Economics Professor at the University of Virginia; Chair of the Antitrust Modernization Commission, Former Acting and Deputy Assistant Attorney General of the DOJ’s Antitrust Division; Former Chief Economist of the FCC, Economics Professor at Clemson University; Economics Professor at UCLA; Former Acting Director of the FTC’s Bureau of Competition, Former Deputy Assistant Attorney General of the DOJ’s Antitrust Division; Business Economics and Public Policy at the University of Michigan; Former Acting Chairman & Commissioner of the FTC; Former Assistant Attorney General of DOJ’s Antitrust Division; Nobel Laureate in Economics and Professor at Chapman University; Former Deputy Assistant Attorney General for Economics at the DOJ’s Antitrust Division, Economics and Public Affairs Professor at Princeton University; Former Commissioner of the FTC, Law Professor at George Mason University; Former Acting Deputy Assistant Director of the FTC’s Bureau of Economics, Law Professor at George Mason University; “Joint Submission Of Antitrust Economists, Legal Scholars, And Practitioners To The House Judiciary Committee On The State Of Antitrust Law And Implications For Protecting Competition In Digital Markets,” <https://laweconcenter.org/wp-content/uploads/2020/05/house_joint_antitrust_letter_20200514.pdf>]

I. The Digital Economy is Healthy, Competitive, and Benefits Consumers

We do not recount here the extensive literature calling into question claims that market power and concentration have been systematically increasing, resulting in serious consequences for consumers, workers, innovation, economic inequality, and more. 9 At best, we have an incomplete and imperfect understanding of recent market trends; there is undoubtedly more research to do. But the weight of the literature today—much of which is no more than a couple of years old and some of which is still in working paper form—does not support the conclusion that the economy has been trending inexorably toward increased market power and greater consumer harm, especially for the purpose of justifying dramatic legislative changes to the antitrust framework. It is certainly not the case that “any conclusion to the contrary reflects either an incomplete or incorrect understanding of economics and the economic literature from the last several decades.”10

The most recent studies suggest that the observed changes in national-level concentration are brought about by the expansion of more productive large firms into local markets leading to, in these economists’ own words, “more, rather than less, competitive markets.”11 Further, despite occasional claims to the contrary, the literature has not uncovered systematic competition problems in digital markets. The best interpretation of existing evidence is that the deployment of new technology by traditional industries has increased economies of scale and scope and enhanced local competition.12 None of the economic evidence supports claims about generally enhanced market power in markets inhabited by the companies that develop such technological tools.

Prominent economists across the political spectrum have offered similar analyses, all of which serve to call into question the certitude of the assertions underlying the calls for radical antitrust reform.13

The digital economy is rife with competition and innovation, and consumers are benefitting in meaningful and remarkable ways from dynamic rivalry among companies big and small. That does not mean the digital economy is, or should be, immune from antitrust scrutiny. But recent scholarship strongly suggests that competition in that sector of the economy has thrived under the existing antitrust laws, which can and should be applied when those laws are violated.

### Adv 2

#### Internet is safe—open, secure, resilient

Negroponte, 13 (John Negroponte – research fellow and lecturer in international affairs at Yale University's Jackson Institute for Global Affairs, 8/16, The Christian Science Monitor, [http://www.csmonitor.com/Commentary/ Global-Viewpoint/2013/0816/The-Internet-will-not-survive-unless-we-defend-it](http://www.csmonitor.com/Commentary/%20Global-Viewpoint/2013/0816/The-Internet-will-not-survive-unless-we-defend-it))

The Internet as we know it is open, secure, and resilient. This is no mistake. It was designed and has evolved this way. Due to its open nature, the Internet has gained traction at a fantastic pace and transformed the world by fostering communication and innovation while generating tremendous economic growth. Roughly 2.5 billion people, more than one-third of the world’s population, currently use the Internet, and another 2.5 billion individuals are expected to go online by the end of this decade.

### Dependency Trap

#### LIO resilient.

Ikenberry ’18 [John; June 28; Professor of International Relations at Princeton University; Ethics & International Affairs, “Why the Liberal World Order Will Survive,” vol. 32, no. 1]

Self-Reinforcing Characteristics of Liberal International Order

The United States has dominated the post-war international order. It is an order built on asymmetries of power; it is hierarchical. But it is not an imperial system. It is a complex and multilayered political formation with liberal characteristics— openness and rules-based principles—that generate incentives and opportunities for other states to join and operate within it.

Four characteristics reinforce and draw states into the order. First, it has integrative tendencies. Over the last century states with diverse characteristics have found pathways into its “ecosystem” of rules and institutions. Germany and Japan found roles and positions of authority in the post-war order; and after the cold war many more states—in Eastern Europe, Asia, and elsewhere—have joined its economic and security partnerships. It is the multilateral logic of the order that makes it relatively easy for states to join and rise up within the order. Second, the liberal order offers opportunities for leadership and shared authority. One state does not “rule” the system. The system is built around institutions, and this provides opportunities for shifting and expanding coalitions of states to share leadership. Formal institutions, such as the IMF and World Bank, are led by boards of directors and weighted voting. Informal groups, such as the G-7 and G-20, are built on principles of collective governance. Third, the actual economic gains from participation within the liberal order are widely shared. In colonial and informal imperial systems, the gains from trade and investment are disproportionately enjoyed by the lead state. In the existing order, the “profits of modernity” are distributed across the system. Indeed, China’s great economic ascent was only possible because the liberal international order rewarded its pursuit of openness and trade-oriented growth. For the same reason, states in all regions of the world have made systematic efforts to integrate into the system. Finally, the liberal international order accommodates a diversity of models and strategies of growth and development. In recent decades the Anglo-American model of neoliberalism has been particularly salient. But the post-war system also provides space for other capitalist models, such as those associated with European social democracy and East Asian developmental statism. The global capitalist system might generate some pressures for convergence, but it also provides space for the coexistence of alternative models and ideologies.

These aspects of the liberal international order create incentives and opportunities for states to integrate into its core economic and political realms. The order allows states to share in its economic spoils. Its pluralistic character creates possibilities for states to “work the system”—to join in, negotiate, and maneuver in ways that advance their interests. This, in turn, creates an order with expanding constituencies that have a stake in its continuation. Compared to imperial and colonial orders of the past, the existing order is easy to join and hard to overturn.