# 1AC—Dartmouth GG

## 1AC – Kentucky

### 1AC – Dynamism

#### Contention one: Dynamism

#### Dominant digital platforms gatekeep access to markets by both operating a platform and marketing their own goods on it. Only structural prohibitions prevent barriers to entries posed by companies’ structure, not just the scale of their market power.

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]

A handful of digital platforms exert increasing control over key arteries of American commerce and communications. Structuring access to markets, these firms function as gatekeepers for billions of dollars in economic activity. By virtue of setting marketplace rules for the millions of merchants, producers, and developers dependent on their infrastructure, dominant platforms today “function as regulators.”3

As these platforms further concentrate market power, there are rising concerns about their size—usually in reference to the large share that each firm captures of its primary markets.4 Yet an equally important question concerns not the scale of these companies but their structure. One feature dominant digital platforms share is that they have integrated cross business lines such that they both operate a platform and market their own goods and services on it. This structure places dominant platforms in direct competition with some of the businesses that depend on them, creating a conflict of interest that platforms can exploit to further entrench their dominance, thwart competition, and stifle innovation.5 Consider Spotify’s effort to reach users through Apple’s iPhone while Apple sought to promote Apple Music. In 2016, Spotify revealed that Apple had blocked the streaming application from the App Store, “continu[ing] a troubling pattern of behavior by Apple to exclude and diminish the competitiveness of Spotify on iOS and as a rival to Apple Music.”6 Or take the challenge faced by Yelp, Foundem, and scores of online services to reach internet users while Google sought to build out its own competitor offerings.7

In Europe and India, competition authorities have found that Google ranks its own services higher than those offered by rivals, a “search bias” that means anyone competing with Google properties may effectively disappear from Google search results.8 Merchants that rely on Amazon to reach consumers are in a similar bind: Not only must they jostle for placement against Amazon’s own goods, but they also face the constant risk that Amazon will spot their bestselling items and produce them itself.9 Facebook, equipped with technology that lets it detect which rival apps are succeeding, would often give companies a choice: Be acquired by Facebook, or watch it roll out a direct replica.10 Competing with one of these giants on the giant’s own turf is rife with hazards.

Venture capitalists now factor this risk into their investment decisions.11 Indeed, the power of these gatekeeper platforms to steer the fate of countless other firms is described by entrepreneurs and investors as “having a profound impact on innovation in Silicon Valley”12 and “choking off the start-up world.”13 Venture capitalists now discuss a “kill-zone” around digital giants—“areas not worth operating or investing in, since defeat is guaranteed.”14 Discussing how tech platform giants today use their integrated structure to undermine rivals, a product manager who worked for Microsoft leading up to its antitrust suit observed, “It’s what we did at Microsoft.”15

Indeed, the way in which dominant online platforms threaten to undermine competition and distort markets today is not entirely new. At its core, the problem traces to a basic challenge posed by firms that capture control over a critical network or channel of distribution. Regulators and competition authorities have traditionally harnessed a set of tools to ensure that bottleneck facilities do not distort competition. These tools include common carriage, which requires firms to offer customers equal access on equal terms,16 as well as interoperability, which requires networks to maintain an open interface, enabling users to switch between platforms with ease.17 These policies respond, respectively, to problems of discrimination and lock-in.

In digital markets, however, third parties that depend on a platform risk not just discrimination and lock-in but also appropriation. Because dominant platforms monitor with unrivaled precision the business activity of third parties while also competing with them, a platform can harvest insights gleaned from a producer at the producer’s expense. This Article argues that these combined problems of discrimination and information appropriation invite recovering common carriage’s forgotten cousin: structural separations. Structural separations place clear limits on the lines of business in which a firm can engage. Rather than prohibit particular business practices, separations proscribe certain organizational structures. In antitrust, structural remedies are contrasted with behavioral ones: Whereas behavioral remedies seek to prevent firms from engaging in specific types of conduct, structural remedies seek to eliminate the incentives that would make that conduct possible or likely in the first place.18

Structural prohibitions have been a traditional element of American economic regulation. They have been applied as a standard regulatory tool and key antitrust remedy in network industries, often to prohibit a dominant intermediary from competing with the businesses that depend on it to get to market. While common carriage regimes prevent a firm from discriminating—requiring equal service on equal terms—structural prohibitions eliminate one source of the incentive to discriminate. In this way, common carriage and structural separations often functioned as complements in the service of nondiscrimination.

Today, structural separations have largely been abandoned.19 At the same time that lawmakers have significantly weakened or outright eliminated sector-specific regulatory regimes, judicial interpretation of antitrust law has drastically narrowed the forms of vertical conduct and structures that register as anticompetitive. And when antitrust enforcers have targeted these forms of conduct and structures in recent years, they’ve applied remedies that generally (1) fail to target the underlying source of the problem and (2) overwhelm the institutional capacities of the government actors assigned to oversee them.20 Neglecting structural separations results in both substantive harms and institutional misalignments—effects that are especially pronounced in digital markets.

#### Case-by-case adjudication creates slow and ambiguous enforcement of prohibitions on unfair business practices – regulatory uncertainty substantially disadvantages entrants.

Chopra & Khan ’20 [Rohit; Commissioner @ Federal Trade Commission; and Lina; Chairperson @ Federal Trade Commission, JD @ Yale Law School; “The Case for “Unfair Methods of Competition” Rulemaking,” *The University of Chicago Law Review* *87*(2), p. 357-380; AS]

Antitrust law today is developed exclusively through adjudication. In theory, this case-by-case approach facilitates nuanced and fact-specific analysis of liability and well-tailored remedies. But in practice, the reliance on case-by-case adjudication yields a system of enforcement that generates ambiguity, unduly drains resources from enforcers, and deprives individuals and firms of any real opportunity to democratically participate in the process. One reason that antitrust adjudication suffers from these shortcomings is that courts analyze most forms of conduct under the “rule of reason” standard. The “rule of reason” involves a broad and open-ended inquiry into the overall competitive effects of particular conduct and asks judges to weigh the circumstances to decide whether the practice at issue violates the antitrust laws. Balancing short-term losses against future predicted gains calls for “speculative, possibly labyrinthine, and unnecessary” analysis and appears to exceed the abilities of even the most capable institutional actors.1 Generalist judges struggle to identify anticompetitive behavior2 and to apply complex economic criteria in consistent ways.3 Indeed, judges themselves have criticized antitrust standards for being highly difficult to administer.4 And if a standard isn’t administrable, it won’t yield predictable results. The dearth of clear standards and rules in antitrust means that market actors face uncertainty and cannot internalize legal norms into their business decisions.5 Moreover, ambiguity deprives market participants and the public of notice about what the law is, thereby undermining due process—a fundamental principle in our legal system.6

Decades ago, former Commissioner Philip Elman observed that case-by-case adjudication “may simply be too slow and cumbersome to produce specific and clear standards adequate to the needs of business~~men~~[people], the private bar, and the government agencies.”7 Relying solely on case-by-case adjudication means that businesses and the public must attempt to extract legal rules from a patchwork of individual court opinions. Because antitrust plaintiffs bring cases in dozens of different courts with hundreds of different generalist judges and juries, simply understanding what the law is can involve piecing together disparate rulings founded on unique sets of facts. All too often, the resulting picture is unclear. This ambiguity is compounded when the Supreme Court assigns to lower courts the task of fleshing out how to structure and apply a standard, potentially delaying clarity and certainty for years or even decades.8

#### FTC rulemaking improves the speed, clarity and certainty of enforcement to level the playing field for market entrants.

Chopra & Khan ’20 [Rohit; Commissioner @ Federal Trade Commission; and Lina; Chairperson @ Federal Trade Commission, JD @ Yale Law School; “The Case for “Unfair Methods of Competition” Rulemaking,” *The University of Chicago Law Review* *87*(2), p. 357-380; AS]

“Rulemaking” often evokes the idea of government imposing some inflexible prescription upon the marketplace. This is not what we are suggesting. As former Commissioner Elman rightly noted, rulemaking can also be related to “standards, guidelines, pointers, criteria, or presumptions.”41 Rules come from courts, legislative bodies, and agencies. While they were not promulgated as agency rules, certain elements of the merger guidelines eventually came to serve as rules once courts adopted them.42 The merger guidelines stipulate the analytical framework that the agencies rely on to enforce the merger law. Agency rulemaking could do the same for “unfair methods of competition.”

We see three major benefits to the FTC engaging in rulemaking under “unfair methods of competition,” even if the conduct could be condemned under other aspects of antitrust laws. As we describe above, the current approach generates ambiguity, is unduly burdensome, and suffers from a democratic participation deficit. Rulemaking can benefit the marketplace and the public on all of these fronts.

First, rulemaking would enable the Commission to issue clear rules to give market participants sufficient notice about what the law is, helping ensure that enforcement is predictable.43 The APA requires agencies engaging in rulemaking to provide the public with adequate notice of a proposed rule. The notice must include the substance of the rule, the legal authority under which the agency has proposed the rule, and the date the rule will come into effect.44 An agency must publish the final rule in the Federal Register at least thirty days before the rule becomes effective.45

These procedural requirements promote clear rules and provide clear notice. As the Supreme Court has stated, a “fundamental principle in our legal system is that laws which regulate persons or entities must give fair notice of conduct that is forbidden or required.”46 Clear rules also help deliver consistent enforcement and predictable results. Reducing ambiguity about what the law is will enable market participants to channel their resources and behavior more productively and will allow market entrants and entrepreneurs to compete on more of a level playing field.

#### Trends are unsustainable – ROI will soon equate the cost of capital – the plan ignites a gale of creative destruction to induce drastic, not incremental innovation.

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.

#### Even uncertainty dissuades start-up entry and investment – dynamism is at 30-year lows.

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]

1. Are Dominant Digital Platforms Stifling Innovation? — One risk associated with foreclosure and value appropriation by dominant digital platforms is that this conduct could deter entry and chill innovation. If independent developers or producers rely on a dominant platform to reach customers and also face the constant risk that the platform will foreclose access, appropriate their business value, or both, producers may be less likely to secure funding and develop their product in the first place. In Microsoft, the district court found that Microsoft’s exclusionary conduct not only had hobbled innovation in middleware and applications software but had discouraged competition throughout the computer industry as a whole.185 The long-term effect of its conduct was to “deter[] investment in technologies and businesses that exhibit[ed] the potential to threaten Microsoft.”186

Anecdotal evidence suggests that both actual entry and the threat of entry by digital platforms into platform-adjacent markets is dampening investment in complementary segments, now known as a “kill-zone.”187 For example, a survey of more than two dozen Silicon Valley investors revealed that Facebook’s willingness to appropriate information from and mimic the functionality of apps has created “a strong disincentive for investors” to fund services that Facebook might copy.188 One founder observed, “People are not getting funded because Amazon might one day compete with them.”189 “We don’t touch anything that comes too close to Facebook, Google or Amazon,” said a managing partner at New Enterprise Associates.190 Another venture capital investor noted that the impact of dominant digital platforms on “what can be funded, and what can succeed, is massive.”191 This concern raised by venture capitalists makes sense: A potential innovator (or a potential funder of a potential innovator) decides whether to invest based on the anticipated risk and reward of realizing the innovation. Anticipating platform discrimination or appropriation will lower expected rewards, depressing the incentive to invest. Even the uncertainty of discrimination can dissuade entry by heightening risk.

Data on investment trends do not offer a decisive answer but generally seem consistent with the story told by surveyed investors. Venture capital funding as a whole appears to be booming: In 2018, the total annual venture capital invested surpassed $100 billion for the first time since the dot-com period.192 The number of angel and seed investments, meanwhile, has been declining since 2015, signaling that it has become harder for startups to secure an initial round of financing.193 Indeed, it is late-stage deals with mature companies that account for an “outsized proportion” of total capital today,194 while startups see fewer first financings, even as the deal value for startups has increased.195 In other words, venture capital markets seem to be following a winner-takemost model: Fewer firms receive funding, but those that do are raising more capital.196 These trends come against a backdrop of falling entrepreneurship: Startup formation is at a thirty-year low, contributing to a loss of business dynamism.197

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#### There are no neatly bounded ways to capture all dimensions platform power – expanding rulemaking authority for an expert agency allows separations regimes to match market realities.

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D. Application: Challenges and Unresolved Questions

Implementing a separations regime presents some first-order questions and challenges. First, how do we define platforms and to which platforms should a separation apply? Second, how does one identify the parameters of the platform, especially when integration provides heightened functionality? Third, what should be the scope of the prohibited activity and how should the prohibition be structured? And fourth, what is the proper institutional mechanism for implementing the separation? This section offers some initial suggestions for how to approach these questions. Arriving at a complete analytical framework for structuring separations in digital markets will require deeper engagement with these issues.

1. Defining Platform. — Offering a clearly bounded definition of “platform” is challenging. Most definitions look to the role that the entity plays in intermediating activity by others. One definition, for example, is “a firm that controls a network, facility, or essential input that those providing a complementary good or service” must “rely on.”635 Another set of definitions focuses on the infrastructure-like role that these firms play, by structuring access to markets or facilitating transactions.636 And some discussions use the terms “network,” “infrastructure,” and “platform” interchangeably.637

Recent studies by policymakers have also settled on the idea that dominant platforms play a unique role that regulators should recognize. In March, the Digital Competition Expert Panel—a panel convened by the U.K. government to study digital markets—issued a report proposing, among other ideas, that dominant platforms that enjoy a “powerful negotiating position” be designated as having a “strategic market status” and be required to abide by a special code of conduct.638 A report commissioned by the European Commission, meanwhile, noted that, by designing marketplace rules that govern millions of users, dominant platforms “function as regulators” that should face a special responsibility to “ensure a level playing field” on their marketplace and “not use [their] rule-setting power to determine the outcome of competition.”639 Given the challenge of offering a bounded definition of “dominant platform,” any definition will likely be under- or over-inclusive. But any definition should seek to capture the degree of market power that the platform enjoys over users.640 How essential is the platform’s infrastructure? To what degree do other businesses depend on the platform to reach users, and what is the cost to businesses of avoiding this platform and using alternative channels? Relevant factors could include: (1) the extent to which the entity serves as a central exchange or marketplace for the transaction of goods and services, including the level of market power that it enjoys in its platform market; (2) the extent to which the entity is essential for downstream productive uses, and whether downstream users have access to viable substitutes for the entity’s services; (3) the extent to which the entity derives value from network effects, and the type of network effects at play; (4) the extent to which the entity serves as infrastructure for customizable applications by independent parties; and (5) the size, scope, scale, and interconnection of the company.

There are no neatly bounded ways to capture these dimensions of platform power. When implementing “maximum separation,” the FCC initially used operating revenue as the criterion for determining which carriers must comply.641 In the context of digital platforms, market share may prove a better proxy than operating revenues, given that it is the platform’s role as a gatekeeper or bottleneck—for which there are no real adequate substitutes—that gives rise to the relevant harms.

The prohibition should be centered on the activities that the platform facilitates as a bottleneck. Since a key goal of the separations regime is to eliminate the conflict of interest that arises when a dominant platform directly competes with the firms using the platform,642 only activity that would place platforms in direct competition in this way would be subject to the prohibition. This would not prevent platforms from integrating into lines of business that do not rely on the platform market. Nor would such a separations regime target conglomeration or vertical integration categorically; it would instead focus on platform entry into markets that creates the ability and incentive to discriminate, to leverage dominance, and to use information collected on firms as customers against them as competitors.

2. Distinguishing Between Platform and Commerce. — Applying separations to digital platforms would likely raise the challenge of identifying what constitute distinct products or services. In Microsoft, for example, the court had to determine whether the operating system and the browser—the two products the government claimed Microsoft had “tied”—should be considered a single integrated system.643 Microsoft argued that bundling new functionality into old products was a basic component of technological evolution.644 A similar issue may arise with digital platforms: Android, for example, could claim that certain apps must be integrated with its operating system in order to provide basic functionality or for technical necessity.

The traditional metric for assessing whether a set of bundled products constitute separate products is consumer demand. In Microsoft, the D.C. Circuit relied on Jefferson Parish’s consumer-demand test to determine whether consumers preferred a choice in browsers.645 Applying a similar inquiry in the platform context could similarly help identify whether integration of distinct functionalities should be viewed as an integrated system or as a platform. Regulators would also have the capacity to determine, over time, whether certain apps or features were necessary for basic functionality and whether the benefits of integration were sufficiently high to offset any potential harms to innovation. There may also be specific apps or functionalities where innovation is less likely to be transformative, and therefore where integration may prove fewer risks. As with earlier regimes, periodic reassessment and revisions would prove necessary to ensure the separation continued to accord with and reflect evolving market realities.

3. Institutional Mechanism and Timing. — A separations regime separating platforms and commerce could be implemented through statute or rulemaking or as antitrust remedies (under existing or new antitrust law). A statute from Congress could also establish the principle of separating platforms from commerce—as was the case with banking— with the specific authority to design and implement separations delegated to an agency. This approach would benefit from having an expert agency design and revisit the separation. Absent new legislation, the FTC could use its Section 5 authority to implement a separations principle through rulemaking.646 Designing separations only through rulemaking would require the agency to create rules of general applicability and— absent a specific congressional mandate—could limit the agency’s ability to structure highly tailored separations. Antitrust remedies would be costlier and take significantly longer, requiring the government or a private party to successfully show anticompetitive conduct and effects stemming from a digital platform’s involvement in multiple markets.

Given the enfeebling of antitrust doctrines that police single-firm anticompetitive conduct—and the judicial requirement that remedies be carefully tailored to competitive harm—this path is likely to be significantly more challenging.647 Previous instances of structural separations offer a few models for structuring these prohibitions. An operational or functional separation requires the firm to create separate divisions within the firm, requiring that a platform wishing to engage in commerce may do so only through a separate and independent affiliate, which the platform may not favor in any manner. A full structural separation, by contrast, requires that the platform activity and commercial activity be undertaken through separate corporations with distinct ownership and management. For example, the functional approach would permit Alphabet to operate Google search and vertical services that produce content so long as the two complementary services are structured as separate affiliates. The second option would prohibit Alphabet from running both the platform service and the complementary service, requiring that one be spun off and run by an independent owner.

It’s not clear that anything short of a full structural separation would be sufficient, especially given the risks of information misappropriation. While running complementary services as affiliates could be accompanied by information firewalls, the efficacy of firewalls requires close monitoring.648 Evidence shows that the antitrust agencies have neglected to fully monitor and enforce conduct remedies in the past.649 Moreover, firewalls may prove especially difficult to monitor in the context of digital platforms, given the heightened information asymmetries between private platform firms and public enforcers. It is possible that the risk of information misappropriation may vary by platform—but dominant platforms should carry the burden of establishing why operating complementary services as affiliates would not be anticompetitive.

Finally, a basic challenge facing regulators and enforcers when dealing with high-tech industries is the role of timing. Because these markets can evolve quickly, market changes can render regulatory interventions obsolete.650 Similarly, the failure to intervene can leave exclusionary conduct unchecked, resulting in path-dependent reductions in innovation. Any subsequent attempt to impose separations should include a built-in review process every two to three years, to ensure that the remedy still matches the market conditions.65

#### Digital start-up entry prevents slow growth – only a competitive technology sector stimulates the economy.

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A growing role of science and state-of-the-art technology in ensuring sustainable economic growth has become obvious lately [1, 2]. The innovation type of development has placed a special emphasis on the use of the leading-edge technologies, the production of high-tech products, the implementation of progressive organizational and management decisions [3]. Technology has fundamentally and quickly changed the structure of the world economy and has become one of the primary factors in economic progress. The shifts have outlined the radically new global space, novel conditions for competition in world markets, and modern principles of interaction between enterprises.

The role of technology in today’s economy has long been debated among researchers [4, 5]. However, there is still a lack of studies on the reasons behind technological inequality between countries. Currently, one can observe a new bipolar configuration of the global technological space forming, where the USA and China are taking the lead and all other countries are unable to close this gap in the short term [6, 7]. The spread of technological innovations is uneven, which causes technological inequality to emerge that represents a new challenge to sustainable economic development. The availability of technology and capital exacerbates the problem of economic differentiation. At that, the modern form of uneven development can no longer be represented using the common schemes, since it is widely manifested in various fields. Such indicators as labor productivity, living standards, GDP per capita, etc. characterize the overall state of national economies, but do not specify the factors which contributed to obtaining this position. Structural analysis highlights that the technological factor is among the most significant ones determining the objective pattern of uneven development [8]. However, the question remains about the constituent parts of the technological factor (its component base), methods and approaches to assessing the influence of this factor on economic growth. Researchers have different approaches to the selection of a set of technological factor indicators. This poses a problem of methodological consistency that precludes comparative research. For this reason, the topic of this study is becoming relevant, related to the study of the influence of the technological factor on differences in economic growth and inequality between countries.

Thus, the relevant studies point to a distinctive primacy of manufacturability as the main factor in sustainable economic development. Then, we aim to clarify the role of the technological factor. However, even now one can argue that the aggravated cross-country competition implies the need for tools to assess and determine the key determinants of technological economic growth. The results are expected to confirm the significance of the technological factor, allow identifying its parameters and setting their priorities for improving economic policy aimed at sustainable development. These circumstances understood will open up opportunities for countries to narrow the technology gap.

2. Literature review on the technological factor of economic development

Economic theory pays special attention to issues of development and sustainable growth, as well as the causes of differences and factor changes. The sources of economic growth through GDP were specified in [9–13]. These researchers agree that sustainable economic growth is driven by factors such as new technologies and globalization. However, with the availability and access to these factors, it becomes important to build optimal management. The dynamics of economic growth is believed to be based on the results of structural transformations, mastering new technological principles, the introduction of innovations and an increase in labor productivity. At that, the seemingly insignificant differences in the economic growth rates bring about the substantial divergence in countries’ economic potential. Determining these discrepancies becomes a relevant scientific task.

It is becoming increasingly obvious that if the economy is not focused on technological innovation, it has no prospects for long-term development [14–17]. Some researchers, such as [14], focus on fundamentally new solutions (patents) that have commercial implementation potential. We can agree with this opinion, because it is innovation that should ensure accelerated economic growth at the expense of competitive advantages. A similar opinion is expressed by [15]. The publication [16] proves that renewed industrialization becomes an important condition for the development of technology. According to [17], entrepreneurial skills are needed to support industrialization.

Numerous studies [18–20] demonstrate that there is a direct correlation between the technological preparedness of a country and its ranking in the global economy. Research results on this issue are coordinated. These trends, if underestimated, lead to the fact that some countries can find themselves lagging behind. Here, it is important to realize the essence and the role of the technological factor, as well as the opportunities for managing the level of technological effectiveness of the economy. However, in [18, 19] there are no clear indications of quantitative measures of the technological factor.

We agree with [21], who claims that the technological factor is new technologies or their clusters that underlie the changes in the relative cost of production factors, stimulate the development of new industries and enhance the efficiency of traditional ones. Historical regularities in the emergence of fundamental technological innovations give impetus to structural changes in the economy [22]. Therefore, it is important to identify the determinants of economic growth that occurs against the background of technological structural changes. As practice shows, national economies, which for one reason or another were unable to independently create high-tech products, first applied imitation strategies within the country, and then entered foreign markets by occupying particular niches [23–25]. These researchers note the role of R&D spending and high-tech exports in economic growth. However, factor quantitative estimates are not given. The development of the USA and China are interesting cases here. For example, from a country that had mainly copied innovations, China turned into one of the leading innovation-generating nations leaving behind most other countries in terms of the level of technological development. In this context, the patterns of production, distribution, exchange and consumption of goods are largely predetermined by the peculiar nature of the technological processes [8]. At the same time, the observed temporal reduction of cycles is formed precisely due to the technical progress and the use of innovations [26].

The study of the reasons behind technological inequality is believed to lend some insight into the mechanisms that underlie economic changes. According to [27, 28], the choice of a model of economic growth should focus on mobilizing the potential to follow the technological path of evolution. Since the modern development of the theory of evolutionary economics is based, first of all, on the neo-Schumpeterian theory, which determines the need for structural technological changes in ensuring sustainable economic development, such changes provide for the formation of new industries with a high degree of processing of primary raw materials and an increase in the efficiency of traditional ones. Therefore, the issue of developing an integral strategic management system aimed at ensuring innovative structural changes becomes relevant. As we see it, these changes are of a technological nature.

Thus, the literature review demonstrates that economic growth is significantly affected by the flows of developed and exported technologies [29], as well as R&D costs [30–32]. The presence of stable patterns for these factors allows us to use them in the assessment model. The indicators proposed by the researchers (the share of ideas with the potential for commercialization [33], the share of R&D funding in GDP [34], indicators of science, technology and innovation development [35], the number of patents [36]) often reflect the multidirectional dynamics of the technological factor’ financial aspects and its qualitative components.

The review confirmed the significance of the technological factor for economic growth. At the same time, there is a clash of researchers’ opinions on key determinants. In the context of the literature review, the indicators of the technological factor need to be revised. The question about the approaches to assessing the impact of the technological factor on economic growth is left unanswered, which proves the relevance of the present research.

3. The aim and objectives of the study

The aim of this study is to develop an integrated approach to assessing the impact of a technological factor on economic growth. This will provide an opportunity for a comparative analysis on the countries for technology gaps.

To achieve the stated goal, we aim to fulfill the following objectives:

– to determine the leading countries and outsiders in terms of digitalization of the economy;

– to assess the dependence of economic growth on the technological factor.

4. Materials and methods

In the present study, technological effectiveness refers to the ability of a country to implement structural reorganization in accordance with the model of innovation development and realize its scientific and technological potential. We evaluate the level of technological effectiveness of the economy using the relevant index that serves as the basis for ranking countries. The set of technological factor indicators that will be used in our approach will be adjusted taking into account the literature review.

To calculate the Index (Ii), we use the indicators characterizing various aspects of technological development of the nations under review (Table 1), such as:

– industrial production index (ai );

– the share of the production of machinery and equipment in total value added (bi );

– the share in global value added by the economic activity ‘Production of computing, electronic and optical equipment’ (ci );

– the share in global value added by the economic activity ‘Production of machinery and equipment’ (di );

– ICT development index (ei );

– domestic R&D costs, % in GDP (fi ).

For empirical verification, we use official statistics. The frequency of data updating does not allow reflecting the most recent trends that affect economic processes (such as the impact of COVID-19). This is a research limitation. We also need to understand that some trends are short-term in nature, and their impact can be neglected.

[Chart omitted]

The method of Euclidean distances is used to rank the indicators’ values; normalization (Ixi ) is calculated by formula (1). The boundaries of normalized indicators are set in the range from 0 to 1.

[Equation omitted]

where Xi is the actual value of the indicator; Xmin is the minimum value of the indicator for the sample population; Xmax is the maximum value of the indicator for the sample population.

The level of technological effectiveness is calculated using the cumulative method as a weighted mean:

[Equation omitted]

The closer the Index value is to 1, the higher the level of technological effectiveness of economy.

To determine the econometric relationship between economic growth and indicators characterizing the technological factor, a linear multiple regression model was applied.

[Equation omitted]

where X1, X2, X3…, Xn denote factors; ɛ denotes error; β denotes a vector of the parameters under evaluation.

The gross domestic income of the United States and China for the period of 1996–2019 was taken as dependent variables (Table 2).

The independent variables were represented by the volume of electronics production (Elc), costs incurred in installation and maintenance of equipment/technologies (CTech), the volume of high technology exports (HTExp), and investment in R&D activities (RD). Data are given in Table 3.

[Table omitted]

Based on the purpose of the study, we put forward two hypotheses about the nature of the patterns observed:

Н1. Growing R&D costs accelerate economic growth. Such an increase is expected to stimulate R&D in industries with comparative advantage. Consequently, this strengthens the country’s exports (foreign trade surplus).

Н2. Arrested technological development adversely affects competitiveness and, as a result, economic growth, since outdated equipment results in higher resource intensity and low labor productivity.

We test the hypotheses and the methodology for assessing the level of technological effectiveness using the sample of 30 countries. The aggregate of research objects embraces several developed countries, developing countries with high GDP, as well as developing countries not included in leading world economies. The selection is due to the need to cover a wide range of economies characterized by a wide variety of development conditions.

5. Results comparing technological effectiveness of economies

5. 1. Leading countries and outsiders in terms of technological innovation

The global economy in the context of Industry 4.0 demonstrates a number of specific features that distinguish it from the previous development stages. Firstly, technological innovation is becoming increasingly expensive, which causes a significant increase in R&D costs [38]. Secondly, the rate of technological change has increased dramatically. The terms of development and implementation of new solutions were reduced in the first place [8]. Technological gap can now be measured exponentially [39].

Look at a range of indicators characterizing the level of technological effectiveness of national economies. The share of domestic R&D costs in GDP is one of them (Fig. 1). The highest level of R&D funding in GDP is observed in the Republic of Korea, Sweden, Japan, Germany, the United States, China and other countries leading in the Global Competitiveness Report.

Analysis of the current changes in the global economy indicates that the importance of the comparative advantages of the lower order – cheap labor, basic production resources and the availability of raw materials – is decreasing [40]. At the same time, advantages of a higher order are gaining in significance, such as the ability of countries to develop high-tech industries, to manufacture and export products with a high intellectual component and in-depth processing [41]. For instance, the United States and China account for 90 % of the market capitalization value of the world’s 70 largest digital platforms, 75 % of all patents related to blockchain technologies, more than 75 % of the world market for public cloud computing, about 50 % of global spending on IoT, 40 % of world data centers, 36 % of the global value of e-commerce [42], and 69 % of supercomputers [43]. These areas are of significant potential and can have a serious impact on economic restructuring. Therefore, a special focus of the analysis is put on such indicator as the share of high-tech production (including computing, electronic and optical technology) (Fig. 2). China, Germany, Italy, the United States and Japan have the largest share in global value added in the production of computing, electronic and optical equipment. Norway, Canada, Australia, Sweden, Romania, Poland, etc. are relatively poorly represented in these world markets.

High-tech industries focusing on domestic production can be viewed as sources of economic growth. Data on the share of machinery and equipment production in GDP show similar trends (Fig. 3). High-tech industries strongly stimulate the economic growth of the leading countries – the Republic of Korea, China, the United States, Germany, and Japan, – while countries with low competitiveness demonstrate poor results.

[Table omitted]

Analysis of the countries indicates that some of them did not demonstrate high values of the indicators reviewed, but the level of their technological effectiveness is much higher (the group of “backward” countries embraced Denmark, the Netherlands, Sweden, Norway, and Canada). To gain a comprehensive picture and rank the countries, we have calculated the integral index of the technological effectiveness that covers financial aspects of development, as well as qualitative characteristics of economic growth. The Index calculation methodology is presented in section 4 of the paper. The countries’ ranking is presented in Table 4.

[Table omitted]

5. 2. Assessment of the dependence of economic growth on the technological factor

As articulated earlier, an increase in GDP can result from various factors. To substantiate the relationship between economic growth and the technological factor, we construct a number of models. The parameters of the regression models for the USA and China are given in Tables 5, 6. The parameters of the multiple regression model were obtained using STATISTICA software.

[Table omitted]

We have obtained a model with good quality characteristics; in this case, the coefficient of determination R2=0.996, normalized R-squared=0.995, multiple R=0.998.

[Table omitted]

The model obtained for China is also characterized by good quality characteristics: the coefficient of determination R2=0.999, normalized R-squared=0.999, and multiple R=0.999. Checking of the model adequacy according to the F-test produced the following results: the calculated value F=10.09 at the level of significance p=0.01.

Having analyzed the models’ data, we can conclude that there are no factors with a high probability of insignificance (t-Statistic for each model are greater than the critical value at a significance level of p=0.01), i.e. all regressions are significant.

To evaluate the degree of adequacy of the constructed trend equation to the real process, the mean approximation error was computed. Its value (3.167 % for China and 1.54 % for the United States) indicates that the degree of the quadratic equation’s adequacy to the real conditions of the relationship between economic growth and the technological factor is high.

Fig. 4 provides a visual distribution of actual and calculated values of the regression models.

Analysis of the models for the United States and China allows us to deduce that R&D costs are significant regressants contributing to economic growth; the factor impact on GDP growth in the United States and China is 31.6% and 41.9%, respectively; export of high-tech products provides an increase in GDP by 2.7% and 4.7%, respectively. It is worth noting that the obtained negative coefficients in the regression models suggest a weak correlation between the effective feature (economic growth through GDP) and some factor variables. For China, the indicator “Costs incurred in installation and maintenance of equipment/technologies” reveals an inverse relationship with GDP. A similar trend is observed in the United States for the indicator “Production of electronics”. Our calculations confirm that the strongest relationship is observed between GDP and development costs, as well as the share of high-tech industries in global value added.

[Chart omitted]

The current research proves that countries with substantial R&D funding and a large share of high-tech products in GDP and total exports are characterized by sustainable economic growth. Thus, the H1 hypothesis was confirmed.

The H2 hypothesis was partially confirmed: countries capable of using their innovative potential effectively are characterized by an elevated level of competitiveness. However, the use of outdated technologies does not always results in a decrease in global competitiveness, since these processes can be influenced by the institutional environment, which was beyond the scope of the present study

6. Discussion of the results comparing technological effectiveness of economies

Testing the approach using the case studies of China and the United States makes it possible to extrapolate their experience to countries with a low level of technological effectiveness. For example, the China and USA lead the global market for technological innovation. The country’s competitiveness in this field is due to the highly dynamic nature of American business, strong institutional underpinnings, finance mechanisms and a powerful innovation ecosystem [1]. Index of the countries’ technological effectiveness (Table 4) confirms this trend. The calculated values of the Index indicate the leading positions of these countries. The rapid growth of the renewable energy sector is a testament to why China will continue to dominate the sectors in which it invests heavily [44]. Currently, the PRC accounts for 90 % of the world’s supply of mobile phones and personal computers. In 2018, the country’s share in global semiconductor consumption was 41 %; by 2024, it is forecasted to increase to 54 % [45]. Significant funds received from low- and medium-tech industries in China are directed to those economic sectors, which enjoy research, development and implementation of hightech solutions.

It is noteworthy that in terms of the level of technological development, Kazakhstan, Brazil and Ukraine lag significantly behind some European nations (Romania, Poland, and Bulgaria), Turkey and Mexico. These countries do not exhibit sufficient potential to introduce innovations independently, but with regard to successful transfer and adaptation of foreign high technologies, they are significantly ahead of other countries with a similar development level. India is among the countries with high technological growth potential. India is now at a stage where machine learning tools are rapidly replacing entry-level programmers in the IT sector. So far, India is ranked 15th, but the situation may change soon. The comparison showed the advantage of the proposed methodological approach. We have been able to analyze the technicality of countries using universal data sets. The Index of the countries’ technological effectiveness can be a good alternative to other methods of assessment.

During the research, we have confirmed the hypotheses put forward. Assessment of the dependence of economic growth on the technological factor showed a strong relationship between GDP and R&D costs (Tables 5, 6). These results prove that sustainable economic growth is explained in most cases by significant funding for R&D (the presence of a large share of high-tech products in the country’s GDP) and the export of high-tech products.

Therefore, technologies determine competitive advantages of states at large. However, qualitative factors of economic growth prevail in a continuous innovation process. What determines additional limitations of our methodological approach. Special focus should be placed on a specific feature of the periods when changes occur, i.e. the periods of the so-called “technological gap” [46]. This is when the foundations of the future economy are set. Technological incentives crucial for growth are based on the ability to deliver better results. If technological inequality is excessively gross, it can jeopardize economic growth. Creating favorable conditions for the use of high technologies will not only support the competitiveness of production and attract investment in the economy, but also help resolve such issues as enhancing the efficiency of resource exploitation.

Hence, scientific and technological progress is the central stimulus for economic development, which in production processes is implemented through investment and innovation. At that, the dynamics of economic growth in the long run is dependent on a wide array of factors forming supply and demand for technological change: the current techno-logical capability of the national economy [19]; the development stage of financial institutions; companies’ awareness of R&D, and the effectiveness of technology transfer within the innovation infrastructure [47]; the nature of the state scientific and technical, scientific and technological, structural, and stabilization policy, and the level of state guarantees for the protection of intellectual property rights [25]; conditions of foreign economic activity, and competitiveness of products and services in the global market [48]. The characteristics of the listed factors vary significantly across countries, but the multicausality of the factors indicates that their combinations at certain time intervals can both reduce and boost the level of technological effectiveness.

#### Slow growth causes extinction.

Oppenheimer ’21 [Michael; Clinical Professor in Center for Global Affairs @ New York University, Senior Consulting Fellow @ Scenario Planning at the International Institute for Strategic Studies, Former Executive Vice President @ The Futures Group, Member @ Council on Foreign Relations, Member in the Foreign Policy Roundtable @ Carnegie Council on Ethics and International Affairs, Member @ The American Council on Germany; “The Turbulent Future of International Relations,” in *The Future of Global Affairs: Managing Discontinuity, Disruption and Destruction*, p. 23-43]

Four structural forces will shape the future of International Relations: globalization (but without liberal rules, institutions, and leadership)1; multipolarity (the end of American hegemony and wider distribution of power among states and non-states2); the strengthening of distinctive, national and subnational identities, as persistent cultural differences are accentuated by the disruptive effects of Western style globalization (what Samuel Huntington called the “non-westernization of IR”3); and secular economic stagnation, a product of longer term global decline in birth rates combined with aging populations.4 These structural forces do not determine everything. Environmental events, global health challenges, internal political developments, policy mistakes, technology breakthroughs or failures, will intersect with structure to define our future. But these four structural forces will impact the way states behave, in the capacity of great powers to manage their differences, and to act collectively to settle, rather than exploit, the inevitable shocks of the next decade.

Some of these structural forces could be managed to promote prosperity and avoid war. Multipolarity (inherently more prone to conflict than other configurations of power, given coordination problems)5 plus globalization can work in a world of prosperity, convergent values, and effective conflict management. The Congress of Vienna system achieved relative peace in Europe over a hundred-year period through informal cooperation among multiple states sharing a fear of populist revolution. It ended decisively in 1914. Contemporary neoliberal institutionalists, such as John Ikenberry, accept multipolarity as our likely future, but are confident that globalization with liberal characteristics can be sustained without American hegemony, arguing that liberal values and practices have been fully accepted by states, global institutions, and private actors as imperative for growth and political legitimacy.6 Divergent values plus multipolarity can work, though at significantly lower levels of economic growth-in an autarchic world of isolated units, a world envisioned by the advocates of decoupling, including the current American president.7 Divergent values plus globalization can be managed by hegemonic power, exemplified by the decade of the 1990s, when the Washington Consensus, imposed by American leverage exerted through the IMF and other U.S. dominated institutions, overrode national differences, but with real costs to those states undergoing “structural adjustment programs,”8 and ultimately at the cost of global growth, as states—especially in Asia—increased their savings to self insure against future financial crises.9

But all four forces operating simultaneously will produce a future of increasing internal polarization and cross border conflict, diminished economic growth and poverty alleviation, weakened global institutions and norms of behavior, and reduced collective capacity to confront emerging challenges of global warming, accelerating technology change, nuclear weapons innovation and proliferation. As in any effective scenario, this future is clearly visible to any keen observer. We have only to abolish wishful thinking and believe our own eyes.10

Secular Stagnation

This unbrave new world has been emerging for some time, as US power has declined relative to other states, especially China, global liberalism has failed to deliver on its promises, and totalitarian capitalism has proven effective in leveraging globalization for economic growth and political legitimacy while exploiting technology and the state’s coercive powers to maintain internal political control. But this new era was jumpstarted by the world financial crisis of 2007, which revealed the bankruptcy of unregulated market capitalism, weakened faith in US leadership, exacerbated economic deprivation and inequality around the world, ignited growing populism, and undermined international liberal institutions. The skewed distribution of wealth experienced in most developed countries, politically tolerated in periods of growth, became intolerable as growth rates declined. A combination of aging populations, accelerating technology, and global populism/nationalism promises to make this growth decline very difficult to reverse. What Larry Summers and other international political economists have come to call “secular stagnation” increases the likelihood that illiberal globalization, multipolarity, and rising nationalism will define our future. Summers11 has argued that the world is entering a long period of diminishing economic growth. He suggests that secular stagnation “may be the defining macroeconomic challenge of our times.” Julius Probst, in his recent assessment of Summers’ ideas, explains:

…rich countries are ageing as birth rates decline and people live longer. This has pushed down real interest rates because investors think these trends will mean they will make lower returns from investing in future, making them more willing to accept a lower return on government debt as a result.

Other factors that make investors similarly pessimistic include rising global inequality and the slowdown in productivity growth…

This decline in real interest rates matters because economists believe that to overcome an economic downturn, a central bank must drive down the real interest rate to a certain level to encourage more spending and investment… Because real interest rates are so low, Summers and his supporters believe that the rate required to reach full employment is so far into negative territory that it is effectively impossible.

…in the long run, more immigration might be a vital part of curing secular stagnation. Summers also heavily prescribes increased government spending, arguing that it might actually be more prudent than cutting back – especially if the money is spent on infrastructure, education and research and development.

Of course, governments in Europe and the US are instead trying to shut their doors to migrants. And austerity policies have taken their toll on infrastructure and public research. This looks set to ensure that the next recession will be particularly nasty when it comes… Unless governments change course radically, we could be in for a sobering period ahead.12

The rise of nationalism/populism is both cause and effect of this economic outlook. Lower growth will make every aspect of the liberal order more difficult to resuscitate post-Trump. Domestic politics will become more polarized and dysfunctional, as competition for diminishing resources intensifies. International collaboration, ad hoc or through institutions, will become politically toxic. Protectionism, in its multiple forms, will make economic recovery from “secular stagnation” a heavy lift, and the liberal hegemonic leadership and strong institutions that limited the damage of previous downturns, will be unavailable. A clear demonstration of this negative feedback loop is the economic damage being inflicted on the world by Trump’s trade war with China, which— despite the so-called phase one agreement—has predictably escalated from negotiating tactic to imbedded reality, with no end in sight. In a world already suffering from inadequate investment, the uncertainties generated by this confrontation will further curb the investments essential for future growth. Another demonstration of the intersection of structural forces is how populist-motivated controls on immigration (always a weakness in the hyper-globalization narrative) deprives developed countries of Summers’ recommended policy response to secular stagnation, which in a more open world would be a win-win for rich and poor countries alike, increasing wage rates and remittance revenues for the developing countries, replenishing the labor supply for rich countries experiencing low birth rates.

Illiberal Globalization

Economic weakness and rising nationalism (along with multipolarity) will not end globalization, but will profoundly alter its character and greatly reduce its economic and political benefits. Liberal global institutions, under American hegemony, have served multiple purposes, enabling states to improve the quality of international relations and more fully satisfy the needs of their citizens, and provide companies with the legal and institutional stability necessary to manage the inherent risks of global investment. But under present and future conditions these institutions will become the battlegrounds—and the victims—of geopolitical competition. The Trump Administration’s frontal attack on multilateralism is but the final nail in the coffin of the Bretton Woods system in trade and finance, which has been in slow but accelerating decline since the end of the Cold War. Future American leadership may embrace renewed collaboration in global trade and finance, macroeconomic management, environmental sustainability and the like, but repairing the damage requires the heroic assumption that America’s own identity has not been fundamentally altered by the Trump era (four years or eight matters here), and by the internal and global forces that enabled his rise. The fact will remain that a sizeable portion of the American electorate, and a monolithically proTrump Republican Party, is committed to an illiberal future. And even if the effects are transitory, the causes of weakening global collaboration are structural, not subject to the efforts of some hypothetical future US liberal leadership. It is clear that the US has lost respect among its rivals, and trust among its allies. While its economic and military capacity is still greatly superior to all others, its political dysfunction has diminished its ability to convert this wealth into effective power.13 It will furthermore operate in a future system of diffusing material power, diverging economic and political governance approaches, and rising nationalism. Trump has promoted these forces, but did not invent them, and future US Administrations will struggle to cope with them.

What will illiberal globalization look like? Consider recent events. The instruments of globalization have been weaponized by strong states in pursuit of their geopolitical objectives. This has turned the liberal argument on behalf of globalization on its head. Instead of interdependence as an unstoppable force pushing states toward collaboration and convergence around market-friendly domestic policies, states are exploiting interdependence to inflict harm on their adversaries, and even on their allies. The increasing interaction across national boundaries that globalization entails, now produces not harmonization and cooperation, but friction and escalating trade and investment disputes.14 The Trump Administration is in the lead here, but it is not alone. Trade and investment friction with China is the most obvious and damaging example, precipitated by China’s long failure to conform to the World Trade Organization (WTO) principles, now escalated by President Trump into a trade and currency war disturbingly reminiscent of the 1930s that Bretton Woods was designed to prevent. Financial sanctions against Iran, in violation of US obligations in the Joint Comprehensive Plan Of Action (JCPOA), is another example of the rule of law succumbing to geopolitical competition. Though more mercantilist in intent than geopolitical, US tariffs on steel and aluminum, and their threatened use in automotives, aimed at the EU, Canada, and Japan,15 are equally destructive of the liberal system and of future economic growth, imposed as they are by the author of that system, and will spread to others. And indeed, Japan has used export controls in its escalating conflict with South Korea16 (as did China in imposing controls on rare earth,17 and as the US has done as part of its trade war with China). Inward foreign direct investment restrictions are spreading. The vitality of the WTO is being sapped by its inability to complete the Doha Round, by the proliferation of bilateral and regional agreements, and now by the Trump Administration’s hold on appointments to WTO judicial panels. It should not surprise anyone if, during a second term, Trump formally withdrew the US from the WTO. At a minimum it will become a “dead letter regime.”18

As such measures gain traction, it will become clear to states—and to companies—that a global trading system more responsive to raw power than to law entails escalating risk and diminishing benefits. This will be the end of economic globalization, and its many benefits, as we know it. It represents nothing less than the subordination of economic globalization, a system which many thought obeyed its own logic, to an international politics of zero-sum power competition among multiple actors with divergent interests and values. The costs will be significant: Bloomberg Economics estimates that the cost in lost US GDP in 2019- dollar terms from the trade war with China has reached $134 billion to date and will rise to a total of $316 billion by the end of 2020.19

Economically, the just-in-time, maximally efficient world of global supply chains, driving down costs, incentivizing innovation, spreading investment, integrating new countries and populations into the global system, is being Balkanized. Bilateral and regional deals are proliferating, while global, nondiscriminatory trade agreements are at an end. Economies of scale will shrink, incentivizing less investment, increasing costs and prices, compromising growth, marginalizing countries whose growth and poverty reduction depended on participation in global supply chains. A world already suffering from excess savings (in the corporate sector, among mostly Asian countries) will respond to heightened risk and uncertainty with further retrenchment. The problem is perfectly captured by Tim Boyle, CEO of Columbia Sportswear, whose supply chain runs through China, reacting to yet another ratcheting up of US tariffs on Chinese imports, most recently on consumer goods:

We move stuff around to take advantage of inexpensive labor. That’s why we’re in Bangladesh. That’s why we’re looking at Africa. We’re putting investment capital to work, to get a return for our shareholders. So, when we make a wager on investment, this is not Vegas. We have to have a reasonable expectation we can get a return. That’s predicated on the rule of law: where can we expect the laws to be enforced, and for the foreseeable future, the rules will be in place? That’s what America used to be.20

The international political effects will be equally damaging. The four structural forces act on each other to produce the more dangerous, less prosperous world projected here. Illiberal globalization represents geopolitical conflict by (at first) physically non-kinetic means. It arises from intensifying competition among powerful states with divergent interests and identities, but in its effects drives down growth and fuels increased nationalism/populism, which further contributes to conflict. Twenty-first-century protectionism represents bottom-up forces arising from economic disruption. But it is also a top-down phenomenon, representing a strategic effort by political leadership to reduce the constraints of interdependence on freedom of geopolitical action, in effect a precursor and enabler of war. This is the disturbing hypothesis of Daniel Drezner, argued in an important May 2019 piece in Reason, titled “Will Today’s Global Trade Wars Lead to World War Three,”21 which examines the preWorld War I period of heightened trade conflict, its contribution to the disaster that followed, and its parallels to the present:

Before the First World War started, powers great and small took a variety of steps to thwart the globalization of the 19th century. Each of these steps made it easier for the key combatants to conceive of a general war.

We are beginning to see a similar approach to the globalization of the 21st century. One by one, the economic constraints on military aggression are eroding. And too many have forgotten—or never knew—how this played out a century ago.

…In many ways, 19th century globalization was a victim of its own success. Reduced tariffs and transport costs flooded Europe with inexpensive grains from Russia and the United States. The incomes of landowners in these countries suffered a serious hit, and the Long Depression that ran from 1873 until 1896 generated pressure on European governments to protect against cheap imports.

…The primary lesson to draw from the years before 1914 is not that economic interdependence was a weak constraint on military conflict. It is that, even in a globalized economy, governments can take protectionist actions to reduce their interdependence in anticipation of future wars.

In retrospect, the 30 years of tariff hikes, trade wars, and currency conflicts that preceded 1914 were harbingers of the devastation to come. European governments did not necessarily want to ignite a war among the great powers. By reducing their interdependence, however, they made that option conceivable.

…the backlash to globalization that preceded the Great War seems to be reprised in the current moment. Indeed, there are ways in which the current moment is scarier than the pre-1914 era. Back then, the world’s hegemon, the United Kingdom, acted as a brake on economic closure. In 2019, the United States is the protectionist with its foot on the accelerator. The constraints of Sino-American interdependence—what economist Larry Summers once called “the financial balance of terror”—no longer look so binding. And there are far too many hot spots—the Korean peninsula, the South China Sea, Taiwan—where the kindling seems awfully dry.

Multipolarity

We can define multipolarity as a wide distribution of power among multiple independent states. Exact equivalence of material power is not implied. What is required is the possession by several states of the capacity to coerce others to act in ways they would otherwise not, through kinetic or other means (economic sanctions, political manipulation, denial of access to essential resources, etc.). Such a distribution of power presents inherently graver challenges to peace and stability than do unipolar or bipolar power configurations,22 though of course none are safe or permanent. In brief, the greater the number of consequential actors, the greater the challenge of coordinating actions to avoid, manage, or de-escalate conflicts. Multipolarity also entails a greater potential for sudden changes in the balance of power, as one state may defect to another coalition or opt out, and as a result, the greater the degree of uncertainty experienced by all states, and the greater the plausibility of downside assumptions about the intentions and capabilities of one’s adversaries. This psychology, always present in international politics but particularly powerful in multipolarity, heightens the potential for escalation of minor conflicts, and of states launching preventive or preemptive wars. In multipolarity, states are always on edge, entertaining worst-case scenarios about actual and potential enemies, and acting on these fears—expanding their armies, introducing new weapon systems, altering doctrine to relax constraints on the use of force—in ways that reinforce the worst fears of others.

The risks inherent in multipolarity are heightened by the attendant weakening of global institutions. Even in a state-centric system, such institutions can facilitate communication and transparency, helping states to manage conflicts by reducing the potential for misperception and escalation toward war. But, as Waheguru Pal Singh Sidhu argues in his chapter on the United Nations, the influence of multilateral institutions as agent and actor is clearly in decline, a result of bottom-up populist/nationalist pressures experienced in many countries, as well as the coordination problems that increase in a system of multiple great powers. As conflict resolution institutions atrophy, great powers will find themselves in “security dilemmas”23 in which verification of a rival’s intentions is unavailable, and worst-case assumptions fill the gap created by uncertainty. And the supply of conflicts will expand as a result of growing nationalism and populism, which are premised on hostility, paranoia, and isolation, with governments seeking political legitimacy through external conflict, producing a siege mentality that deliberately cuts off communication with other states.

Finally, the transition from unipolarity (roughly 1989–2007) to multipolarity is unregulated and hazardous, as the existing superpower fears and resists challenges to its primacy from a rising power or powers, while the rising power entertains new ambitions as entitlements now within its reach. Such a “power transition” and its dangers were identified by Thucydides in explaining the Peloponnesian Wars,24 by Organski (the “rear-end collision”)25 during the Cold War, and recently repopularized and brought up to date by Graham Allison in predicting conflict between the US and China.26

A useful, and consequential illustration of the inherent challenge of conflict management during a power transition toward multipolarity, is the weakening of the arms control regime negotiated by the US and the Soviet Union during the Cold War. Despite the existential, global conflict between two nuclear armed superpowers embracing diametrically opposed world views and operating in economic isolation from each other, the two managed to avoid worst-case outcomes. They accomplished this in part by institutionalizing verifiable limits on testing and deployment of both strategic and intermediate-range nuclear missiles. Yet as diplomatically and technically challenging as these achievements were, the introduction of a third great power, China, into this twocountry calculus has proven to be a deal breaker. Unconstrained by these bilateral agreements, China has been free to build up its capability, and has taken full advantage in ramping up production and deployment of intermediate-range ground-launched cruise missiles, thus challenging the US ability to credibly guarantee the security of its allies in Asia, and greatly increasing the costs of maintaining its Asian regional hegemony. As a result, the Intermediate Nuclear Force treaty is effectively dead, and the New Start Treaty, covering strategic missiles, is due to expire next year, with no indication of any US–Russian consensus to extend it. The US has with logic indicated its interest in making these agreements trilateral; but China, with its growing power and ambition, has also logically rejected these overtures. Thus, all three great powers are entering a period of nuclear weapons competition unconstrained by the major Cold War arms control regimes. In a period of rapid advances in technology and worsening great power relations, the nuclear competition will be a defining characteristic of the next decade and beyond. This dynamic will also complicate nuclear nonproliferation efforts, as both the demand for nuclear weapons (a consequence of rising regional and global insecurity), and supply of nuclear materials and technology (a result of the weakening of the nonproliferation regime and deteriorating great power relations) will increase.

Will deterrence prevent war in a world of several nuclear weapons states, (the current nuclear powers plus South Korea, Iran, Saudi Arabia, Japan, Turkey), as it helped to do during the bipolar Cold War? Some neorealist observers view nuclear weapons proliferation as stabilizing, extending the balance of terror, and the imperative of restraint, to new nuclear weapons states with much to fight over (Saudi Arabia and Iran, for example).27 Others,28 examining issues of command and control of nuclear weapons deployment and use by newly acquiring states, asymmetries in doctrines, force structures, and capabilities between rivals, the perils of variable rates in transition to weapons deployment, problems of communication between states with deep mutual grievances, the heightened risk of transfer of such weapons to non-state actors, have grave doubts about the safety of a multipolar, nuclear-armed world.29 We can at least conclude that prudence dictates heightened efforts to slow the pace of proliferation, while realism requires that we face a proliferated future with eyes wide open.

The current distribution of power is not perfectly multipolar. The US still commands the world’s largest economy, and its military power is unrivaled by any state or combination of states. Its population is still growing, despite a recent decline in birth rates. It enjoys extraordinary geographic advantages over its rivals, who are distant and live in far worse neighborhoods. Its economy is less dependent on foreign markets or resources. Its political system has proven—up to now—to be resilient and adaptable. Its global alliance system greatly extends its capacity to defend itself and shape the world to its liking and is still intact, despite growing doubts about America’s reliability as a security guarantor. Based on these mostly material and historical criteria, continued American primacy would seem to be a good bet, if it chooses to use its power in this way.30

So why multipolarity? The clearest and most frequently cited evidence for a widening distribution of global power away from American unipolarity is the narrowing gap in GDP between the US and China. The IMF’s World Economic Outlook forecasts a $0.9 trillion increase in US GDP for 2019–2020, and a $1.3 trillion increase for China in the same period.31 Many who support the American primacy case argue that GDP is an imperfect measure of power, that Chinese GDP data is inflated, that its growth rates are in decline while Chinese debt is rapidly increasing, and that China does poorly on other factors that contribute to power—its low per capita GDP, its political succession challenges, its environmental crisis, its absence of any external alliance system. Yet GDP is a good place to start, as the single most useful measure and long-term predictor of power. It is from the overall economy that states extract and apply material power to leverage desired behavior from other states. It is true that robust future Chinese growth is not guaranteed, nor is its capacity to convert its wealth to power, which is a function of how well its political system works over time. But this is equally the case for the US, and considering recent political developments is not a given for either country.

As an alternative to measuring inputs—economic size, political legitimacy, technological innovation, population growth—in assessing relative power and the nature of global power distribution, we should consider outputs: what are states doing with their power? The input measures are useful, possibly predictive, but are usually deployed in the course of making a foreign policy argument, sometimes on behalf of a reassertion of American primacy, sometimes on behalf of retrenchment. As such, their objectivity (despite their generous deployment of “data”) is open to question. What is undeniable, to any clear-eyed observer, is a real decline in American influence in the world, and a rise in the influence of other powers, which predates the Trump administration but has accelerated into America’s free fall over the last four years. This has produced a de facto multipolarity, whether explainable in the various measures of power—actual and latent—or not. This decline results in part from policy mistakes: a reckless squandering of material power and legitimacy in Iraq, an overabundance of caution in Syria, and now pure impulsivity. But more fundamentally, it is a product of relative decline in American capacity—political and economic—to which American leadership is adjusting haphazardly, but in the direction of retrenchment/restraint. It is highly revealing that the last two American presidents, polar opposites in intellect, temperament and values, agreed on one fundamental point: the US is overextended, and needs to retrench. The fact that neither Obama nor Trump (up to this point in his presidency) believed they had the power at their disposal to do anything else, tells us far more about the future of American power and policy—and about the emerging shape of international relations—than the power measures and comparisons made by foreign policy advocates.

Observation of recent trends in US versus Russian relative influence prompts another question: do we understand the emerging characteristics of power? Rigorously measuring and comparing the wrong parameters will get us nowhere at best and mislead us into misguided policies at worst. How often have we heard, with puzzlement, that Putin punches far above his weight? Could it be that we misunderstand what constitutes “weight” in the contemporary and emerging world? Putin may be on a high wire, and bound to come crashing down; but the fact is that Russian influence, leveraging sophisticated communications/social media/influence operations, a strong military, an agile (Putin-dominated) decision process, and taking advantage of the egregious mistakes by the West, has been advancing for over a decade, shows no sign of slowing down, and has created additional opportunities for itself in the Middle East, Europe, Asia, Latin America, the Arctic. It has done this with an economy roughly the size of Italy’s. There are few signs of a domestic political challenge to Putin. His external opponents are in disarray, and Russia’s main adversary is politically disabled from confronting the problem. He has established Russia as the Middle East power broker. He has reached into the internal politics of his Western adversaries and influenced their leadership choices. He has invaded and absorbed the territory of neighboring states. His actions have produced deep divisions within NATO. Again, simple observation suggests multipolarity in fact, and a full explanation for this power shift awaiting future historians able to look with more objectivity at twenty-first-century elements of power.

When that history is written, surely it will emphasize the extraordinary polarization in American politics. Was multipolarity a case of others finding leverage in new sources of power, or the US underutilizing its own? The material measures suggest sufficient capacity for sustained American primacy, but with this latent capacity unavailable (as perceived, I believe correctly, by political leadership) by virtue of weakening institutions: two major parties in separate universes; a winnertake-all political mentality; deep polarization between the parties’ popular bases of support; divided government, with the Presidency and the Congress often in separate and antagonistic hands; diminishing trust in the permanent government, and in the knowledge it brings to important decisions, and deepening distrust between the intelligence community and policymakers; and, in Trump’s case, a chaotic policy process that lacks any strategic reference points, mis-communicates the Administration’s intentions, and has proven incapable of sustained, coherent diplomacy on behalf of any explicit and consistent set of policy goals.

Rising Nationalism/Populism/Authoritarianism

The evidence for these trends is clear. Freedom House, the go-to authority on the state of global democracy, just published its annual assessment for 2020, and recorded the fourteenth consecutive year of global democratic decline and advancing authoritarianism. This dramatic deterioration includes both a weakening in democratic practice within states still deemed on balance democratic, and a shift from weak democracies to authoritarianism in others. Commitment to democratic norms and practices—freedom of speech and of the press, independent judiciaries, protection of minority rights—is in decline. The decline is evident across the global system and encompasses all major powers, from India and China, to Europe, to the US. Right-wing populist parties have assumed power, or constitute a politically significant minority, in a lengthening list of democratic states, including both new (Hungary, Poland) and established (India, the US, the UK) democracies. Nationalism, frequently dismissed by liberal globalization advocates as a weak force when confronted by market democracies’ presumed inherent superiority, has experienced a resurgence in Russia, China, the Middle East, and at home. Given the breadth and depth of right-wing populism, the raw power that promotes it—mainly Russian and American—and the disarray of its liberal opponents, this factor will weigh heavily on the future.

The major factors contributing to right-wing populism and its global spread is the subject of much discussion.32 The most straightforward explanation is rising inequality and diminished intergenerational mobility, particularly in developed countries whose labor-intensive manufacturing has been hit hardest by the globalization of capital combined with the immobility of labor. Jobs, wages, economic security, a reasonable hope that one’s offspring has a shot at a better life than one’s own, the erosion of social capital within economically marginalized communities, government failure to provide a decent safety net and job retraining for those battered by globalization: all have contributed to a sense of desperation and raw anger in the hollowed-out communities of formerly prosperous industrial areas. The declining life expectancy numbers33 tell a story of immiseration: drug addition, suicide, poor health care, and gun violence. The political expression of such conditions of life should not be surprising. Simple, extremist “solutions” become irresistible. Sectarian, racial, regional divides are strengthened, and exclusive identities are sharpened. Political entrepreneurs offering to blow up the system blamed for such conditions become credible. Those who are perceived as having benefited from the corrupt system—long-standing institutions of government, foreign countries and populations, immigrants, minorities getting a “free ride,” elites—become targets of recrimination and violence. The simple solutions of course, don’t work, deepening the underlying crisis, but in the process politics is poisoned. If this sounds like the US, it should, but it also describes major European countries (the UK, France, Italy, Germany, Poland, Hungary, the Czech Republic), and could be an indication of things to come for non-Western democracies like India.

We have emphasized throughout this chapter the interaction of four structural forces in shaping the future, and this interaction is evident here as well. Is it merely coincidence that the period of democratic decline documented by Freedom House, coincides precisely with the global financial and economic crisis? Lower growth, increasing joblessness, wage stagnation, superimposed on longer-term widening of inequality and declining mobility, constitute a forbidding stress test for democratic systems, and many continue to fail. And if we are correct about secular stagnation, the stress will continue, and authoritarianism’s fourteen-year run will not be over for some time. The antidemocratic trend will gain additional impetus from the illiberal direction of globalization, with its growth suppressing protectionism, weaponization of global economic exchange, and weakening global economic institutions. Multipolarity also contributes, in several ways. The former hegemon and author of globalization’s liberal structure has lost its appetite, and arguably its capacity, for leadership, and indeed has become part of the problem, succumbing to and promoting the global right-wing populist surge. It is suffering an unprecedented decline in life expectancy, and recently a decline in the birth rate, signaling a degree of rot commonly associated with a collapsing Soviet Union. While American politics may once again cohere around its liberal values and interests, the time when American leadership had the self-confidence to shape the global system in its liberal image is gone. It may build coalitions of the like-minded to launch liberal projects, but there will be too much power outside these coalitions to permit liberal globalization of the sort imagined at the end of the Cold War. In multipolarity, the values around which global politics revolve will reflect the diversity of major powers, their interests, and the norms they embrace. Convergence of norms, practices, policies is out of the question. Global collective action, even in the face of global crises, will be a long shot. To expect anything else is fantasy

Unbrave New World and Future Challenges

At the outset of this chapter we described these structural forces as interacting to produce more conflict and diminished prosperity. We also predicted a world with shrinking collective capacity to address new challenges as they arise. What specifically will such a world look like? We address below three principal challenges to global problem solving over the next decade.

Interstate Conflict

In the world experienced by most readers of this volume, conflict is observed within weak states, sometimes promoted by regional competitors, by terrorist groups, or by great powers, acting through surrogates or by indirect means. Sometimes, as in Syria, this conflict spills over to contiguous states and contributes to regional instability, and challenges other regions to respond effectively, a challenge that Europe has not met. Much of this will continue, but the global significance of such local conflicts will be greatly magnified by increasing great power conflict, which will feed—rather than manage or resolve—local instabilities and will in turn be exacerbated by them. Great powers will jockey for advantage, support their local partners, escalate preemptively. Conflicts initially confined to failing states or unstable regions will be redefined by great powers as global in scope and significance.

This tendency of states to view local conflicts in the context of a zero-sum, global struggle for power is familiar to students of the Cold War, but now with the additional challenges to collective action, expanded uncertainty and worst-case thinking associated with the power transition to multipolarity. We can easily observe increased conflict in US–China relations, as we will in US–Russia relations as future US administrations try to make up for ground lost during the Trump presidency, especially in the Middle East. We can observe it among powerful states with mutual historical grievances, now with a weakening presence of the hegemonic security guarantor and having to consider the renationalization of their defense: Japan-South Korea, Germany-France. We can observe it among historical rivals operating in rapidly changing security landscapes: India-China. We can observe it within the Middle East, as internal rivalries are appropriated by regional powers in a contest for regional dominance. We can observe it clearly in Syria, where the regime’s violent suppression of Arab Spring resistance led to all-out civil war, attracted outside support to proxy forces by aspiring regional hegemons Saudi Arabia and Iran, enabled the rise of ISIS, and eventually to great power intervention, principally by Russia. In a world of effective great power collaboration or American primacy, the Syrian civil war might have been settled through power sharing or partition, or if not, contained within Syria. The collapse of Yugoslavia, occurring during a period of US “unipolarity” and managed effectively, demonstrates the possibilities. Instead, with the US retrenching, Middle East rivals unconstrained by great powers, and great power competition rising, the Syria civil war was fed by outside powers, then metastasized into the region, and—in the form of refugee flows—into Europe, fundamentally altering European politics. Libya may be at the early stages of this scenario.

This is not the end of the Syria story. Russia has established itself as a major player in Syria and the Middle East’s power broker, the indispensable country with leverage throughout the region. China is poised to reap the financial and power benefits of Syrian reconstruction. The US has just demonstrated, in its act of war against the Iranian regime, its willingness, without consultation, to put its allies’ security in further jeopardy, accentuating the risks of security ties with Washington and generating added opportunities for Russia and China. The purpose here is not to critique US policy, but to point out the dramatically shifting power balance in a critical region, toward multipolarity. The dangers of such a shift will become apparent as some future US president attempts to reassert US influence in the region and finds a crowded playing field.

Can a multipolar distribution of power among several states whose interests, values, and political practices are divergent, all experiencing bottom-up nationalist pressures, all seeking advantages in the oversupply of regional instability, be made to work? I think not. Will this more dangerous world descend into direct military confrontation between great powers, and could such confrontation lead to use of nuclear weapons? Here the question becomes, what will this more dangerous world actually look like; what instruments of coercion will be available to states as technology change accelerates; how will states employ these instruments; how will deterrence work (if at all) among several states with large but unequal levels of destructive capacity, weak command, and control, disparate— or opaque—strategies and simmering rivalries; can conflict management work in a world of weak institutions? The collapse of the Cold War era nuclear arms control regime, the threat to the Non-Proliferation Treaty represented by the demise of the JCPOA, and multiple indications of an accelerating nuclear arms race among the three principle powers, augurs badly. Given the structural forces at play, and without predicting the worst, we are indeed entering perilous times.

Global Poverty and Inequality

Despite the challenges of volatility and disruptive change inherent in globalization, the world under American liberal leadership has managed a dramatic reduction of extreme poverty. According to World Bank estimates, in 2015, 10 percent of the world’s population lived on less than $1.90 a day, down from nearly 36 percent in 1990.34 In fact, as of September 2018, half the world is now middle class or wealthier.35 The uneven success of the UN Millennium Development Goals (MDGs) exemplifies this achievement, and demonstrates what is possible when open markets are managed through strong global institutions, effective leadership and interstate collaboration. What this liberal hegemonic system did not achieve, however, was a fair distribution of the gains from globalization within states, and among those states that for various reasons were not full participants in this system.

This record of partial achievement leaves us with a full agenda for the next fifteen years, but without the hegemonic leadership, strong institutions, ascendant liberalism or robust global growth that enabled previous gains. There are powerful reasons to question the sustainability of these poverty reduction gains, leading to doubts about the realization of the Sustainable Development Goals, which have replaced the MDGs as global development targets.36 (See Jens Rudbeck’s chapter and Sidhu’s UN chapter for SDGs). Skeptics have pointed to slowing global growth, specifically in China, whose demand for imported commodities was a major factor in developing country growth and job creation; growing protectionism in developed country markets, fueled by bottom-up forces of nationalism, and from top-down by a weakened global trading regime and increased geopolitical rivalry; the effects of accelerating climate change on agriculture, migration and communal conflict in poor countries; and the growth burst among poor countries from the rapid transition to more efficient use of resources, a transition that is now slowing down.37

Perhaps the greatest concern in this scenario is a general deterioration in the developing country foreign investment climate. Foreign direct investment (FDI) has been a major contributor to growth, job creation, and poverty alleviation among poor countries. It has incentivized growthfriendly policies, reduced corruption, introduced technology and effective management practices, and linked poor countries to foreign markets through global supply chains.38 It has stimulated growth of indigenous manufacturing and service companies to supply new foreign investments.

It has been the major cause of economic convergence between rich and poor countries. From 2000 to 2009, developing economies’ growth rates were more than four percentage points higher than those of rich countries, pushing their share of global output from just over a third to nearly half.39 However, FDI flows into poor countries are imperiled by the structural forces discussed here. Political instability arising from slower growth and environmental stress will increase investors’ perception of higher risk, reinforcing their developed country bias. Protectionism among developed countries will threaten the global market access upon which manufacturing investment in developing countries is premised, causing firms to pare back their global supply chains. As companies retrench from direct investment in poor countries, the appeal to those countries of Chinese debt financed infrastructure projects, under the Belt-Road Initiative with little or no conditionality, but at the risk of “debt traps,” will increase.

Global Warming

The question posed at the beginning of this section is whether the international system, evolving toward multipolarity and rising nationalism, will find the collective political capital to confront challenges as they arise. Global warming is the mother of all challenges, and the weakness in the system’s capacity to respond is clear. With the two major political/economic powers and greenhouse gas emitters locked in deepening geopolitical conflict (and with one of them locked in climate change denial, possibly through 2024), the chances of significantly slowing global warming or even ameliorating its effects are very slim. We are reduced to the default option, nation-specific adaptation to climate change, which will impose rising human, political and economic costs on all, and will widen the gap between rich countries with adaptive capacity (of varying degrees), and the poor, who will suffer deteriorating economic, political, and social conditions. (For a contrary, optimistic view see Michael Shank’s chapter, which credits new actors—like cities—as playing a more constructive role in climate mitigation.) This would bring to a close liberal globalization’s greatest achievement; the raising of 1.1 billion people out of extreme poverty since 1990,40 with all its associated gains in quality of life (in the WHO Africa region, for example, life expectancy rose by 10.3 years between 2000 and 2016, driven mainly by improvements in child survival and expanded access to antiretrovirals for treatment of HIV).41

Several forces are at work here. The problem itself is graver—in magnitude and in rate of worsening—than predicted by climate scientists. The UN Intergovernmental Panel on Climate Change (IPCC), the major source of information on global warming, has consistently underpredicted the rate of climate deterioration. This holds true even for its “worst-case scenarios,” meaning that what was meant as a wake-up call has in fact reinforced complacency.42 (see Michael Shank’s chapter for further discussion of climate change). The IPCC, in its 2019 report, has tried to undo the damage by emphasizing the acceleration in the rate of warming and its effects, the only partially understood dynamic of climate change, and—given wide uncertainty—the possibility of unpleasant surprises yet to come. This strengthens the scientific case for urgency—to both severely limit greenhouse gas emissions, and to increase investment in ameliorating the effects.

Unfortunately, the crisis comes at a moment when the climate for collective action is ice cold. Geopolitical competition incentivizes states to out produce each other, regardless of the environmental effects. Multipolarity complicates collective action. Economic stagnation mandates job creation, making regulation politically toxic. Bottom-up nationalism/populism causes states to pursue “relative gains,” meaning that if the nation is seen as gaining in a no-holds-barred economic competition with others, the negative environmental effects can be tolerated. A post-Trump presidency would help, with the US rejoining the Paris Agreement, and lending its weight to tighter regulation, increased R and D, and stronger economic incentives to reduce carbon emissions. Keep in mind, however, that President Obama was fully behind such efforts, but in a deeply polarized America was unable to implement measures needed to fulfill the Paris obligations through legislation, and his executive orders to do this were swiftly overturned by Trump.

Conclusion

It may be tempting to hope that post-Trump, the US can regain its global leadership and exert its considerable power in a liberal direction, but with enough self-awareness of its relative decline to share responsibility with others. This was, I believe, the broad direction of the Obama strategy, evidenced by the JCPOA and the Trans-Pacific Partnership: liberal, collective solutions to global problems, as US dominance receded.

This would constitute an optimistic scenario, and it confronts two major problems: can US internal politics support it (can, for example, the country legislate controls on carbon, essential for the global credibility and durability of such commitments); and is the world ready to reengage with American leadership, given the damage to its reputation and the structural forces discussed in this chapter?

My educated guess is no, on both counts. The rot within is extensive, the concrete evidence clear in the economic inequality/immobility numbers, the life expectancy numbers, the deep political polarization, between the two major parties, between regions, between cities and rural areas. We are in fact a long way from fitness for global leadership, and the recognition of this by others will accelerate the decline of American influence. The rest of the world is well on its way toward adjusting to post-American hegemony, some by renationalizing their defense, or by cutting deals with adversaries, by building new alliances or by seizing new opportunities for influence in the vacuum left by American retrenchment. The evidence for this will accumulate. Observe the current and emerging Middle East, where all these post-hegemonic strategies are visible.

#### Platform dependency on Chinese markets fuels digital authoritarianism – separations and start-up entrance decouples us from Chinese markets.

Sitaraman ’20 [Ganesh; Co-founder and Director of Policy @ Great Democracy Initiative, Professor of Law @ Vanderbilt University; “Too Big to Prevail: The National Security Case for Breaking Up Big Tech,” *Foreign Affairs* 99(2), p. 116-126; AS]

But the national security case against breaking up Big Tech is not just weak; it is backward. Far from competing with China, many big technology companies are operating in the country, and their growing entanglements there create vulnerabilities for the United States by exposing its firms to espionage and economic coercion. At home, market concentration in the technology sector also means less competition and therefore less innovation, which threatens to leave the United States in a worse position to compete with foreign rivals. Rather than threatening to undermine national security, breaking up and regulating Big Tech is necessary to protect the United States’ democratic freedoms and preserve its ability to compete with and defend against new great-power rivals.

DESTINATION: CHINA

Competition with China will define U.S. national security conversations for decades to come, and Americans need to think carefully about the role technology will play in this increasingly competitive environment. But to claim that the likes of Amazon and Google are helping counter China’s technological and geopolitical rise simply because they are American companies makes little sense.

Almost all big U.S. technology companies have extensive operations in China today. Google announced plans for an AI research center in Beijing in 2017 and is exploring a partnership with the Chinese Internet behemoth Tencent. Microsoft is expanding its data centers in China and has recently built an entire operating system, Windows 10 China Government Edition, for the Chinese government. Amazon’s cloud service in China is second in popularity only to that of its Chinese counterpart, Alibaba. Apple famously designs its phones in California but manufactures them in China. Facebook, notably, does not operate in China—but not for lack of trying. The company repeatedly attempted to gain access to the Chinese market only to be blocked by Chinese government officials.

Merely operating in China may seem harmless. Yet according to scholars, U.S. government officials, and even American business associations, any U.S. technology company working in China could very well be supporting the Chinese state and the expansion of digital authoritarianism. In the course of their operations in the country, U.S. companies routinely interact with Chinese companies, some of which are run or partly owned by the state. Those that are not still have informal ties to state and Communist Party officials and face strong incentives to behave as the state wishes even without direct pressure from the government. Because the Chinese market and the state are intertwined in this way, Chinese companies that partner with foreign ones are highly likely to pass along operational and technological developments to the Chinese government and military, including in ways that could advance Beijing’s emerging surveillance state and accelerate its ability to spread its model of digital authoritarianism around the world.

These challenges are particularly clear in the case of AI, as commercial innovations in that field can also have military implications. Under Beijing’s doctrine of “civil-military fusion,” Chinese researchers and private companies are working ever more closely with the government and the military, which means that technological innovations that may have originated with a foreign company active in China can find their way to supporting the People’s Liberation Army. “If you’re working in China,” Ashton Carter, a former U.S. defense secretary, has said, “you don’t know whether you’re working on a project for the military or not.”

In addition to widely known concerns about Chinese espionage and surveillance, integration with the Chinese market also opens Big Tech—and the United States—to pressure from China, which can use that influence to hurt U.S. interests. Scholars refer to this tactic—turning economic interdependence into political leverage—by a variety of terms, including “geoeconomics,” “reverse entanglement,” and “weaponized interdependence.” Whatever it’s called, China has a long track record of doing it, across countries and industries. To retaliate against South Korea’s adoption of a U.S. missile defense system in 2017, China blocked Chinese travel agencies from offering trips to the country. And after the dissident Liu Xiaobo was awarded the Nobel Peace Prize in 2010, China temporarily blocked imports from Norway.

To avoid offending Chinese officials and potentially losing access to the country’s large market, companies are adapting their behavior even outside China’s borders. Hollywood studios have been accused of rewriting scripts and editing scenes for that purpose: choosing to blow up the Taj Mahal instead of the Great Wall of China in the movie Pixels, according to Reuters, and replacing China with North Korea as the main adversary in the 2012 remake of Red Dawn, according to the Los Angeles Times. In 2019, Daryl Morey, the general manager of the NBA basketball team the Houston Rockets, tweeted in support of pro-democracy protesters in Hong Kong; soon thereafter, he deleted the post. In the days that followed, the owner of the Rockets wrote that Morey did “NOT speak” for the team, and the NBA said it was “regrettable” that Morey’s views had “deeply offended many of our friends in China.” (After a public outcry, the NBA clarified that it would not censor or fire Morey.) A year earlier, Mercedes-Benz had posted a quote from the Dalai Lama on Instagram. After an online backlash in China, the automaker quickly erased the quote, and its parent company, Daimler, said that the post had contained an “erroneous message” and had “hurt the feelings of people” in China. The People’s Daily, China’s largest newspaper, later branded Mercedes-Benz as an “enemy of the people.”

Such conduct by Western companies illustrates a broader point: they act based on their commercial interests, not in the name of abstract democratic principles or for the cause of U.S. national security. The same is true when these companies try to influence government policy. The potential stakes are high. The U.S. Department of Commerce, for instance, has the power to set export restrictions on some sensitive technologies, including AI; those restrictions may be important from a national security standpoint, even if they negatively affect some companies’ bottom lines. Yet the dominant ideology among corporate lawyers today holds that the sole aim of managers is to maximize shareholder profits, and corporate lobbyists are thus likely to advocate public policies that support those profits even if they run counter to U.S. national interests.

Practically all U.S. companies active in China are subject to such pressures to one degree or another, and how to address that predicament is another question altogether. But the size and dominance of American technology companies are part of the problem. As the U.S. technology sector becomes more concentrated and the few players in it become more dependent on the Chinese market for consumers and profits, these firms—and, by extension, the United States—become more vulnerable to pressure from Beijing. Antimonopoly policies could help remedy this problem: in a fractured market with many players, the sheer number of firms would all but guarantee that some would build supply chains that circumvented China, or build their products wholly in the United States, or simply choose not to engage in the Chinese market—whether because of idiosyncratic preferences, competitive dynamics, product differentiation, higher costs, or other factors.

Consider another industry whose structure resembles that of Big Tech: Hollywood. Like the technology industry, today’s entertainment sector consists of a handful of studios that are increasingly dominant at the box office and able to pressure theaters to give their content preferential treatment. If these big, integrated companies comply with Chinese censors out of a concern for market access, then U.S. consumers will not see content that offends the Chinese government. By contrast, in a system with a large number of small studios and competitive distribution channels, many companies would lack the size, scope, or desire to cater to the Chinese market, let alone be dependent on it. Nor would they have the power or scale to lock out new competitors through vertical integration. The result would be a market in which Americans had a range of content choices, including entertainment that might not accord with the views of foreign censors.

Of course, in theory, it is possible that a small number of big U.S. technology firms, each with monopoly-like power, might be so profitable as to have no need for the Chinese market, whereas small companies with razor-thin profit margins might depend more on that market for consumers and profits. But this hypothesis has not been borne out. The current technology sector is already highly concentrated, and yet today’s technology companies are not forsaking the Chinese market; instead, they are desperate to expand their business there.

As they do so, they will likely be subject to the same pressures bearing down on Hollywood, the NBA, Mercedes, and other entities that want to operate in China. Companies such as Amazon and Google, which both produce their own content and distribute it through their platforms, may over time be tempted to make that content palatable to Chinese censors. And because those firms have immense market power within the United States, American consumers will be left with no serious, scalable alternatives.

A more competitive technology sector, with many smaller players, would also mitigate the ill effects of lobbying, for much the same reasons. Fewer companies would be dependent on the Chinese market, and those that were would be differentiated enough to often end up on different sides of policy debates. Their lobbying efforts would be less likely to cut in a single direction and thus less likely to capture government.

THE VIRTUE OF MONOPOLY

Big Tech’s market dominance, some will argue, has benefits: free of constant worries about vicious competition, technology giants can focus on the big questions. They have the time and resources to invest copiously in cutting-edge research, where success is rare but the potential payoff—for technological innovation and thus for U.S. competitiveness and national security—is massive.

Whether or not they say it explicitly, those who want to protect Big Tech from antitrust laws and other regulations are advocating a “national champions” model—a system in which the state shields a few select big companies from competition, allowing them to spend on research and development. But there is strong evidence that this approach is imperfect, at times even counterproductive. As the legal scholar Tim Wu has noted, it is usually competition, not consolidation, that fosters innovation. Competitors have to find ways to differentiate themselves in order to survive and expand. Large, protected firms become lethargic, are slow to innovate, and rest on their laurels.

Recall the race for supremacy in the electronics industry that played out between the United States and Japan in the 1980s. Japan, according to Wu, chose to protect its national champions, giving direct government support to such powerhouses as NEC, Panasonic, and Toshiba. The United States took the opposite tack. Its largest electronics firm at the time, IBM, came under antitrust scrutiny by U.S. authorities, and the ensuing decade-long legal battle discouraged the company from engaging in conduct that might run afoul of antitrust laws. That created the space for a variety of other hardware and software companies, among them Apple, Lotus, and Microsoft, to flourish. Competition led to innovation and the creation of some of the most forward-looking companies of the era.

National champions also have an incentive to hide breakthroughs that might undermine their market power. Bell Labs, one of the pillars of AT&T’s telecommunications empire, has long been celebrated for its role as an “ideas factory.” But Bell Labs and AT&T also suppressed innovations that threatened their business model. Starting in the 1930s, for example, AT&T’s management sat on recording inventions that could have been used for answering machines, for fear this innovation might jeopardize the use of the telephone.

Skeptics might argue that this time is different—that today’s next-generation technologies are so resource-intensive that smaller companies in a competitive environment couldn’t afford the necessary investments. But even if broken up and regulated, Big Tech’s main players would have considerable money left to spend on AI, robotics, quantum computing, and other next-generation technologies. Facebook would still have billions of users without Instagram and WhatsApp. Amazon’s platform would still have enormous market power in online sales even if it wasn’t allowed to produce its own products.

Whatever resource constraints did arise could be offset by greater public investment in R & D. As the economist Mariana Mazzucato has argued, such government spending has historically been a significant driver of innovation; the Internet, for example, began as a U.S. Defense Department network. There is no reason the government could not play the same role today.

Unlike research by national-champion firms, research funded by public investment would not be tied to the profit motive. It could therefore cover a wider range of subjects, extend to basic research that does not have immediate or foreseeable commercial applications, and include research that might challenge the incumbency and business models of existing companies. Public research could also de-emphasize areas of inquiry that may be profitable but are socially undesirable. For many of the biggest technology companies, surveillance, personalized targeting, and the eliciting of particular behavioral responses lie at the heart of their business models, which means that their efforts to innovate are geared in no trivial way toward improving those tactics. An authoritarian country may see those as valuable public goals, but it is not at all clear why a free and democratic society should.

Public investment in R & D also has the potential to spread the benefits of technology, innovation, and industry throughout the United States. At present, much of the country’s technological and innovative prowess is concentrated in a few hubs—the most prominent being Northern California, Seattle, and Boston. This is not surprising, as unlike the government, technology companies have no reason to want to spread development evenly. Amazon’s competition to decide the location of its second headquarters is a good example. After inviting countless pitches from cities across the country and much public attention, the company settled on New York and Washington, D.C.—two cities that hardly need an economic boost. Public investment, as the economists Jonathan Gruber and Simon Johnson have argued, could remedy these geographic imbalances and spur successful economies in dozens of midsize cities all over the country, with spillover benefits for their regions.

Mountains of data are needed to improve AI’s precision and accuracy, and some might think that only Big Tech can collect and handle data in such vast quantities. But this need not be the case, either. The United States could create a public data commons with data collected from a variety of government sources (and regulate it with strict rules about personal privacy), for use by businesses, local governments, and nonprofits to train machines. Any new data would be fed back into the data commons, allowing the quality and quantity of the information to improve over time. Alternatively, the government could require technology companies to make their data available in interoperable formats. If those companies effectively have monopoly power over data, then they could be regulated as monopolies—with public access to the data sets as a condition for their continued protection as monopolies. No legal obstacles stand in the way of these options, and both would enable innovation and expand the number of players working on important technological developments.

SQUEEZING THE GOVERNMENT

For the moment, such public initiatives exist only as proposals. Big technology companies have considerable market power, and the U.S. government increasingly relies on their services, including to run its national security apparatus. Technology is, of course, a crucial aspect of warfare, and firms such as Amazon and Microsoft have contracts to provide cloud services to U.S. defense and intelligence agencies. These technology companies are fast becoming part of the United States’ defense industrial base—the collection of industries that are indispensable for U.S. military equipment. As they do so, the curse of monopoly capitalism that already affects the country’s overconsolidated defense sector—causing higher costs, lower quality, reduced innovation, and even corruption and fraud—will likely grow worse.

To see the challenge ahead, consider the present state of the U.S. weapons industry, which is already remarkably uncompetitive. In 2019, the Government Accountability Office found that 67 percent of 183 contracts for major weapons systems did not have a competitive bidding process. Almost half the contracts went to one of five companies—a stunning testament to the dominance of a handful of firms. And in 2018, the Defense Department released a report on the military’s supply chain that listed numerous items for which only one or two domestic companies (and in some cases none) produced the essential goods. Perhaps most striking of all, the report found that the United States no longer had the capacity to build submarines on a rapid timetable because of single suppliers and declining competition.

Unsurprisingly, as Frank Kendall, a former head of acquisitions at the Pentagon, has pointed out, large defense contractors “are not hesitant to use this power for corporate advantage.” In a recent article in The American Conservative, the researchers Matt Stoller and Lucas Kunce argue that contractors with de facto monopoly at the heart of their business models threaten national security. They write that one such contractor, TransDigm Group, buys up companies that supply the government with rare but essential airplane parts and then hikes up the prices, effectively holding the government “hostage.” They also point to L3 Technologies, a defense contractor with ambitions, in the words of its one-time CEO, to become “the Home Depot of the defense industry.” According to Stoller and Kunce, L3’s de facto monopoly over certain products means that it continues to receive lucrative government contracts even after it admitted in the settlement of a 2015 civil fraud lawsuit that it had knowingly supplied defective weapons sights to U.S. forces.

As technology becomes more integral to the future of U.S. national security, Big Tech’s market power will likely lead to much the same problems. Technology behemoths will amass defense contracts, and the Pentagon will be locked into a state of dependence, just as it is currently with large defense contractors. Instead of healthy innovation, the government will have created what Michael Chertoff, a former homeland security secretary, has called a “technological monoculture,” which is unwieldy and vulnerable to outside attack. The cost to taxpayers will increase, whether due to higher prices or fraud and corruption, and much of their money—funding that could have been available for innovation—will become monopoly profits for technology executives and shareholders.

A WAY FORWARD

That technology companies do not want to be broken up is unsurprising. They are profitable, growing, and powerful. Nor is it a mystery why they try to play the trump card of invoking national security in their defense. But even from the viewpoint of national security, the case for shielding Big Tech from competition is weak. Technology companies are not competing with China so much as integrating with it, at significant risk to U.S. interests.In the United States, competition and public investment in R & D, not today’s consolidated technology sector, will provide the best path forward to innovation.

Policymakers should embrace proposals to break up and regulate big technology companies: to unwind mergers and acquisitions such as Facebook’s decision to buy the social networking and messaging services Instagram and WhatsApp. They should require technology platforms such as Amazon to separate from businesses that operate on their platforms. They should apply nondiscrimination principles drawn from public utilities and common carrier laws to digital platforms. And they should adopt stringent privacy regulations.

In this era of great-power competition, the best way to remain competitive and innovative is through market competition, smart regulations, and public spending on R & D. Breaking up Big Tech won’t threaten national security; it will bolster it.

#### Digital authoritarianism causes global info-wars – extinction.

Manstead ’20 [Katherine; Non-Resident Fellow @ Alliance for Securing Democracy and Senior Adviser for Public Policy @ Australian National University’s National Security College; “Strong Yet Brittle: The Risks of Digital Authoritarianism”; https://securingdemocracy.gmfus.org/wp-content/uploads/2020/05/Strong-Yet-Brittle-The-Risks-of-Digital-Authoritarianism.pdf]

While digital authoritarianism can enhance regime durability and national power, it also introduces deep-seated vulnerabilities, eight of which are considered below. Significantly, digital authoritarians may find themselves in a state of constant contest with other regime types, trapped in cycles of overreach and backlash, and prone to strategic miscalculations that pull them into interstate conflict. The current turn to digital authoritarianism therefore also has broader implications for international peace and stability.

Brittle Legitimacy

Reliance on information control makes authoritarians brittle. Small chinks in their information control armor could have existential consequences, particularly during political or economic crises (i.e. when the regime needs to rely on control for legitimacy because it is not delivering for citizens). The information and ideas most dangerous to authoritarians include:

• the identity of opposition groups and leaders and their levels of support; 17

• technical means for subverting control of communications and surveillance technologies;18

• ideas about values that transcend state sovereignty, such as liberalism and human rights;19

• evidence that the central government is not delivering efficient outcomes;20 and

• ideas that undermine the myths and narratives used to legitimize authoritarian rule or the power of the ruling elite.21

Constant Contest

Since technologies and ideas are dynamic, the battle for information control is a constant struggle. It can never be ‘won.’ Authoritarians are therefore in a perpetual state of information warfare, inside and outside their regime, and feel perpetually insecure. This dynamic may lead authoritarian governments to assess that it is worth engaging in information or cyberattacks to discredit liberal ideas at their foreign source or to shape or disable systems that jeopardize their information control—despite real risks of conflict escalation and global pushback.

Overreach and Backlash

The fundamental importance of information control to authoritarians increases the likelihood of overreach, leading to cycles of backlash and reprisal. Many perceive China’s heavy-handed narrative warfare in Hong Kong and confrontational efforts to control narratives about coronavirus to be strategic missteps. For example, CCP efforts to stifle dissent by punishing online gaming company Blizzard and the National Basketball Association (NBA) arguably aided Hong Kong protester narratives;22 while CCP obfuscation about coronavirus has prompted unprecedented diplomatic rebukes from world leaders.23 Despite rising international awareness and condemnation of China’s sharp power tactics,24 China is accelerating, not muting, these behaviors.25 One explanation for this is that the CCP calculates that the risks of international backlash (and occasional overreach by its officials) are acceptable, compared with the risk of letting domestic information control falter.

Impaired Feedback Mechanisms

Authoritarians embrace technology to increase the legibility of their societies. But legibility requires cooperation from society. It is facilitated by an open information ecosystem, robust civil society, mechanisms of transparency, and protections for political speech.26 Conversely, information control and technology-enabled systems of surveillance and enforcement discourage accurate reporting and punish whistleblowing, while incentivizing officials to conceal failures and exaggerate successes.27 In 2007, Le Keqiang (before he became China’s premier) described China’s national income figures as “man-made” and unreliable, and noted that more objectively verifiable proxies should be preferred to official statistics collected by provinces.28 Without elections, authoritarians can also struggle to understand public sentiment, a problem highlighted by the Chinese government’s mismanagement of massive ongoing protests in Hong Kong. Party leaders wrongly assessed that the protestors’ grievances were primarily economic rather than political and that they did not enjoy broader public support.29 As Zeynep Tufekci has observed, the costs of China’s “authoritarian blindness” have been immense: a solvable issue (demands to withdraw a relatively unimportant extradition treaty) became “a bigger, durable crisis” with ongoing political consequences.30

China’s delayed reaction to coronavirus is a stark example of the authoritarian legibility and feedback problem. Local officials and hospital administrators in Wuhan suppressed information about the outbreak and punished doctor whistleblowers—depriving other provinces and the central government (not to mention international authorities) of vital signals that would have allowed swifter action to control the pandemic.31 Once authorities acknowledged the pandemic, China deployed the full weight of its digital surveillance capabilities. It was able to implement top-down lockdowns quickly; marshal its tech sector to build health apps; force citizens to download these apps; and access vast commercial holdings of personal data to cross-check compliance. However, it lacked critical bottom-up feedback systems that may have obviated the need for such draconian measures in the first place.32 Indeed, controlling for income and population size, authoritarian regimes appear to be more lethal than democracies during epidemics, arguably because of their closed information ecosystems.33

Overreliance on Technological Systems which ‘Fail Hard’

Many authoritarian governments are embracing AI-driven surveillance and control methods—from ‘smart cities’ to digital currencies, e-payment platforms and social apps. However, when AI systems fail, they tend to fail in unpredictable, often catastrophic ways. While citizens in democracies lament slow adoption of digital governance, authoritarians’ speed comes with the risk that authorities roll out unsafe or vulnerable systems.34 Imagine a critical failure of China’s social credit system—whether by accident or sabotage—which affected the integrity of records. The implications for regime stability could be significant.

AI systems do not need to fail to produce problematic results. They draw insights and make predictions based on correlations in vast datasets but are not good at identifying causal mechanisms. This means that AI systems often produce outcomes which humans cannot reverse engineer or routinely evaluate. Like using asbestos to build a city, AI governance systems might produce good results in the short-term, but inconsistencies or oversights in their approaches could lead to cascading failures that humans struggle to identify, let alone rectify.35

Unintended Consequences from High-Tech Modernism

Fixation by central governments on achieving targets or deploying certain technologies creates incentives for local officials to deploy “technology placebos” that do little to address underlying economic and social concerns. For example, many so-called smart city projects in authoritarian societies have failed to meet development and economic goals. They are fraught with issues such as “unclear strategic goals” (e.g. they often optimize for surveillance, not development) and “inadequate implementation.”36 This problem may be particularly pronounced for less-developed authoritarian governments which have been persuaded, for strategic reasons, to buy Chinese-exported digital surveillance tools that are not customized to local circumstances. These cities may also become locked into unstable or insecure technical architectures37 and economic dependence on China.38

Commitments to targets, and ideological fervor about technology, can also distort commercial decisions and raise unrealistic public expectations. Analysis of China’s AI industry, for example, suggests that companies are eschewing investment in basic research and focusing on quick wins in applied research.39 Additionally, China is already behind on meeting a number of its technology targets40—a lag that will likely be exacerbated by the global economic downturn following the coronavirus pandemic, and rising security fears in foreign markets about the security of Chinese technology and IP theft by its companies.

From a strategic perspective, there are risks that authoritarian governments’ fixation on technology-centric strategies will lead them to overestimate what technology can in fact achieve. For example, Chinese military strategists have posited that AI could lift the ‘fog’ of war and eliminate uncertainty and confusion on the battlefield. This is an ahistorical and unlikely prediction that could inspire miscalculation.41 Russian strategists theorize about how psychological operations might subdue adversaries without a shot being fired—an approach that may overestimate what cognitive warfare can achieve, at least without being combined with other elements of national power.42

Challenges to Social Cohesion

The medium- and long-term social consequences of digital authoritarianism are yet untested. Overreliance on surveillance and enforcement systems could attenuate relationships within a society, exacerbating authoritarians’ underlying low trust problems. Since they tend to reduce citizens to data inputs, these systems may deny citizens’ intrinsic desire for dignity and identity—with unexpected results.43 Information control tactics—such as flooding—can repress opposition, but long-term may exacerbate public uncertainty and decrease business confidence and trust in official information, with implications for social cohesion and economic progress.44

Dysfunctional Innovation Ecosystems

Information control and state-led pushes for technology dominance risk hampering innovation. For example, to achieve Xi Jinping’s ‘Made in China 2025’ goals, the CCP is supporting high-tech monopolies, restricting international collaboration, and yoking the state and market together.45 However, monopolies are notoriously inefficient and cross-border collaboration is an important driver of innovation. Further, innovation works best under free market conditions and in open societies.46 Some analysts argue that China’s success in deploying AI applications is an exception to this rule. However, there is a risk that Chinese companies are prioritizing shortterm breakthroughs (e.g. analyzing existing datasets to find new insights) at the expense of long-term investment in basic research.47 While authoritarians may excel at developing and deploying AI applications, conceptual research is arguably the real engine of AI advancement—and something that will continue to thrive in open societies.

Summary and Further Research

All states face risks in the information age, but the extent to which regime type affects the relative likelihood of these risks materializing, and their magnitude, is understudied. For example, much has been written about liberal democracies’ vulnerabilities to propaganda and foreign interference via social media.48 But while information warfare against open societies is more likely, arguably it is a higher magnitude threat for authoritarians, where control of information is core to regime survival. Similarly, analysts often lament that democratic governments have been slow to digitize governance systems and craft forward-looking technology policy.49 But while digital authoritarians might outcompete democracies in the roll-out of advanced technologies, this creates new vulnerabilities and risks. Inappropriate safeguards and accidents may result in cascading failures, while heavily digitized governance systems may be susceptible to foreign attack. Regime type may also affect the relative ability of authoritarians and democracies to mitigate their information age risks. For example, a democracy can build resilience to cyber and information threats through a variety of civil society and market-based interventions. Digital authoritarians must rely on a more limited set of top-down policy tools. Ultimately, a more systematic effort to map the comparative strengths and vulnerabilities of authoritarians and democracies in the information age could help both to better understand the other’s threat perceptions and manage escalation risks. It might also highlight ways in which democracies can hold digital authoritarians’ core interests at risk, in order to deter authoritarian interference in their own digital environments.

### 1AC – Plan

#### The United States federal government should adopt the principle of separating platforms from commerce for platforms in the private sector.

### 1AC – Dependency Trap

#### Contention two: Dependency Trap

#### Digital platform conglomeration generates a dependency trap that threatens inclusive growth – separating platforms from commerce protects small firms in the developing world.

Krauspof ’21 [Patrick et al; Professor for Competition Law and Head of the Center for Competition Law and Compliance @ ZHAW School of Management and Law (Switzerland); “Competition and Consumer Protection Policies”; The United Nations; <https://unctad.org/system/files/official-document/ditccplp2021d2_en_0.pdf>; AS]

Making markets more inclusive not only addresses social imperatives, but also can make markets more competitive and benefit consumers. Most economists see a large and vibrant small business sector as essential in providing dynamism, growth and employment opportunities to an economy. Digital start-ups play the same role, especially in terms of dynamism through innovation. Consumer benefits may manifest themselves in lower prices, but equally important are the benefits from greater choice, and better privacy protection and innovation. Indeed, the open banking initiative in the United Kingdom has seen the most benefits from increased innovation by challengers but also the incumbents that have been forced to innovate more with their own data, which is now also accessible to challengers.

However, there is a distinct risk that the digital age could threaten this inclusion in two ways. First, there is a risk that digital markets are dominated by developed economy global giants exploiting the vast economies of scale and scope that exist. Second, there is also a risk that digital markets become dominated by a few large digital conglomerate firms even if they are domestically owned.

Conglomeration is a clear trend in digital markets, with larger digital platforms rapidly moving into adjacent markets, including producing or providing the products sold on their platforms. This is in stark contrast with the most recent trend of the industrial age, which is to focus on core competencies and abandon conglomeration which was often punished by investors. Various factors are driving this trend. One is the economies of scope associated with data gathered or consumers accessing those platforms, which can then be monetized in various ways. Rather than exchanging this data, firms have sought to exploit it themselves. Amazon’s move from online retailing of books to all other products, including its own brands, is a classic case. A second is the enormous resources at their disposal. For example, Amazon invested early in data centres to support the development of its e-commerce activities but then later decided to enter the market for cloud services (through Amazon Web services).44 The third way that inclusion 44 Bourreau M and de Streel A. (2019). Digital Conglomerates and EU Competition Policy. CRIDS Namur Digital Institute. can be undermined is that the control of consumer access enables platforms to displace those that depend on it. Amazon and Google shopping are examples for commercial goods, but Facebook and Apple do the same with apps.45 Finally, the observation of global trends indicate that digital conglomerates are much more likely to acquire start-ups than be challenged by them.46 Conglomeration is not only a global platform phenomenon. The same economic forces can support local conglomeration. South Africa has its own Internet giant, Naspers, which built its position through acquiring shares in Chinese social networking and gaming firm Tencent early on. Naspers has been building its local e-commerce and digital online platforms, in part through a series of acquisitions. It has also been expanding the product range of such platforms. Furthermore, the gradual expansion of the highly successful South African healthcare insurer Discovery into life insurance, short-term insurance and now banking is a more “old economy” example of how such data and consumer access can be leveraged into adjacent markets.

Conglomeration by global and local digital market firms has the potential to negatively impact inclusion, even if there is sufficient competition among these larger players to maintain price and non-price market outcomes at competitive levels. This is particularly concerning in the South African context, where market concentration levels are already high, and the likely impact of increased conglomeration are heightened barriers to entry for potential entrants since the large digital platforms become “gatekeepers” to access markets.

Therefore, from a competition policy perspective, more needs to be done to ensure that digital markets are also open to domestic start-ups and challengers, and that global firms share in the rewards that they derive from developing markets. Locally, additional tools will be required to address the threat of conglomeration. For example, merger control needs to be revisited not only for killer acquisitions, which have attracted most attention, but also to combat increased conglomeration through merger creep. Such acquisitions do not necessarily kill a potential competitor, but rather gives the conglomerate platform a foothold in an adjacent market that can be leveraged later.47

Merger control also needs to be alert to the removal of a potential entrant of another sort. In a developing country context, there is also a tendency for global platforms to acquire the largest local home-grown platform rather than enter themselves. Such mergers deny consumers the benefit of additional competition and a potentially less concentrated market in the future. In addition, taking a tougher stance on conglomerate strategies, such as self-preferencing, exclusive and most favoured nation agreements, may also be appropriate. In its draft buyer-power enforcement guidelines48 the CCSA has already highlighted that behaviour such as self-preferencing would be considered as unfair trading practice by dominant online platforms that bring together thirdparty suppliers and consumers, such as e-commerce platforms.

Developing domestic firms to compete in this space is another area for competition and even industrial policy. Online businesses can sell products globally without a physical presence in the countries they service. Such global reach and costless replication mean that the previous drivers of localized production are frequently left out. For instance, transport costs for raw materials, import tariffs or domestic distribution all provided a rationale for a local presence. That rationale may be missing in many (but not all) future digital markets. As a result, the driving force of innovation and back-end jobs created by these firms may remain in their headquartered country, leading to even greater exclusion of developing countries. Furthermore, global platforms may choose to shift their profits to low-tax jurisdictions – a strategy not necessarily viable for local platforms – that provide these global firms with a significant competitive advantage over local platforms.

If this is to be avoided, then developing countries will need to provide industrial policy incentives for global firms to station operations in their jurisdictions. It will also need to support the development of local digital firms to participate in the digital age, much like the infant industry arguments of old times. It will also require investment in skills and capital financing. This must include the funding of research through universities and will require regulators such as the CCSA to invest in-house talent focused on digitalization of the economy.

Policymakers and regulators in developing countries must also focus their efforts on how to support entrepreneurs to unleash these opportunities and deconcentrate markets. Doing so would directly address the twin objectives of competition policy, namely, more competitive and more inclusive markets. This support may be best achieved through proactively unblocking whatever hindrances remain for these digital entrants, particularly from incumbent firms. Ownership of data and access to consumers or distributional channels are market features that favour large firms purely by dint of their size and incumbency, rather than guaranteed superior product offerings.

3. Data portability and interoperability

Data is seen as a source of significant advantage in the digital age. Data is also the basis for many new and old services. While data portability and interoperability are at the heart of loosening the ~~FAAGs’~~ [GAFA’s] gatekeeper power, there is also tremendous scope for a general regime on data portability and interoperability to open markets to new innovative businesses, while ensuring privacy and security of personal data. Such a regime may be an effective tool in addressing the market power of existing “brick and mortar” incumbents by reducing barriers to entry, allowing new entrants to disrupt traditional industry and have an impact across all markets. Data is not the only area. The European Union expert report’s findings on digital markets around strategies to frustrate new entry deployed by digital firms also resonate to a large extent with existing old economy platforms such as financial service Consideration needs to be given to whether such rule changes should have broader application in markets where incumbents fight digital disruptors. Another benefit of a proactive approach is that it may well prevent emerging digital markets from becoming concentrated and less inclusive over time. A potential advantage of developing countries is that some of these digital markets are not as well developed, or there is still scope for new entry and market growth as a large part of the population is not yet connected. This means that there is still space to keep these markets competitive and not have the difficult task of either regulating entrenched monopolists or seeking to develop entrants in their presence. After all, if there is one lesson for competition policy from the ~~FAAGs’~~ [GAFA’s] debate, it is that it is extremely hard to address economic power once it is in place, especially for a competition regulator in a developing country.

The European Union expert report on digital markets has suggested a shift in onus for dominant digital firms on certain conduct.50 However, a developing country competition regulator should also consider whether there are additional rules which could be imposed even on non-dominant digital firms to ensure competitive markets in the future. For example, rules on data interoperability, limitations on most favoured nation or best price clauses, and limits to self-preferencing on digital platforms more generally could be imposed in competition law enforcement regardless of dominance. Limiting large platforms from selling in competition with those that access consumers through them might be another area for consideration.51

#### Structural separations between platforms and commerce equalize international bargaining power – now is key to prevent feedback effects from locking in dependency.

Johannsen & Gonzalez ’21 [German; PhD Candidate and LLM @ Max Planck Institute for Innovation and Competition; and Andrés; LLM and Chilean Competition Law Compliance Officer; “Digital Platforms & Economic Dependence in Chile Any Room for Competition Theories of Harm without Dominance?”; <https://law.haifa.ac.il/images/ASCOLA16/GJAG.pdf>; 15 June 2021; AS]

1. Platforms and economic dependence

As transactions —both economic and social— move to the Internet, the role of digital intermediary platforms (hereinafter "platforms") in the economy has increased as facilitators of interactions between the several economic agents (users, buyers, sellers, advertisers, suppliers, etc.). At a global level, some platforms have reached a large size, in some cases becoming part of digital conglomerates with a multinational presence, among which are the so-called TechGiants.7 In Chile, while there is a consolidated presence of platforms that base their business on exploiting the attention of users (e.g. social networks or video platforms), in other sectors platforms are in early stages of expansion8 (e.g. e-commerce in Chile9 ).

In their expansive or developing stage, the platforms seek to increase the amount of users who interact through them. In general terms, more users on one side of the platform, gives more value to the users of that side and/or the other sides (direct and indirect network effects). Already in the world-renowned US Microsoft case this effect was reported when it was pointed out that developers preferred writing applications for operating systems that had enough consumers, and consumers preferred operating systems that already had multiple applications, an effect that is recognized as a barrier to entry.10 Additionally, in the data economy, the more members, the more and better data, which allows for improved service/user experience (databased network effects).11 In other words, by acting as an intermediary, the platform captures revenue, but also internalizes positive externalities, adding value to its whole infrastructure. The positive feedback generated by network effects, in addition to economies of scale and scope, can lead to a platform reaching a size where, for its rivals, it is no longer profitable to compete.12 Once this tipping point is reached, it is easier for the platform to win the whole market.13 This economic rationale defines how and for what purpose platforms compete. On the other hand, the platforms' business models seek to create a long-term relationship with users and suppliers.14 In this regard, the platform can track those who participate in it (via personal accounts and devices) and extract data to create profiles, study preferences and predict behaviour.15 This generates efficiencies related to the personalization of services, which reduces the efforts to match supply and demand. The information obtained from the data analysis generates value that, added to the positive network externalities, increases switching cost for users and suppliers.16 Regarding users, switching costs could be lower if they interact through several platforms (multi-homing).17 However, many times this is not the case since users incur in convenience costs or the platform sets strategies to make muti-homing unlikely.

18 Regarding suppliers, switching costs also depend on whether they had to adapt their technology and business model to the platform’s requirements. 19 Increasing switching costs can make it unrealistic for a provider to switch platforms and still operate in an economically viable way.20 The result is an asymmetry of bargaining power to the detriment of those who depend on the platform. In other words, there is an economic dependence, asis known in comparative doctrine.21 The brick-and-mortar retail sector,22 several agro-industrial sectors,23 and in the context of digital platforms show different market structures leading to dependence. 24 Yet, in the latter, there are two major differences. On one hand, economic dependence can be a decisive factor in the winner-takes-all race. On the other hand, platforms can be placed in a strategic position, as the orchestrator of marketplaces where other players —most of them not rivals of the platform— are going to compete. Therefore, it is critical to understand to what extent economic dependence regarding a platform may affect the wellfunctioning of the market.

2. Dominant power and uneven bargaining power

Economic dependence accounts for an unequal distribution of bargaining power.25 This imbalance allows the holder of such power to exercise aggressive negotiation strategies both at the contractual level (e.g. tied sales, arbitrary interruption of trade relations) and extracontractual level (e.g. refusal to buy or sell), which end up imposing an excessive economic burden on the weaker party. In comparative law, this type of uneven bargaining power is often called superior bargaining position or relative market power26 (hereinafter, indistinctly, “bargaining power” or “relative power”). The exercise of relative market power can have, in turn, a feedback-loop effect, as it reinforces the existing situation of economic dependence.

Regarding digital platforms that provide services as a distribution channel, their strategic position as an intermediary and the size of suppliers who offer goods through it —many of which are small or medium businesses— allows them to be in a position of relative power visà-vis many suppliers. Under these circumstances, the platform can incur in various forms of abuses. The most obvious would be to increase unilaterally the commissions for transactions or enter into exclusivity contracts. A less obvious would be to use the information it obtains as intermediary to favour the marketing of its own branded products 27 or deny access to data that is relevant to users (e.g. about recommendations) and suppliers (e.g. about ranking).28 Not being able to access such data can increase the cost of switching platforms, as it makes data portability more difficult, which in turn may increase the degree of dependence.

While these commercial practices are a manifestation of economic and contractual freedom, in some cases they might be abusive as they could undermine good faith and/or fairness in commercial relationships. In other words, these normative foundations serve as a basis for establishing a boundary between practices with relative market power that are socially acceptable and those which are not. Both at a national and comparative law, the materialization of this dividing line is found mainly in the field of contract law and unfair commercial practices laws. 29

On the other hand, from the perspective of the market’s functioning, although imbalances of bargaining power are inherent in all markets —so much so that they are usually considered a sign of competition—, 30 the exercise of relative market power could, under certain circumstances, cause negative effects on the market structure. As such, a second normative foundation for limiting relative market power could be competition. 31

For instance, taking the commissions’ example, if the platform’s relative market power allows it to raise commissions only to certain suppliers, the resulting differentiated charges can lead to a downstream distortion of competition. 32 On the other hand, in the refusal to grant access to data example, while a vertical-bilateral approach would enable a claim for damages generated on those who cannot access their data, a horizontal-collective approach allows an analysis of whether there are artificial barriers that obstruct competition in the platform market. Moreover, the imposition of exclusive distribution clauses or other formulas that increases switching costs can cause the same effect. 33

Platforms have incentives to be the first to adopt this type of strategy, because by doing so they can take advantage in the winner-takes-all race. 34 In this context, one of the main questions is when these aggressive strategies should be regarded as anti-competitive. To this end, competition law usually resorts to the rule of dominance.35 Dominant power is a legal fiction that —based on economic parameters— distinguishes whether a firm has sufficient market power to behave with independence from competitors36 and/or customers37 on a constant basis. If so, their behaviour is scrutinised to assess whether it has an economic justification or, on the contrary, whether it was carried out to exclude competitors or exploit the market. Yet, in digital platform markets (and in the data economy in general) this rule faces several difficulties.38 First, since platforms have multiple sides, it is complex to understand the distribution of power among them.

39 Second, in the data economy it is complex to know what the true utility or value of a company's accumulated data is and how important it is to access this data for third parties to compete.40 On the other hand, the rule of dominance seems not able to handle all cases of economic dependence threatening competition. Indeed, according to the examples we saw, a third difficulty is that there could be a scenario of dependence distorting downstream or upstream competition (where the platform does not compete, or competes, but is not dominant). Finally, a fourth difficulty is that, even without dominance, a platform can make strategic use of dependence to reach a position of dominance that will later allow it to win the whole market.

#### Structural separations can reorient the coordinates of geo-economic power – smart economies need smarter regulations.

Gurumurthy et al. ’20 [Anita “Unskewing the Data Value Chain: A Policy Research Agenda for Equitable Platform Economies”; (September 1, 2020); Available at SSRN: <https://ssrn.com/abstract=3872492>; AS]

Development is about how developing countries can move out of highly competitive activities with low margins to higher value activities with higher knowledge premiums, a process that has been recognized as structural transformation (Mann & Iazzolino, 2019). Fuelled by digital intelligence, all sectors of the economy are today undergoing a rapid makeover; a transition that requires developing countries to ensure that their productivity gains and digital capabilities are in a virtuous cycle. However, the “intelligence premium” harvested by dominant platform-lead firms in global data value chains constitutes a barrier to entry, impairing the global competitiveness of developing countries (Gurumurthy et al., 2019). The private enclosures of data and digital intelligence unfairly cement the competitive advantage of rich countries in global data value chains and thwart the potential for structural transformation of developing countries. Hence, while the data paradigm presents an urgency for systemic coordination towards national digital industrialization, it also represents a highly contested faultline in global resource redistribution.

The development question for the digital economy then is this: how can the data value chain be unskewed for redistributive equity and inclusion?

This conundrum has been the topic of significant, even if nascent, debates. Both traditional and new age policy proposals are being put forth from various quarters: institutional reform proposals from multilateral agencies and regional political blocs such as OECD, policy review assessments initiated at the national level, and unconventional and radical solutions from progressive civil society networks and scholars.

The emerging proposals can broadly be divided into three main areas: reining in Big Tech power, carving out a new resource governance regime for data resources, and building intelligence infrastructure capabilities in the Global South. Admittedly, many of the ideas involved are fledgling and demand in-depth exploration and robust debate before they can coalesce into clear and effective policies. But the juggernaut of Big Tech impunity and a yawning democratic deficit in global/regional policies in critical areas like trade, taxation and capital flows demand bold and agile action that eschews incremental, status quoist measures. They call for a conceptual overhaul that accounts for the realpolitik of geo-economic power.

The following sections take stock of noteworthy policy proposals that have emerged in each of the three areas, examining them critically and posing priority directions for a research agenda11 that can answer the following questions:  How are current policy directions and emerging institutional mechanisms able to address questions of market fairness and economic equity in the digital economy?  How do emerging global policy frameworks on data and AI impact national development priorities and pathways?

Area 1. Reining in Big Tech power through traditional policy instruments

In mainstream policy discourses in the digital arena, there is increasing recognition that competition and taxation policy reform are urgently needed to effectively curb Big Tech power in global data value chains.

With respect to competition policy, there is mounting consensus that industrial era competition law frameworks need to be overhauled so that they are able to effectively address the anti-competitive risks of network-data effects in data value chains. In 2020, the European Commission for Competition announced an in-depth study aimed at the updation of its merger assessment rubrics to address the realities of asset light, data heavy platform business models of the digital age (Modrall, 2020). The United States House Judiciary Committee has just concluded an investigation into the structural separations to be effected in data value chains to ensure that corporations controlling essential platform infrastructures are not also competing with the businesses that transact goods and services on them, the urgently needed “separation of platforms and commerce” that legal scholar, Lina Khan, has flagged in her study of Amazon’s antitrust behavior (Khan, 2017; 2019). Such interventions to overhaul traditional competition laws are urgently needed in the Global South as well.12

Currently, the European Union is exploring a limited form of structural separation by prohibiting specialized data sharing services from deploying the data that they transact for other uses, in an attempt to establish boundaries between data intermediation and intelligence services layers. But as the proposed regulation in its current form does not extend to cloud service providers, content intermediaries, and data exchange platforms developed in the context of IoT, it can be argued that this regulatory solution does not go far enough.1

#### Digital inequality undermines the LIO and sparks populist backlash.

Flaherty & Rogowski ’21 [Thomas; PhD Candidate and NSF Graduate Fellow @ University of California – San Diego; and Ronald; 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

#### LIO collapse causes extinction.

Harari ’20 [Yuval Noah; Professor in Department of History @ Hebrew University of Jerusalem; “How to Survive the 21st Century: Three Existential Threats to Humanity,” *Journal of Data Protection & Privacy* 3(4) p. 463-468]

As we enter the third decade of the 21st century, humanity faces so many issues and questions, that it is really hard to know what to focus on. So I would like to use the next 20 minutes to help us focus on all the different issues we face. Three problems pose existential challenges to our species. These three existential challenges are nuclear war, ecological collapse and technological disruption. We should focus on them. Now nuclear war and ecological collapse are already familiar threats, so let me spend some time explaining the less-familiar threat posed by technological disruption. In Davos, we hear so much about the enormous promises of technology — and these promises are certainly real. But technology might also disrupt human society and the very meaning of human life in numerous ways, ranging from the creation of a global useless class to the rise of data colonialism and of digital dictatorships. SOCIO-ECONOMIC UPHEAVAL Automation will soon eliminate millions upon millions of jobs, and while new jobs will certainly be created, it is unclear whether people will be able to learn the necessary new skills fast enough. Suppose you are a 50-year-old truck driver, and you just lost your job to a self-driving vehicle. Now there are new jobs in designing software or in teaching yoga to engineers — but how does a 50-year-old truck driver reinvent himself or herself as a software engineer or as a yoga teacher? And people will have to do it not just once but again and again throughout their lives, because the automation revolution will not be a single watershed event following which the job market will settle down into a new equilibrium. Rather, it will be a cascade of ever bigger disruptions, because artificial intelligence (AI) is nowhere near its full potential. Old jobs will disappear, new jobs will emerge, but then the new jobs will rapidly change and vanish. Whereas in the past humans had to struggle against exploitation, in the 21st century, the really big struggle will be against irrelevance. And it is much worse to be irrelevant than exploited. Those who fail in the struggle against irrelevance would constitute a new ‘useless class’ — people who are useless not from the viewpoint of their friends and family, but useless from the viewpoint of the economic and political system. And this useless class will be separated by an ever-growing gap from the ever more powerful elite. THE AI REVOLUTION CREATING UNPRECEDENTED INEQUALITY BETWEEN CLASSES AND COUNTRIES In the 19th century, a few countries like Britain and Japan industrialised first, and they went on to conquer and exploit most of the world. If we are not careful, the same thing will happen in the 21st century with AI. We are already in the midst of an AI arms race, with China and the US leading the race, and most countries being left far, far behind. Unless we take action to distribute the benefit and power of AI between all humans, AI will likely create immense wealth in a few high-tech hubs, while other countries will either go bankrupt or become exploited data colonies. Now we are not talking here about a science fiction scenario of robots rebelling against humans. We are talking about far more primitive AI, which is nevertheless enough to disrupt the global balance. Just think what will happen to developing economies once it is cheaper to produce textiles or cars in California than in Mexico? And what will happen to politics in your country in 20 years, when somebody in San Francisco or Beijing knows the entire medical and personal history of every politician, every judge and every journalist in your country, including all their sexual escapades, all their mental weaknesses and all their corrupt dealings? Will it still be an independent country or will it become a data colony? When you have enough data, you do not need to send soldiers in order to control a country. THE RISE OF DIGITAL DICTATORSHIPS AND GLOBAL MONITORING This danger can be stated in the form of a simple equation, which I think might be the defining equation of life in the 21st century: B ×C×D =AHH! Which means? Biological knowledge multiplied by computing power multiplied by data equals the ability to hack humans, ahh! If you know enough biology and have enough computing power and data, you can hack my body and my brain and my life, and you can understand me better than I understand myself. You can know my personality type, my political views, my sexual preferences, my mental weaknesses, my deepest fears and hopes. You know more about me than I know about myself. And you can do that not just to me, but to everyone. A system that understands us better than we understand ourselves can predict our feelings and decisions, can manipulate our feelings and decisions and can ultimately make decisions for us. Now in the past, many governments and tyrants wanted to do it, but nobody understood biology well enough, and nobody had enough computing power and data to hack millions of people. Neither the Gestapo nor the KGB could do it. But soon at least some corporations and governments will be able to systematically hack all the people. We humans should get used to the idea that we are no longer mysterious souls — we are now hackable animals. That is what we are. The power to hack humans can be used for good purposes — like providing much better healthcare. But if this power falls into the hands of a 21st-century Stalin, the result will be the worst totalitarian regime in human history. And we already have a number of applicants for the job of 21stcentury Stalin. Just imagine North Korea in 20 years, when everybody has to wear a biometric bracelet that constantly monitors your blood pressure, your heart rate, your brain activity 24 hours a day. You listen to a speech on the radio by the great leader, and they know what you actually feel. You can clap your hands and smile, but if you are angry, they know, you will be in the gulag tomorrow. And if we allow the emergence of such total surveillance regimes, do not think that the rich and powerful in places like Davos will be safe, just ask Jeff Bezos. In Stalin’s USSR, the state monitored members of the communist elite more than anyone else. The same will be true of future total surveillance regimes. The higher you are in the hierarchy — the more closely you will be watched. Do you want your chief executive officer or your president to know what you really think about them? So it is in the interest of all humans, including the elites, to prevent the rise of such digital dictatorships. And in the meantime, if you get a suspicious WhatsApp message, from some Prince, do not open it. Now if we indeed prevent the establishment of digital dictatorships, the ability to hack humans might still undermine the very meaning of human freedom. Because as humans will rely on AI to make more and more decisions for us, authority will shift from humans to algorithms and this is already happening. Already today billions of people trust the Facebook algorithm to tell us what is new, the Google algorithm tells us what is true, Netflix tells us what to watch, and the Amazon and Alibaba algorithms tell us what to buy. In the not-so-distant future, similar algorithms might tell us where to work and who to marry, and also decide whether to hire us for a job, whether to give us a loan, and whether the central bank should raise the interest rate. And if you ask why you were not given a loan, and why you the bank did not raise the interest rate, the answer will always be the same — because the computer says no. And as the limited human brain lacks sufficient biological knowledge, computing power and data — humans will simply not be able to understand the computer’s decisions. So even in supposedly free countries, humans are likely to lose control over our own lives and also lose the ability to understand public policy. Already now, how many humans understand the financial system? Maybe 1 per cent, to be very generous. In a couple of decades, the number of humans capable of understanding the financial system will be exactly zero. Now we humans are used to thinking about life as a drama of decision-making. What will be the meaning of human life when most decisions are taken by algorithms? We do not even have philosophical models to understand such an existence. The usual bargain between philosophers and politicians is that philosophers have a lot of fanciful ideas, and politicians basically explain that they lack the means to implement these ideas. Now we are in an opposite situation. We are facing philosophical bankruptcy. The twin revolutions of infotech and biotech are now giving politicians the means to create heaven or hell, but the philosophers are having trouble conceptualising what the new heaven and the new hell will look like. And that is a very dangerous situation. If we fail to conceptualise the new heaven quickly enough, we might be easily misled by naïve utopias. And if we fail to conceptualise the new hell quickly enough, we might find ourselves entrapped there with no way out. Technological disruption of not just our economy, politics and philosophy but also our biology In the coming decades, AI and biotechnology will give us godlike abilities to reengineer life, and even to create completely new life forms. After four billion years of organic life shaped by natural selection, we are about to enter a new era of inorganic life shaped by intelligent design. Our intelligent design is going to be the new driving force of the evolution of life and in using our new divine powers of creation, we might make mistakes on a cosmic scale. In particular, governments, corporations and armies are likely to use technology to enhance human skills that they need — like intelligence and discipline — while neglecting other humans skills – like compassion, artistic sensitivity and spirituality. The result might be a race of humans who are very intelligent and very disciplined but lack compassion, artistic sensitivity and spiritual depth. Of course, this is not a prophecy. These are just possibilities. Technology is never deterministic. In the 20th century, people used the same industrial technology to build very different kinds of societies: fascist dictatorships, communist regimes, liberal democracies. The same thing will happen in the 21st century. AI and biotech will certainly transform the world, but we can use them to create very different kinds of societies. And if you are afraid of some of the possibilities I have mentioned, you can still do something about it. But to do something effective, we need global cooperation. GLOBAL PROBLEMS THAT DEMAND GLOBAL SOLUTIONS Whenever a leader says something like ‘My country first!’ we should remind that leader that no nation can prevent nuclear war or stop ecological collapse by itself, and no nation can regulate AI and bioengineering by itself. Almost every country will say, ‘Hey, we don’t want to develop killer robots or to genetically engineer human babies. We are the good guys. But we can’t trust our rivals not to do it. So we must do it first’. If we allow such an arms race to develop in fields like AI and bioengineering, it does not really matter who wins the arms race — the loser will be humanity. Unfortunately, just when global cooperation is more needed than ever before, some of the most powerful leaders and countries in the world are now deliberately undermining global cooperation. Leaders like the US president tell us that there is an inherent contradiction between nationalism and globalism, and that we should choose nationalism and reject globalism. But this is a dangerous mistake. There is no contradiction between nationalism and globalism. Because nationalism is not about hating foreigners. Nationalism is about loving your compatriots. And in the 21st century, in order to protect the safety and the future of your compatriots, you must cooperate with foreigners. So in the 21st century, good nationalists must be also globalists. Now globalism does not mean establishing a global government, abandoning all national traditions or opening the border to unlimited immigration. Rather, globalism means a commitment to some global rules. Rules that do not deny the uniqueness of each nation, but only regulate the relations between nations. THE WORLD CUP: AN EFFECTIVE MODEL FOR GLOBAL COOPERATION The World Cup is a competition between nations, and people often show fierce loyalty to their national team. But at the same time, the World Cup is also an amazing display of global harmony. France cannot play football against Croatia unless the French and the Croatians agree on the same rules for the game. And that is globalism in action. If you like the World Cup — you are already a globalist. Now hopefully, nations could agree on global rules not just for football, but also for how to prevent ecological collapse, how to regulate dangerous technologies and how to reduce global inequality. How to make sure, for example, that AI benefits Mexican textile workers and not only American software engineers. Now of course, this is going to be much more difficult than football — but not impossible. Because the impossible, well we have already accomplished the impossible. We have already escaped the violent jungle in which we humans have lived throughout history. For thousands of years, humans lived under the law of the jungle in a condition of omnipresent war. The law of the jungle said that for every two nearby countries, there is a plausible scenario that they will go to war against each other next year. Under this law, peace meant only ‘the temporary absence of war’. When there was ‘peace’ between — say — Athens and Sparta, or France and Germany, it meant that now they are not at war, but next year they might be. And for thousands of years, people had assumed that it was impossible to escape this law. But in the last few decades, humanity has managed to do the impossible, to break the law and to escape the jungle. We have built the rule-based liberal global order that, despite many imperfections, has nevertheless created the most prosperous and most peaceful era in human history. Peace has changed ‘Peace’ no longer means just the temporary absence of war. Peace now means the implausibility of war. There are many countries that you simply cannot imagine going to war against each other next year — like France and Germany. There are still wars in some parts of the world. I come from the Middle East, so believe me, I know this perfectly well. But it should not blind us to the overall global picture. We are now living in a world in which war kills fewer people than suicide, and gunpowder is far less dangerous to your life than sugar. Most countries — with some notable exceptions like Russia — do not even fantasise about conquering and annexing their neighbours. Which is why most countries can afford to spend maybe just about 2 per cent of their gross domestic product on defence, while spending far, far more on education and healthcare. This is not a jungle. Unfortunately, we have gotten so used to this wonderful situation that we take it for granted, and we are therefore becoming extremely careless. Instead of doing everything we can to strengthen the fragile global order, countries neglect it and even deliberately undermine it. The global order is now like a house that everybody inhabits and nobody repairs. It can hold on for a few more years, but if we continue like this, it will collapse — and we will find ourselves back in the jungle of omnipresent war. We have forgotten what it is like, but believe me as a historian — you do not want to be back there. It is far, far worse than you imagine. Yes, our species has evolved in that jungle and lived and even prospered there for thousands of years, but if we return there now, with the powerful new technologies of the 21st century, our species will probably annihilate itself. Of course, even if we disappear, it will not be the end of the world. Something will survive us. Perhaps the rats will eventually take over and rebuild civilisation. Perhaps, then, the rats will learn from our mistakes.

#### Underdevelopment accelerates civil wars.

Tollefsen ’17 [Andreas Forø; Peace Research Institute Oslo, PhD in Human Geography @ University of Oslo; “Experienced poverty and local conflict violence,” *Conflict Management and Peace Science* 37(3) p. 323-349]

Civil wars are more frequent than any other type of conflict in the modern era, with the majority occurring in low-income countries (Hegre and Sambanis, 2006; Jakobsen et al., 2013). While most country-level studies find that poverty and inadequate economic development increase the risk of conflict—a relationship that appears to be causal (Braithwaite et al., 2016)—we lack consensus on the precise mechanisms driving this phenomenon (Justino, 2009). Researchers have explained a correlation between low GDP per capita and conflict using diverse hypotheses, including lowered opportunity costs for individuals to rebel (Collier et al., 2009) and responses to a state’s weak capacity (Fearon and Laitin, 2003).

However, as argued by Hegre (2016), development’s highly correlated indicators make it difficult to distinguish between the theoretical mechanisms underlying the development– conflict nexus. Moreover, previously proposed models often represent processes operating on various geographical scales at individual, group, and state levels. Few researchers have backed up theoretical expectations with data at scientifically fitting levels of analysis, consequently ignoring intra-country variations of explanatory variables and outcomes. Furthermore, aggregated measures are incapable of capturing significant variations in economic conditions (Elbers et al., 2003) and conflict intensity (Rustad et al., 2011) within countries. In addition, conflict areas are, in general, atypical of a nation as a whole (Buhaug and Lujala, 2005), which calls for a subnational level analysis.

Addressing these disconnects—and the fact that most conflict operates at a local level (Rustad et al., 2011)—a recent body of studies has focused on how subnational variations in poverty determine the locations within a country where conflicts break out (Buhaug et al., 2011; Hegre et al., 2009; Østby et al., 2009). To date, their findings are largely mixed, with no consensus yet on strength, direction, or mechanisms behind the relationship. The problem here may be the use of varying proxies for poverty that are only loosely linked to the rationale for conflict and/or insufficient attention on the local sociopolitical context.

The present study’s empirical contributions seek to help rectify the inadequate measures of poverty that have come to characterize the literature. To begin with, the article improves our understanding of whether and where a local poverty–conflict nexus exists by deploying experiential data on individuals’ actual wellbeing—which I argue is more closely connected to people’s motives and rationale for taking up arms. Second, the article examines the sociopolitical context’s conditioning effect on the poverty–conflict nexus. This is achieved by including data on individuals’ perceptions surrounding the quality of their local institutions, the presence of group grievances, and local unemployment rates. These factors, I argue, are more closely linked to reasons for fighting than are common proxies such as night-time luminosity and estimates of economic activity, both of which are often derived from dividing GDP per capita by local population counts.

Poverty—a state in which individuals’ basic needs go unmet—has been shown to motivate people to join rebellions. Humphreys and Weinstein (2008), for instance, found that poverty predicted inscription in the Revolutionary United Front during Sierra Leone’s civil war. Barrett (2011) similarly saw how promises of loot lured the poor to enlist in the 1997– 1998 dispute in Nigeria’s local government area known as Toto. Combatants of the Toto conflict were also more likely to join the rebellion if they stood to gain personal protection, food, and shelter.

For the present study, I developed a dataset by aggregating survey responses from the pan-African Afrobarometer survey to subnational districts and combining the results with information on post-survey violent conflicts. The dataset consists of 4008 subnational districts, spanning 35 African countries. As most districts were only assessed once, thus restricting study of within-unit variation, survey responses were also aggregated to higher-order subnational regions, resulting in a dataset of 111 regions that were surveyed at least twice; this permitted a region-level fixed-effects model design.

Using a pooled cross-sectional dataset of districts, I found that high levels of poverty were linked to increases in local conflict-based violence. Districts with a large share of poor individuals, both in absolute terms and relative to country average, had a higher risk ofconflict than more affluent areas. This relationship held in a coarsened exact matching setup, as well as in a region-level fixed effects design with repeated measurements across time. While the results reveal a local poverty–conflict link, they do not aid in uncovering underlying mechanisms.

Using interactions models, I found that poverty increased the risk of conflict, although only where local institutions are weak. The results also show that poverty-stricken areas in which individuals strongly perceive group injustice have a greater risk of conflict than similarly impoverished regions with no aggrieved population. A departure from the local individual opportunity cost explanation, local economic opportunities do not seem to condition the poverty–conflict nexus. In sum, the results suggest that while poverty is significantly connected to conflict, high-quality institutions and inclusiveness of ethnic groups can prevent violence. Although a wide range of robustness checks and alternative model specifications were implemented, including matching and fixed-effects models, the issue of endogeneity could not be ruled out; doing so would require some kind of exogenous instrument, which I have been unable to identify.

The remainder of this article elaborates on the theoretical framework linking subnational poverty to local conflict-based violence. This is followed by a discussion of existing methods for measuring local poverty and their potential shortcomings. Next presented is the study’s research design and modeling strategy, followed by a discussion of empirical results. The conclusion considers the study’s limitations and proposes avenues for future research on poverty in locations that support rebel groups.

Poverty and conflict

A direct link

A connection between low income and risk of conflict is among the most robust findings in the literature on civil wars (Hegre and Sambanis, 2006). However, there is little consensus on the mechanisms through which poverty may produce conflict. Collier and Hoeffler (1998) claimed that low per-capita income lowers the opportunity cost of rebellion because when they have less to lose from taking up arms, poorer individuals become more inclined to rebel. Fearon and Laitin (2003) observed that poorer countries experience more conflict because they are unable to monitor and control all of their territory, thereby creating pockets of hospitable conditions for insurgents; Tollefsen and Buhaug (2015) identified a similar scenario at the local level.

#### Draws in great powers – extinction.

Heath ’19 [Nathanael C. Heath, 2nd year MALD Candidate at Fletcher School of Law and Diplomacy. He focuses primarily on political risk and negotiations in the Middle East, North Africa, and the Horn of Africa; “A Red Sea Geopolitics Primer”; The Fares Center for Eastern Mediterranean Studies; August 2019; https://sites.tufts.edu/farescenter/a-red-sea-geopolitics-primer/]

These terrific opportunities for prosperity rooted in trade, energy, and innovation face risks posed by complex economic and military competition among both regional and global owners. For one, African rivalries stretching from Egypt to Djibouti are adding to the Red Sea region’s volatility. Egyptian and Ethiopian relations, although somewhat improved since the transitions to the al-Sisi and Abiy regimes, respectively, remain tense over the Grand Ethiopian Renaissance Dam (GERD). Ethiopia views the dam as a strategic necessity, while Egypt fears the dam will deplete its water resources. Although Ethiopia’s relations with Somalia and Eritrea have improved from Addis’s historically hostile positions towards Asmara and Mogadishu, Ethiopia’s access to the Red Sea ports remains a point of negotiation between the three countries. Sudan has also become increasingly problematic for its neighbors, as its resources, access to the sea, and ongoing political violence have attracted the attention of Turkey and the Gulf Nations, frustrating Egypt given Cairo and Khartoum’s historically close relationship. And Djibouti remains caught in a tug of war between an ever-growing number of regional and global powers.

The Middle East is home to its own set of conflicts fueling military and economic competition in the Red Sea. The primary regional rivalry continues to be between Iran and Saudi Arabia, who are each vying for regional supremacy via either direct or proxy engagement in conflicts. Iran’s allies are Syria, Lebanon, and the Houthi rebels in Yemen (and also Qatar to a limited extent). Saudi Arabi is allied with the UAE, Bahrain, and Egypt, and the Qataris have historically been Saudi allies but have in recent years struck a more independent foreign policy that resulted in their blockade by Saudi Arabia, Egypt, Bahrain, and the UAE. The conflict between Riyadh and Tehran presents the most probable risk of a regional conflagration that could threaten the political and economic stability of the Red Sea region. At the moment, the risk of a tanker war or all-out military conflict between the U.S. and Iran is quite high, and the closure of the Strait of Hormuz or even the disruption of trade through the Gulf of Oman is a troubling and possible outcome of such an event.

The formation of Middle East-African alliances has added a further risk of conflict to the region. In addition to its relationship with Sudan (where Saudi Arabia and Iran have competed with Eritrea), Turkey has poured significant aid and investment into Somalia, and Istanbul now owns all of the country’s major ports. Saudi Arabia and the UAE have sparred with Ethiopia over influence in Eritrea. Additionally, Qatar’s alignment with the Turks, Saudis, and Emiratis at different times has increased Doha’s influence in nations along the Horn of Africa. It is in Djibouti, however, that the greatest risk to the Red Sea itself lies, as the city-state has drawn the attention of the great powers.

In addition to a slew of Middle Eastern and African powers including Qatar, the UAE, Saudi Arabia, Turkey, Ethiopia, Somalia, Eritrea, and Egypt, a number of global powers have set their sights on Djibouti as a strategic asset. The U.S., China, Russia, Japan, France, and Italy have all secured or pursued military bases in Djibouti, which is situated close to the critical Strait of Bab-el-Mandeb. China’s first overseas military base, positioned in Djibouti, is situated just miles from Camp Lemonnier, the only significant U.S. military base in Africa. Russia failed to secure a base in Djibouti and has looked further inland for African military partnerships; France, Italy, and Japan maintain smaller operations. The U.S.-China base rivalry in Djibouti (if it could be thought of as such), is symptomatic of the larger continental rivalry between two Great Powers, as both Washington and Beijing continue to vie for influence in Africa with rival political ideologies and systems of economic development. Djibouti is thus a true powder key, not merely for regional rivalries but also for the larger Great Power game between the U.S. and China. An economic and military conflict between Washington and Beijing would impact Djibouti, threatening to disrupt trade routes passing through the Red Sea.

In the near future we can expect to see increasing economic competition in the Red Sea as both traditional fossil fuels and renewable energy sources bolster already-significant levels of trade and innovative projects such as Neom and the GERD. The struggle for economic power will fuel increased investment by developed or middle-income regional powers such as Egypt, Turkey, or Saudi Arabia, Qatar, or the UAE into developing countries such as Sudan, Somalia, and Eritrea. Furthermore, global powers such as the U.S., China, EU, and Japan will be increasingly drawn to key Djibouti and other key ports to protect access to key trade routes. With shifting alliances and economic competition, however, comes increased risk of conflict in a region already home to numerous zones of instability. To minimize risk to the global supply chain, powers with military, economic, or political interests in the Red Sea region will have to work together to ensure that conflicts are contained or prevented altogether in the interest of stabilizing both regional and global markets.

# 2AC

## Dynamism

### 2ac—AT: Growth Bad

#### Degrowth causes backlash, fails to resolve environmental challenges, and causes chaos – growth solves.

Karlsson 21 – (Rasmus, "Learning in the Anthropocene" Soc. Sci. 10, no. 6: 233. <https://doi.org/10.3390/socsci10060233> 18 June 2021)// gcd

Unpacking this argument, it is perhaps useful to first recognize that, stable as the Holocene may have seemed from a human perspective, life was always vulnerable to a number of cosmic risks, such as bolide collisions, risks that only advanced technologies can mitigate. Similarly, the Black Death of the 14th century should serve as a powerful reminder of the extreme vulnerability of pre-industrial societies at a microbiological level. Nevertheless, it is reasonable to think of the Holocene as providing a relatively stable baseline against which the ecological effects of technological interventions could hypothetically be evaluated. With most human activities being distinctively local, nature would for the most part “bounce back” (even if the deforestation of the Mediterranean basin during the Roman period is an example of that not always being the case) while larger geophysical processes, such as the carbon cycle, remained entirely beyond human intentional control. Even if there has been some debate about what influence human activities had on the preindustrial climate (Ruddiman 2007), anthropogenic forcing was in any case both marginal and gradual. All this changed with the onset of the Great Acceleration by which humans came to overwhelm the great forces of nature, causing untold damage to fragile ecosystems and habitats everywhere, forever altering the trajectory of life on the planet (Steffen et al. 2011b). In a grander perspective, humanity may one day become an interplanetary species and thus instrumental in safeguarding the long-term existence of biological life, but for the moment, its impact is ethically dubious at best as the glaciers melt, the oceans fill up with plastics, and vast number of species are driven to extinction. Faced with these grim realities, it is of course not surprising that the first impulse is to seek to restore some kind primordial harmony and restrain human activities. Yet, it is important to acknowledge that, even if their aggregate impact may have been within the pattern of Holocene variability, pre-modern Western agricultural societies were hardly “sustainable” in any meaningful sense. Experiencing permanent scarcity, violent conflict was endemic (Gat 2013), and as much as some contemporary academics like to attribute all evils to “capitalism” (Malm 2016), pre-capitalist societies exhibited no shortage of religious intolerance and other forms of social domination. It is thus not surprising that some have argued the need to reverse the civilizational arc further yet and return to a preliterate hunter-gather existence (Zerzan 2008) even if this, obviously, has very little to do with existing political realities and social formations. Under Holocene conditions, the short-term human tragedy may have been the same, but it did not undermine the long-term ability of the planet to support life. In a world of eight billion people, already accumulated emissions in the atmosphere have committed the planet to significant warming under the coming centuries, with an increasing probability that committed warming already exceeds the 1.5-degree target of the Paris Agreement even if all fossil-fuel emissions were to stop today (Mauritsen and Pincus 2017). This means that sustained negative emissions, presumably in combination with SRM, will most likely be needed just to stabilize global temperatures, not to mentioning countering the flow of future emissions. According to the Intergovernmental Panel on Climate Change (IPCC), assuming that all the pledges submitted under the Paris Agreement are fulfilled, limiting warming to 1.5 degrees will still require negative emissions in the range of 100—1000 gigatons of CO2 (Hilaire et al. 2019, p. 190). The removal of carbon dioxide at gigaton scales from the atmosphere will presumably require the existence of an advanced industrial society since low-tech options, such as afforestation, will be of limited use (Gundersen et al. 2021; Seddon et al. 2020), especially in a future of competing land-uses. It is against this backdrop of worsening climate harms that the limits of “precaution”, at least as conventionally understood, become apparent. While degrowth advocates tend to insist that behavioral change, even explicitly betting on a “social miracle” (Kallis 2019, p. 195), is always preferable to any technological risk-taking (Heikkurinen 2018), that overlooks both the scope of the sustainability challenge and the lack of public consent to any sufficiently radical political project (Buch-Hansen 2018). While there may be growing willingness to pay for, say, an electric vehicle (Hulshof and Mulder 2020), giving up private automobile use altogether is obviously a different animal, to say nothing about a more fundamental rematerialization of the economy (Hausknost 2020). Again, the problem is one in which change either (a) remains marginal yet ecologically insufficient or (b) becomes sufficiently radical yet provokes a strong political counterreaction. A similar dynamic can be expected to play out at the international level where countries that remain committed to growth would quickly gain a military advantage. To make matters worse, there is also a temporal element to this dynamic since any regime of frugality and localism would have to be policed indefinitely in order to prevent new unsustainable patterns of development from re-emerging later on. All this begs the obvious question, if the political and economic enforcement of the planetary boundaries are fraught with such political and social difficulties, would it not be better to instead try to transcend them through technological innovation? Surprisingly, any high-energy future would most likely be subject to many of the same motivational and psychological constraints that hinder a low-energy future. While history shows that existing nuclear technologies could in theory displace all fossil fuels and meet the most stringent climate targets (Qvist and Brook 2015), it seems extremely unlikely, to put it mildly, that thousands of new reactors will be built over the course of the coming decades in response to climate change. Outside the world of abstract computer modelling, real world psychological and cultural inertia tends to ensure that political decision-making, at least for the most part, gravitates to what is considered “reasonable” and “common sense”—such as medium emissions electricity grids in which wind and solar are backed by biomass and gas—rather than what any utilitarian optimization scenario may suggest. Even if the global benefits of climate stabilization would be immense, the standards by which local nuclear risks are assessed, as clearly illustrated by the Fukushima accident which led to a worldwide retreat from nuclear energy despite only causing one confirmed death (which, though obviously regrettable, has to be put in relation to the hundred and thousands of people dying every year from the use of fossil fuels), underscores the uneven distribution of perceived local risks versus global benefits and the associated problem of socio-political learning across spatial scales. Almost two decades ago, Ingolfur Blühdorn identified “simulative eco-politics” as a key strategy by which liberal democracies reconcile an ever-heightened rhetoric of environmental crisis with their simultaneous defense of the core principles of consumer capitalism (Blühdorn 2007). Since then, declarations that we only have “ten years to save the planet” have proliferated, and so have seemingly bold investments in renewable energy, most recently in the form of US President Joseph Biden’s USD 2.25 trillion climate and infrastructure plan. Still, without a meaningful commitment to either radical innovation or effective degrowth, it is difficult to see how the deployment of yet more wind turbines or the building of new highways will in any way be qualitatively different from what Blühdorn pertinently described as sustaining “what is known to be unsustainable” (Blühdorn 2007, p. 253). However, all is not lost in lieu of more authentic forms of eco-politics. Independent of political interventions, accelerating technological change, in particular with regard to computing and intelligent machine labor, may one day make large-scale precision manipulation of the physical world possible in ways that may solve many problems that today seem intractable (Dorr 2016). Similarly, breakthroughs in synthetic biology may hold the key to environmentally benign biofuels and carbon utilization technologies. Yet, all such progress remains hypothetical and uncertain for now. Given what is at stake, there is an obvious danger in submitting to naïve technological optimism. What is less commonly recognized is that naïve optimism with regard to the prospects of behavioral change may be equally dangerous. While late-capitalist affluence has enabled many postmaterial identities and behaviors, such as bicycling, hobby farming, and other forms of emancipatory self-expression, a collapsing economy could quickly lead to a reversal back to survivalist values, traditional hierarchical forms of domination, and violence (Quilley 2011, p. 77). As such, it is far from obvious what actions would actually take the world as a whole closer to long-term sustainability. If sustainability could be achieved by a relatively modest reduction in consumption rates or behavioral changes, such as a ban on all leisure flights, then there would be a strong moral case for embracing degrowth. Yet, recognizing how farreaching measures in terms of population control and consumption restrictions that would be needed, the case quickly becomes more ambiguous. While traditional environmentalism may suggest that retreating from the global economy and adopting a low-tech lifestyle would increase resilience (Alexander and Yacoumis 2018), it may do very much the opposite by further fragmenting global efforts and slowing the pace of technological innovation. Without an orderly and functioning world trade system, local resources scarcities would be exacerbated, as seen most recently with the different disruptions to vaccine supply chains. In essence, given the lack of a stable Holocene baseline to revert to, it becomes more difficult to distinguish proactionary “risk-taking” from “precaution”, especially as many ecosystems have already been damaged beyond natural recovery. In this context, it is noteworthy that many of the technologies that can be expected to be most crucial for managing a period of prolonged overshoot (such as next-generation nuclear, engineering biology, large-scale carbon capture and SRM) are also ones that traditional environmentalism is most strongly opposed to. 3. Finding Indicators From the vantage point of the far-future, at least the kind depicted in the fictional universe of Star Trek, human evolution is a fairly straightforward affair along an Enlightenment trajectory by which ever greater instrumental capacity is matched by similar leaps in psychological maturity and expanding circles of moral concern. With the risk of sounding Panglossian, one may argue that the waning of interstate war in general and the fact that there has not been any major nuclear exchange in particular, does vindicate such an optimistic reading of history. While there will always be ups and downs, as long as the most disastrous outcomes are avoided, there will still be room for learning and gradual political accommodation. Taking such a longer view, it would nevertheless be strange if development was simply linear, that former oppressors would just accept moral responsibility or that calls for gender or racial justice would not lead to self-reinforcing cycles of conservative backlash and increasingly polarizing claims. Still, over the last couple of centuries, there is little doubt that human civilization has advanced significantly, both technologically and ethically (Pinker 2011), at least from a liberal and secular perspective. However, unless one subscribes to teleology, there is nothing inexorable with this development and, it may be that the ecological, social, and political obstacles are simply too great to ever allow for the creation of a Wellsian borderless world (Pedersen 2015) that would allow everyone to live a life free from material want and political domination. On the other hand, much environmental discourse tends to rush ahead in the opposite direction and treat the c limate crisis as ultimate evidence of humanity’s fallen nature when the counter-factual case, that it would be possible for a technological civilization to emerge without at some point endangering its biophysical foundations, would presumably be much less plausible. From an astrobiological perspective, it is easy to imagine how the atmospheric chemistry of a different planet would be more volatile and thus more vulnerable to the effects of industrial processes (Haqq-Misra and Baum 2009), leaving a shorter time window for mitigation. Nick Bostrom has explored this possibility of greater climate sensitivity further in his “vulnerable world hypothesis” (Bostrom 2019) and it begs to reason that mitigation efforts would be more focused in such a world. However, since climate response times are longer and sensitivity less pronounced, climate mitigation policies have become mired in culture and media politics (Newman et al. 2018) but also a statist logic (Karlsson 2018) by which it has become more important for states to focus on their own marginal emission reductions in the present rather than asking what technologies would be needed to stabilize the climate in a future where all people can live a modern life.

## Dependency Trap

## Topicality

### 2ac—AT: T Business Practices

#### C/I – prohibitions can be categorical or limited.

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]

Notably, state and federal governments have issued line-of-business restrictions through a variety of legal tools: corporate charters, regulatory regimes, and antitrust law.227 In some cases, these limits prohibited firms from expanding into any distinct market; in others, they prohibited firms from entering only adjacent markets—namely, those markets that involve a successive stage of production or distribution. A categorical prohibition would, for example, ban a movie distributor from entering any nondistributor market, whereas a ban on integration would prohibit it from entering only the movie-production market or the movie-theater market. Since this Article examines the dual role that digital platforms play—as both marketplace operators and merchants in the marketplace—this Part primarily focuses on limits on entry into adjacent markets

#### Division between per-se and rule of reason is arbitrary – per se refers to practices that are unreasonable per se. Court holdings establish per se restrictions are merely intrinsically unreasonable, as opposed to extrinsically so. Arbitrary interps move the goal post and are unfair; if limits are all that matter then counter interp only our aff is topical.

Lee LOEVINGER, Assistant Attorney General in charge of the Antitrust Division U. S. Department of Justice , ’61, “THE RULE OF REASON IN ANTITRUST LAW” DOJ. Prepared for Delivery Before the AMERICAN BAR ASSOCIATION SECTION OF ANTITRUST LAW https://www.justice.gov/atr/speech/file/1237731/download

In this opinion, the Court stated that the antitrust law embraced acts which, because of their inherent nature, effect or purpose, restrained trade or restricted competition. It said that the statute did not forbid normal and usual contracts to further trade by resorting to all normal business methods. The Court said that the rule of reason was not that acts which the statute prohibited could be removed from its prohibitions by a shoving that they were reasonable, but that the duty to interpret the term restraint of trade required a reasonable meaning which would not destroy the individual right to contract and carry on trade.

As might be expected, the promulgation of this rule of reason resulted in an attempt by defendants to justify every restrictive combination that was attacked on the grounds that, in the light of all the economic facts and conditions, the particular practice assailed is reasonable. The courts have responded to this by developing a doctrine of so-called "per se" violations which are held to be prohibited by the antitrust laws regardless of any asserted justification or alleged reasonableness. Such category of violations are sometimes referred to as "unlawful per se" 8/ and it is sometimes said that such acts are illegal per se regardless of their reasonableness. 9/ However such a view suggests an arbitrary holding which, in my opinion, is not justified by an analysis of the cases themselves. Rather, I think the correct analysis is indicated by the statement of the Court in the Socony-Vacuum case that "Agreements for price maintenance...are, without more, unreasonable restraints within the meaning of the Sherman Act because they eliminate competition \*\*\* "10/ and by the statement in certain later cases that tie-in agreements and similar arrangements are "unreasonable per se" 11/. This view seems to be that which the Court itself is now taking as indicated by the statement in the Northern Pacific decision that "There are certain agreements or practices which because of their pernicious effect on competition and lack of any redeeming virtue are conslusively presumed to be unreasonable and, therefore, illegal without elaborate inquiry as to the precise harm they have caused or the business excuse for their use." 12 In the opt phrase of a recent decision, such practices are "intrinsically unreasonable". 13/

In this view, the distinction to be made between the categories of acts which are prohibited by the antitrust laws is between those which are intrinsically and those which are extrinsically unreasonable. Acts which are intrinsically unreasonable violate the antitrust laws because their inherent character is so restrictive of competition that the courts will not undertake an elaborate economic inquiry into their purposes, tendencies or effects, or into the circumstances giving rise to their adoption and use.

## Kritik

### 2ac—AT: K

#### Cruel pessimism is a greater problem than cruel optimism. The possibility of a decolonized world is worth our efforts. Even as spectators and critics, we can shape the discourse of anticolonial activity.

Drucilla **CORNELL** Poli Sci, Women’s Studies & Comparative Lit @ Rutgers **AND** Stephen **SEELY** PhD Candidate @ Rutgers **’16** *The Spirit of Revolution* p. 11-14

Optimism: Duty or Cruelty?

More recently, further objections have been made within queer and affect theory in particular to the normativizing tendencies inherent in politics in general: perhaps political optimism or revolutionary hope are simply ways of interpellating queer subjects into compulsory affective circuits in which "negative" feelings and emotions must be renounced in the name of "positive" ones, or into certain hetero- or homonormative visions of the "good life" that is to be sought in revolutionary movements. Such a process, according to some queer theorists, thus installs a form of affective normativity into politics, which demands certain investments and obscures the distribution of "positive" and "negative" feelings across gender, sexual, racial, class, and national axes (see Duggan and Munoz 2009 and Berlant 2011). As such, much recent queer theory has drawn on certain forms of psychoanalysis to advocate the political use-value of precisely these "negative" and "non-normative" affects and feelings including hopelessness, melancholia, shame, unhappiness-in the name of queer resistance (see Eng and Kazanjian 2002, Duggan and Munoz 2009, Ahmed 2010, Halperin and Traub 2010). In its most extreme form (which we take up extensively in Chapter 3 ), queer theorist Lee Edelman (2004) has argued that any politics whatsoever is always already both heteronormative and conservative insofar as it imagines "the Child" as the horizon and beneficiary of any political action. The focus on the future inherent to any political agenda, according to Edelman,jnvolves a compulsory renunciation of the present in the name of the children who will inherit that "better" future. Queers are, according to Edelman, those not fighting for the children and are thus figured as the death drive of the social order-a status Edelman forcefully exhorts queers to actively take up in the "insist[ence] that the future stop here" (2004: 31).

So does all of this mean that we are, to use Lauren Berlant's (2011) term, "cruel optimists" ?3 We would answer this simply: there is surely nothing crueler than to say that there is no way out of the horrific and brutal exploitation of advanced capitalism that leaves the majority of the world's population in conditions of dire poverty and targeted for extinction. Embracing the death drive, or what amounts to the same thing, abandoning oneself to the impending doom of the species and the planet when you have no possibility of life is not such a big deal, and is certainly not an act of "queer" or "posthumanist" resistance. Centuries ago, Immanuel Kant argued that we have a duty to be optimistic, not because things are necessarily going to get better, but because they might. For Kant, we are not obligated to believe in any particular vision of the future or its possibility, but the fact that ideals such as perpetual peace (and we would add: the end of capitalism) cannot be proven impossible obliges us to live as if (not necessarily believe) they were. To quote Kant:

for there can be no obligation ... to believe something [i.e., a specific end]. What is incumbent upon us as a duty is to act in conformity with the idea of that end, even if there is not the slightest theoretical likelihood that it can be realized, as long as its impossibility cannot be demonstrated either. Now morally practical reason pronounces in us its irresistible veto: there is to be no war ... So the question is no longer whether perpetual peace is something real or a fiction, and whether we are not deceiving ourselves in our theoretical judgment when we assume that it is real. Instead we must act as if it is something real, though perhaps it is not ... and even if the complete realization of this objective always remains a pious wish, still we are certainly not deceiving ourselves in adopting the maxim of working incessantly toward it. For this is our duty .. . (1996: 490-1, emphasis added)

And, moreover, as spectators (if not participants) in revolutionary struggle, we actually shape the way those struggles will be read. So for Kant, the spectators who cheered on the French Revolution played a role in history in that the significance they gave to that revolution became part of the new reality that that revolution constituted. And cannot the same be said for those who cheered on the "Arab Spring," as well as those who heroically participated in it? Can it not be said of those who stayed up all night watching the votes be counted in recent elections in Greece, Spain, and South Africa to see if new socialist parties would be voted in? The deep irony of much recent feminist and queer theory is that it effectively tells us that, in the name of "queerness" and "posthumanism," everything must ultimately remain exactly as it is, given that the hope for a different future is heteronormative and any idea of transforming the world is humanist delirium; that we should instead embrace ephemerality, extinction, and the death drive (all of which capitalism has conveniently made readily available); and that anyone who writes or claims otherwise is nothing but a nostalgic, humanist fool providing deluded idiots with cruel optimism. How do these thinkers know that we are fated to fragility, death, extinction, poverty, war, capitalism, depression, melancholia, and unbearable sex?

In this book, we want to show that the "truth" they tell us about the ultimate impossibility of a more just future can, and should, be deconstructed in the name of a queer-feminist future beyond Man, a future that by the very appropriation of the word "queer" tells us that nothing is ever what it seems and that the psychic and bodily prisons that we live in are always in the process of being undone by collective revolutionary processes. Indeed, as the late queer theorist Jose Esteban Munoz insisted in his disagreements with much recent queer theory, queerness is itself a form of utopianism or "revolutionary consciousness." As he put it: It is difficult to hold onto a phrase like "revolutionary consciousness." It seems stark, out-moded, universalizing, and prescriptive. Yet I nonetheless deploy it because I want to link it specifically to the world of affect and feeling ... It is not about announcing the way things ought to be, but, instead, imagining what things could be. (Duggan and Muiioz 2009: 278) We do not wish to rehearse here the hope versus hopelessness, future versus anti-future debates that have dominated queer theory over the past decade. We do, however, want to point out the resonances of Munoz's contention that "queerness is an ideality" (2009: 1) with the Kantian duty of optimism, explicitly putting queer politics on the side of revolution: that we can imagine beyond what we can know both enables and obligates us to live according to ideals of freedom as we also struggle to bring such a world into existence. Certainly, Kant's point is that as we put ourselves into the story, we are part of it and thus pessimism becomes just as much a part of that story as optimism. And moreover, as we will discuss in Chapter 4, these stories have a profound power to materialize and rematerialize the world that we live in together. Thus, if what many contemporary theorists tell us is not truth, then it is just their own conviction-itself a form of political faith. And why have the faith that we are thoroughly fucked if there is any way for us to queer ourselves out of it? It would thus seem that many theorists have their .own form of cruel attachment-a cruel pessimism?-to the idea that revolution is something we (can) no longer desire. Perhaps this is a form of immunity to the inevitable disappointments of political struggle: we can no longer be disappointed if we no longer hope for a more just future or believe it is possible. And yet, as political theorist Jane Anna Gordon eloquently said at a recent event in New York City, "Political theory is incoherent if we accept that we are in a post-revolutionary time. All we can do then is poetically discuss resignation and impossibility. " 4 The philosophy of the limit means that the very limit to any idea of "the impossible," that is, to any metanarrative of postrevolutionary doom, leaves us with the responsibility to fight for a politics that is both revolutionary and that is constantly challenging the reign of Man in the form of colonialism, capitalism, racism, phallocentrism, and heterosexism (see Cornell 1992). As we have suggested, and will argue throughout this book, thinkers in the global South have been engaged in precisely this project for centuries. These thinkers, however, have been too involved in revolutionary struggles themselves to spend too much time hand-wringing about the humanistic arrogance of politics and the failures of feminism and socialism, or debating the value of hope versus pessimism, because there is simply too much work to be done in the struggle for total decolonization. They, in a deep and profound sense, are on the side of life, understood not as abstract "life itself," but as part of political spirituality: the struggle for different ways of living individually, collectively, and with the other beings with which we share the planet. And perhaps it is precisely to these thinkers that we must now look for the spirit of revolution and for a new practice of the human beyond Man. We close this introduction and open our book with the words of Gilles Deleuze castigating the so-called "New Philosophers" of the 1970s who critiqued Marxism and socialism for manipulating the supposedly ignorant masses:

What I find really disgusting is that the New Philosophers are writing a martyrology: the Gulag and the victims of history. They live off corpses ... But there never would have been any victims if the victims had thought or spoken like our New Philosophers. The victims had to live and think in a totally different way to provide the material that so moves the New Philosophers, who weep in their name, think in their name, and give us moral lessons in their name. Those who risk their life most often think in terms of life, not death, not bitterness, and not morbid vanity. Resistance fighters are usually in love with life. No one was ever put in prison for powerlessness and pessimism-on the contrary! From the perspective of the New Philosophers, the victims were duped, because they didn't yet grasp what the New Philosophers have grasped. If I belonged to an association, I would bring a complaint against the New Philosophers: they show just a little too much contempt for the inmates of the Gulag. (2007: 144-5) With very little adjustment, could these same words not be said of our new prophets of queer hopelessness, posthumanist renunciation, and postrevolutionary pessimism?

#### Their rejection of hope disrupts their response to psychic violence

Lloyd, PhD, 17 (Vincent, Associate Professor of Theology and Religious Studies at Villanova University, “Afro-Pessimism and Christian Hope,” Forthcoming (March 2017) in *Grace, Governance, and Globalization: Theology and Public Life*, ed. by Boeve, van Erp, and Poulsom, http://www09.homepage.villanova.edu/vincent.lloyd/afro-pessimism-christian-hope.pdf)

Afro-pessimist scholarship itself rarely turns towards practical questions and rarely asks: what are we to do, or how are we to hope?12 Afro-pessimist scholarship is largely descriptive work, taking political events (lynchings and police shootings, for example) as symptomatic of a deeper, racialized metaphysics. There is, however, a broader scholarly conversation about deep pessimism caused by difference that may be instructive. Scholars of Native American studies, immigration, and queer studies have also explored how these categories of difference are deeply embedded in Western culture, but in some cases they have grappled more explicitly with questions of hope.

Jonathan Lear has identified a virtue he labels “radical hope” in Native American communities facing the elimination of their ways of life.13 Focusing on Plenty Coups, the last chief of the Crow, Lear studies a context where the social practices that constituted the Crow world were no longer possible. For example, with lands stolen by the US government and traditional means of resolving conflicts disrupted by firearms, the practice of bravery in battle - which involved face painting by a wife, care for horses, and recounting the victory post-battle, so was woven into Crow life in many ways - was no longer possible. To be a Crow meant to do the social practices of the Crow, but when those social practices are foreclosed, Lear echoes Plenty Coups in concluding that “nothing happened.” Crow continued to live, but with their culture gone it was only the barest form of biological existence. The good life, its meaning culturally determined, could no longer be pursued; practical reasoning went haywire when there were no longer goods to be pursued. However, all was not lost. As Lear tells it, Plenty Coup had a dream (significant because it indicates a break with practical reason) which the chief interpreted to mean that the Crow must acknowledge their traditional way of life was coming to an end, but they also must be committed to the notion that the Crow will survive and new social practices and new goods will come about, even if it is impossible to know what they are or how they will come about now. This radical hope rejected as futile practical reasoning, self-destruction, and fantasy. Soberly assessing the world as it is, radical hope persists in acting as if a wholly new world is possible – and so exercises the virtues of adaptability and perceptiveness. Yet radical hope only works, Lear argues, because of the Crow’s premise that God exists and is good.

Might radical hope offer a way for Black theology to respond to the problem of Afro-pessimism? There are clear similarities between the cultural devastation faced by the Native American community Lear studies and the cultural devastation wrought on Blacks through, among other things, the slave trade and the prison system. Unlike the Crow, Black cultural devastation was not a one-off event but, according to the Afro-pessimist critique, is an ongoing process inherent in Euro-American culture itself, continually grinding away at the social practices of Blacks. Or, put another way, the continual pressures on Black individuals and communities tend not simply to take away social practices but to corrupt them, changing them at times from incubators of virtue to incubators of vice (one thinks of the corporate appropriation of Black music or the performance of Black respectability necessary for success in the white business world). Lear’s account of radical hope depends on a robust culture that once, in the not- too-distant past, existed to fuel hope for the future (this past is the source of the chickadee, the symbol of hope in Plenty Coups’ dream, along with the Crow view of God and the crucial practice of dream interpretation). The Afro-pessimist charges that Western anti-Blackness is so deep-seeded that there was never a robust culture from which such a radical hope could flow; even if there was, the centuries of fruitless hope and embattled community would surely lead to the collapse of the virtue.

Another approach to deep racism found in recent secular scholarship is to reject hope altogether. Such approaches propose two different sorts of alternatives: an embrace of grief or an embrace of the present. Anne Cheng’s The Melancholy of Race exemplifies the former approach.14 She agrees that racialization has an enormous, persistent impact – in the context of her study, on African Americans and Asian Americans. She agrees that race shapes the ideological foundations of the West. On her view, the usual response to racism, articulating grievances and pressing for them to be addressed, does not adequately address the depths of the problem; indeed, it masks those depths. By formulating a list of grievances and putting one’s hopes in the possibility that they will be rectified, the racialized subject imagines that she will achieve equality and dignity. Then, she will be just like everyone else: the world will be post- racial. Cheng argues that grievances obscure grief, the deeper process that afflicts the psyche of racialized subjects who know they will never be “normal” – and grief distorts the psyche of white subjects as well since white identity is constituted in relation to the racialized other. In the face of deep pessimism, the proper response, on this view, is to look beyond the specific grievances (and hopes) of a racial minority and instead explore the varied ways that the wound of racism sabotages the affective economy of that minority. Acknowledging and interrogating rather than rejecting grief – racial melancholia – is the only way to see the world rightly and so is the prerequisite for any properly directed social or political action.

Cheng’s response to deep racial pessimism is decidedly secular and decidedly individualist. Her critique of grievance, which could be read as a critique of hope directed at specific objects or as desire for specific goals masked as hope, is in a sense of critique of idolatry, but her response to idolatry is to reject transcendence altogether in favor of the folds and wrinkles of immanence – of our affective economies. But what if we consider grievances not as ends in themselves but as instrumentally used in collective (anti-racist) struggle? Might the process of collective struggle, and not any particular goal, provide a means of healing psyches damaged by racism? Tracking and probing this damage seems less important than commending the forms of collective practice and community organizing that could cultivate the virtues which serve as a buffer against disabling grief. Indeed, this is a point made forcefully by the first and second generations of Black theologians: Black communities are essentially communities of struggle and, as such, shape character in a way that holds off despair.

#### Afropessimism fails to apprehend failure in the racial project of modernity. Institutional meaning is malleable – they forsake relationality for private satisfaction.

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The first is that ‘‘an antiblack world’’ is not identical with ‘‘the world is antiblack.’’ My argument is that such a world is an antiblack racist project. It is not the historical achievement of such. Its limitations emerge from a basic fact. Black people and other opponents of such a project fought, and continue to fight against it. The same argument applies to the argument about social death. Such an achievement would have rendered even those authors’ and the reflections I am offering here stillborn. The basic premises of the antiblack world and social death arguments, are, then locked in performative contradictions. Yet, they have rhetorical force. This is evident through the continued growth of its proponents, literature, and forums devoted to it, in which all lay claim to stillborn status.

In Bad Faith and Antiblack Racism, I argued that there are forms of antiblack racism that are also offered under the guise of love. I was writing about whites who exoticize blacks while offering themselves as white sources of black salvation. It was a response to those who regard racism exclusively as acts of demonization. There are also racist forms of valorization. Analyzed in terms of bad faith, where one lies to oneself in an attempt to flee displeasing truths for pleasing falsehoods, exoticists romanticize blacks while affirming white normativity and themselves as principals of reality. These ironic, performative contradictions are features of all forms of racism, where one group is elevated to godlike status and another is pushed below that of human despite both claiming to be human.

Antiblack racism offers whites self-other relations (necessary for ethics) with each other but not so for groups forced in a ‘‘zone of nonbeing’’ below them. Although to be outside is not necessarily to be below, it is so in a system of hierarchy in which above is also interpreted as being within. There is asymmetry where whites and any designated racially superior group stand as others who look downward to those who are not their others or their analogs. Antiblack racism is thus not a problem of blacks being ‘‘others.’’ It’s a problem of their not-being-analogical-selves-and-not-even being-others.

Fanon, in Black Skin, White Masks (1952), reminds us that Blacks among each other live in a world of selves and others. It is in attempted relations with whites under circumstances where whites control the conditions that these problems of dehumanization and subordination occur. Reason in such contexts, as he observes, has a bad habit of walking out when Blacks enter. What are Blacks to do? As reason cannot be forced to recognize Blacks because that would be “violence,” they must ironically reason reasonably with such forms of unreasonable reason. Contradictions loom. Racism is, given these arguments, a project of imposing non-relations as the model of dealing with people designated ‘‘black.’’

In The Damend of the Earth, Fanon goes further and argues that colonialism is an attempt to impose a Manichean structure of contraries instead of a dialectical one of ongoing, human negotiation of contradictions. The former segregates the groups; the latter is produced from interaction. The police, he observes, is the primary mediator between the two models, as their role is the use of force/violence to maintain contraries instead of the human, discursive one of politics and civility requiring the elimination of separation through the interactive, ultimately intimate, dynamics of communication. Such societies draw legitimacy from Black non-existence or invisibility. Black appearance, in other words, would be a violation of those systems. Think of the continued blight of police, extra-judicial killings of blacks and Blacks in those countries. The ongoing model of fascist white rule as the daily condition of blacks is to prevent the emergency of Blacks.

An immediate observation of many postcolonies is that antiblack attitudes, practices, and institutions are not exclusively white. Black antiblack dispositions make this clear. In addition to black antiblackness taking the form of white hatred of black people, there is also the adoption of black exoticism. Where this exists, blacks simultaneously receive black love alongside black rejection of agency. Many problems follow. The absence of agency bars maturation, which would reinforce the racial logic of Blacks as in effect wards of whites. Without agency, ethics, liberation, maturation, politics, and responsibility could not be possible. This is because blacks would not actually be able to do anything outside of the sphere of white approbation and commands.

Afropessimism endorses the previous set of observations, but this agreement is supported by a hidden premise of white agency versus black and Black incapacity. They make much of Fanon’s remark that “the Black has no ontological resistance in the eyes of the white.” Fanon’s rhetorical flare led many unfortunate souls to misread this remark. As he had already argued that racism is a socially produced phenomenon, his point was that those who produced it take it to be ontological. In other words, such people – in this case whites – do not take seriously that blacks have any ontological resistance to white points of view. Fanon was not arguing that blacks are ontologically beings, or even nonbeings, of that kind. If this were so, he would not have pointed out, in numerous sections of that book, black and Black experiences with each other. The whole point of the chapter in which that remark is made, “The Lived-Experience of the Black,” is to explore blacks’ and Blacks’ points of view. This is a patent rejection of ontological status while pointing to the presumed ontological status of a skewed perspective.

Proponents of Afropessimism might respond that their position on white agency and black incapacity comes from Fanon’s famous remark that though whites created le Negre – the French term for, depending on the context, “negro,” “nigger,” and “black” – it was les Negres who created Negritude. Whites clearly did not create Afropessimism, which Black liberationists should, in agreement celebrate. We should avoid the fallacy, however, of confusing source with outcome. History is not short of bad ideas from good or well-intentioned people. If intrinsically good, each person of African descent would become ethically and epistemologically a switching of the Manichean contraries, which means only changing players instead of the racist game. We come, then, to the crux of the matter. If the goal of Afropessimism is Afropessimism, its achievement would be attitudinal and, in the language of old, stoic – in short, a symptom of antiblack society.

At this point, there are several observations that follow. The first is a diagnosis of the implications of Afropessimism as symptom. The second examines the epistemological implications of Afropessimism. The third is whether a disposition counts as a political act and, if so, is it sufficient for its avowed aims. There are more, but for the sake of brevity, I’ll simply focus on these.

An ironic dimension of pessimism is that it is the other side of optimism. Oddly enough, both are connected to nihilism, which is, as Nietzsche showed, a decline of values during periods of social decay. It emerges when people no longer want to be responsible for their actions. The same problem surfaces in movements. When one such as the Black Liberation movement is suffering from decay, nihilism is symptomatic. Familiar tropes follow. Optimists expect intervention from beyond. Pessimists declare relief is not forthcoming. Neither takes responsibility for what is valued. The valuing is what leads to the second, epistemic point. The presumption that what is at stake is what can be known to determine what can be done is the problem. If such knowledge were possible, the debate would be about who is reading the evidence correctly. Such judgment would be a priori – that is, prior to events actually unfolding. The future, unlike transcendental conditions such as language, signs, and reality, is ex post facto; ot is yet to come. Facing the future, the question isn’t what will be or how do we know what will be but instead the realization that whatever is done will be that on which the future will depend. Rejecting optimism and pessimism, there is a supervening alternative, as we have seen throughout the reflections offered throughout this book – namely, political commitment.

The appeal to political commitment is not only in stream with what French existentialists call l’intellectuel engage´ (committed intellectual) but also reaches back through the history and existential situation of enslaved, racialized ancestors. Many were, in truth, an existential paradox: commitment to action without guarantees. The slave revolts, micro and macro acts of resistance, escapes, and returns help others do the same, the cultivated instability of plantations and other forms of enslavement, and countless other actions, were waged against a gauntlet of forces designed to eliminate any hope of success. The claim of colonialists and enslavers was that the future belonged to them, not to the enslaved and the indigenous. Such people were, in colonial eyes, incapable of ontological resistance. A result of more than 500 years of conquest and 300 years of enslavement was also a (white) rewriting of history in which African and First Nations’ agency was, at least at the level of scholarship, practically erased. Yet there was resistance even in that realm, as Africana and First Nation intellectual history and scholarship attest; what, after all, are Africana, Black, and Indigenous Studies? What, after all, are those many sites of intellectual production and activism outside of hegemonic academies? Such actions set the course for different kinds of struggle today.

Such reflections occasion meditations on the concept of failure. Afropessimism, the existential critique suggests, suffers from a failure to in their analysis of failure. Consider Fanon’s notion of constructive failure, where what doesn’t initially work transforms conditions for something new to emerge. To understand this argument, one must rethink the philosophical anthropology at the heart of a specific line of Euromodern thought on what it means to be human. Atomistic and individual-substance-based, this model, articulated by Thomas Hobbes, John Locke, John Stuart Mill, and many others, is of a non-relational being that thinks, acts, and moves along a course in which continued movement depends on not colliding with others. Under that model, the human being is a thing that enters a system that facilitates or obstructs its movement. Under this model, the human being is actually a being. An alternative model, shared by many groups across southern Africa, Asia, South America, and even parts of Continental Europe, is a relational version of the human being as part of a larger system of meaning. Actions, from that perspective, are not about whether ‘‘I’’ succeed but instead about ‘‘our’’ unending story across time. Under this model, no human being is a being simpliciter or being-in-her-or-himself-or-themselves. As relational, it means that each human being is a constant negotiation of ongoing efforts to build relationships with others, which means no one actually enters a situation without establishing new situations of action and meaning. Instead of entering a game, their participation requires a different kind of project – especially where the ‘‘game’’ was premised on their exclusion. Thus, where the system or game repels initial participation, such repulsion is a shift in the grammar of how the system functions, especially its dependence on obsequious subjects. Shifted and shifting energy affords emergence of alternatives. Participation, understood in these terms, is never in games but acts of changing them.

Abstract as this sounds, it has much historical support. For example, Evelyn Simien, in her insightful political study Historic Firsts, examines the new set of relations established by Shirley Chisholm’s and Jesse Jackson’s presidential campaigns. There would have been no President Barack Obama without such important predecessors affecting the demographics of voter participation. Simien intentionally focused on the most mainstream example of political life to illustrate this point. Although no exemplar of radicalism, Obama’s ‘‘success’’ emerged from Chisholm and Jackson’s (and many others’) so-called ‘‘failure.” Despite the appalling reactionary response of a right-wing majority in the 114th Congress during the second term of Obama’s presidency and the election of Donald Trump, whose obsession with erasing Obama’s legacy exemplified a form of psychoanalytical little man’s trauma, the historic fact remains that Obama took the helm of a mismanaged executive branch and gave it a level of dignity and intelligence matched by few of its white exemplars. His successors claim for a restored greatness only reveals the joke that is, in fact, any project on which the term “supremacy” is built: the naked racism and mediocrity that followed – there is an amusing photograph of a Klansman holding up a sign declaring his race’s “superior jeans!” – reveal the folly and terror of white megalomania. Beyond presidential electoral politics, there are numerous examples of how prior, radical so-called ‘‘failures’’ transformed relationships that facilitated other kinds of outcome. The trail goes back to the Haitian Revolution, which offered a vision of Black sovereignty that garnered the full force of Euromodern colonial racial alliances to stall, and back to every act of resistance from Nat Turner’s Rebellion in the USA, Sharpe’s in Jamaica, or Tula’s in Curacao and so many other efforts for social transformation to come.

In existential terms, then, many ancestors of the African diaspora embodied what Søren Kierkegaard (1983) calls an existential paradox. All the evidence around them suggested failure and the futility of hope. They first had to make a movement of infinite resignation – that is, resigning themselves to their situation. Yet they must simultaneously act against that situation. Kierkegaard, as we have seen called this seemingly contradictory phenomenon ‘‘faith,’’ but that concept relates more to a relationship with a transcendent, absolute being, which could only be established by a ‘‘leap,’’ as there are no mediations or bridge to the Absolute whose distant is, as Kierkegaard put it, absolutely absolute. Ironically, if the Afropessimist’s argument rejects transcendental intervention and focused on committed political action, of taking responsibility for a future that offers no guarantees, then the movement from infinite resignation becomes existential political action.

At this point, the crucial meditation would be on politics and political action. An attitude of infinite resignation to the world without the leap of committed action would simply be pessimistic or nihilistic. Similarly, an attitude of hope or optimism about the future would lack infinite resignation. We see here the underlying failure of the two approaches. Yet ironically, there is a form of failure at failing in the pessimistic turn versus the optimistic one, since if focused exclusively on resignation as the goal, then the ‘‘act’’ of resignation would have been achieved, which, paradoxically, would be a success; it would be a successful failing of failure. For politics to emerge, however, there are two missing elements in inward pessimistic resignation to consider.

The first is that politics is a social phenomenon, which means it requires the expanding options of a social world. It must transcend the self. Turning away from the social world, though a statement about politics, is not, however, in and of itself political. As we have seen, The ancients from whom much western political theory or philosophy claimed affinity had a disparaging term for individuals who resigned themselves from political life: idiotes, a private person, one not concerned with public affairs, in a word – an idiot. I mention western political theory because that is the hegemonic intellectual context of Afropessimism; I have not come across Afropessimistic writings on thought outside of that framework. We do not have to end our etymological journey in ancient Greek. Recall that extending our linguistic archaeology back a few thousand years we could examine the Middle Kingdom Egyptian word idi (deaf). The presumption, later taken on by the ancient Athenians and other Greek-speaking peoples, was that a lack of hearing entailed isolation, at least in terms of audio speech. The contemporary inward resignation of seeking a form of purity from the loathsome historical reality of racial oppression, in this reading, retreats ultimately into a form of moralism (private, normative satisfaction) instead of public responsibility born of and borne by action. The nonbeing to which Afropessimist refer is also a form of inaudibility.

The second is the importance of power. Politics makes no sense without it. As we have sene throughout our earlier reflections of power, Eurocentric etymology points to the Latin word potis as its source, from which came the word ‘‘potent’’ as in an omnipotent god. If we again look back further, we will notice the Middle Kingdom (2000 BCE–1700 BCE) KMT/ Egyptian word pHty, which refers to godlike strength. Yet for those ancient Northeast Africans, even the gods’ abilities came from a source: In the Coffin Texts, HqAw or heka activates the ka (sometimes translated as soul, spirit, or, in a word ‘‘magic’’), which makes reality. All this amounts to a straightforward thesis on power as the ability with the means to make things happen.

There is an alchemical quality to power. The human world, premised on symbolic communication, brings many forms of meaning into being, and those new meanings afford relationships that build institutions through a world of culture, a phenomenon that Freud (1989) rightly described as ‘‘a prosthetic god.’’ It is godlike because it addresses what humanity historically sought from the gods – protection from the elements, physical maledictions, and social forms of misery. Such power clearly can be abused. It is where those enabling capacities (empowerment) are pushed to the wayside in the hording of social resources into propping up some people as gods that the legitimating practices of cultural cum political institutions decline and stimulate pessimism and nihilism. The institutions in Abya Yala and in Northern countries, such as the United States and Canada, very rarely attempt to establish positive relations to blacks, and Blacks the subtext of Afropessimism and this entire meditation.

#### Reducing Blackness to slavery and dereliction denies prior resistance – pessimists have it backwards – slave resistance proves social bonds remained in slavery.

Greg **BURRIS** Media Studies @ American Univ of Beirut **’17** in *Futures of Black Radicalism* eds. Gaye Theresa Johnson & Alex Lubin p. 126-128

A similar roadblock confronts those delving into the history of Black resistance to racial capitalism, and far too often, even the most sympathetic of historians can inadvertently complete a process in theory that the white supremacist overseers were unable to accomplish in reality. The North American slave system separated the African not only from his or her native continent, but also from his or her history, language, and culture. This violent cleavage was intentionally perpetrated as part of a broad, systemic attempt to transform the African into a slave, a project that ultimately failed. Despite the overseers best efforts, the Africans resisted—from small, daily acts of insubordination to the activities of insurgent leaders like Gabriel, Denmark Vesey, and Nat Turner. As C. L. R. James once remarked, “The only place where Negroes did not revolt is in the pages of capitalist historians.”25 Thus, the question that confronts us is not whether or not the Africans rebelled. Rather, the question that confronts us has to do with the source of the rebellion. That is, the question is not whether the Africans rebelled but why they rebelled.

One possible answer lies in Western civilization itself. Indeed, many have attempted to locate the source of the Africans resistance within the conditions of slavery. Simply put, they rebelled because they were oppressed. This is the same logic that was employed by Marx and Engels when they famously contended in The Communist Manifesto that capitalism would create its own gravediggers.26 But by locating the seeds of rebellion within the institution of slavery in this manner, one inadvertently replicates the conceit of the slave masters, effectively abolishing the Africans most important resource: their collective past. This is precisely where Robinson locates the Black Radical Tradition, and for him, Black resistance emanated not from oppression alone but from a consciousness that the North American overseers were simply unable to obliterate. For Robinson, the slave ships not only transported bodies; they also transported “cultures, critical mixes and admixtures of language and thought, of cosmology and metaphysics, of habits, beliefs, and morality.” “African labor,” he argues, “brought the past with it... This was the embryo of the demon that would be visited on the whole enterprise of primitive accumulation.”27

As counterintuitive as it might initially appear, then, the wellspring of inspiration fueling Black radicalism actually predates the institution against which the Africans rebelled. The slave masters attempts to brainwash the Africans did not generate a rebellious African consciousness. Rather, Robinson argues that the opposite was the case, and a rebellious African consciousness generated the slave masters need to brainwash the Africans. However totalizing the slave system might have seemed, it was not a completely dominant enterprise, and it was perpetually plagued by the threat of a consciousness that preceded it and that it could not eradicate.

To be sure, Black thought is hardly a monolithic field, and Robinsons conception of Black radicalism is quite distinct from many other formulations. The film theorist Frank Wilderson, for instance, views Blackness in an almost completely antithetical way. According to Wilderson, Blackness was born in the Middle Passage, and it has no connection whatsoever to the African past. “Blackness,” as he puts it, “recalls nothing prior to the devastation that defines it,” and “there is no way to Africa through the Black.”28 The gulf separating Wildersons brand of Afro-pessimism from Robinsons Black Radical Tradition could not be any wider. For Wilderson,, Blacks have not stopped being slaves. For Robinson, they were never really slaves to begin with.29 \*

Importantly, Robinsons subversive gesture operates on at least two distinct levels. It is both historical and theoretical, concrete and abstract. If Robinson is explicitly addressing a very specific case—Black resistance to slavery—his argument nevertheless has a much broader theoretical purchase. Robinson is arguing that no system of thought—no social science, no economic model, no governing ideology—is ever as hegemonic or dominant as we pretend it is, and there are always cracks in the ruling regime, holes and gaps from which other forms of thinking, being, and imagining can emerge. Robinsons intellectual project is thus a radically open-ended one, and he refuses to give existing structures and institutions the final say.

#### End the world fails to resolve structural antagonism, increases violence

Gordon & Phillips 18—Professor of Philosophy and Africana Studies at UCONN-Storrs [Lewis R. Gordon, interviewed by Scott Phillips, Debate coach at Dartmouth University, 4/24/2018, “Dr. Lewis Gordon on Afropessimism”, HS Impact, http://www.podcastgarden.com/episode/dr-lewis-gordon-on-afropessimism\_126717, 47:31 to 58:09, Transcribed] AMarb

Scott Phillips: I guess in the context of that then I wanted to ask you about sort of some of the, the, I guess you wouldn't call them political projects, but what Afropessimists recommend that people do instead of sort of engage in liberal civil society. So I guess kind of a famous one, they use the quote from Césaire and Fanon about ending the world, or sometimes they say like burn it down. So I guess what, what do you think is the reason or the set of rationale for why sort of like engaging in sort of, I guess more traditional political struggle is meaningful/I guess why not try and do something and that sort of like more radical outside the system? I guess in kind of talking about this, I'm thinking about, in one of the books, you edited on African American studies. There's an exchange between Gates and Marable about how African American Studies departments should relate to the political system and trying to like kind of avoid the way academics can be sort of trapped within a only focusing on what's good for kind of government policy making problems. So like what, what is the effective way to be political while avoiding that kind of trap?

Lewis R. Gordon: Well, you know, these aren't [inaudible]. It always trumped me that people who have never really lived through violence and struggles romanticize it. You know, the people who did, a lot of people are calling for burning down are really saying for somebody else to do it, but they want the benefits of, of what happens when people build things up. They don't want to do with the hard work of building, look the problem with those kind of arguments is they're reactionary. What I mean by reactionary is this, it's a lot like what you see in the, the, the, the, the kind of arguments in which people throw people into a false dilemma. If you remember in the Black Panther movie the kill monger character kept saying, it's either conquer or be conquered. Now if you believe reality is only about if reality really is ontologically about being a conqueror or being conquered, then there really is only one thing you should do, conquer, so burn it down and dominate people. However there's another. But the problem with those is those are lies. There are other ways to do things. The other way to do things, to fight against a world that is structured according to conquerer and conquered. Now, if you're going to do that, that means then you got to say, wait a minute, maybe you're giving me a false dilemma. You see the issue isn't about you got to go via liberal and work in the system or you work completely outside of the system. You may there, there, there's a third option which is that one ultimately can work with a “both and” and what I mean by “both and” is, for instance, if you get up in the morning and you want to get somewhere what you may want, you may, you may use certain technological resources, but there are other things you may you could do. If one is trying to build a better society. The problem is you can't get A to Z without crossing B, C, D, E, and F, and that means that if you only look at Z, if you only look at the top of the mountain, you're failing to see the steps you'll have to go to get there. And if your response to get to the top of the mountain is to blow the mountain up, then you're then ultimately you go nowhere. The fact of the matter is, is that those kind of arguments have the same fallacy. That's in the recognition argument and those, in other words, the recognition argument tells black people there's only one way to be black and that's negative. Well, similarly, those kind of arguments basically say that there is only one way in which in which, one can, one, one, one, one can, one can, one can, can, can have a future, and that is one can have the future, if one can eliminate it completely the present, the problem with that is then that would put one in a position of a form of historical amnesia. Now, here's the problem with historical amnesia. If you ultimately really start completely over and you try to erase history, then you can also end up repeating the same mistakes of history. The more, the more mature position is to be able to have a relationship to history in which you know what you want and what you don't want. And that means in fact beginning to use the creative force of building something different. And the fact of the matter is, the kind of problems we're trying to deal with, particularly if we're thinking about revolution only makes sense within the context of the history we have. So, the response I would argue with those arguments is they're adolescent, they're naïve. They absolutely have no understanding of what political reality’s about. It strikes me that ultimately what we're going to have to do is to set the conditions in which we actually disempower the forces that are blocking the capacity to build something different. Now, here's something where Fanon was rather rather rather insightful and [inaudible name], and others worked too because you see the era they point out that's made is that at the moment of independence or at the moment in which it's what is poised for social transformation. There's often a willingness to be creative, synthetic and relational at the aesthetic level, but not at the level of the institutions of power. And what I mean by that is if you look at, for instance, many African states or many, many, many, many, many Caribbean states or many, many, many parts of the world in which independence emerged. The first thing that people do when they become independent is they start trying to connect to the rest of the world in terms of creating their own form of contemporary music, foods, and cultural production. However, at the moment of independence, what they don't do is to bring that creativity that unique way of building new forms of concepts to their political, educational, economic institutions, and so what you end up having in say if you If you pick a country like South Africa or if you pick quite a few other countries, not in the African continent, in the Caribbean. Their post-independence moment pretty much has the same education system they had in a colonial moment and what they fail to understand is that education system was designed for colonialism. So, if you're going to have a post-colony, if you're going to be, If you're going to transcend colonialism, you need to develop a radically different kind of education system. Similarly, if you look at a lot of these societies their legal systems tend to be almost identical to the colonial one. I mean, you see post-colonial states with people in tropics walking around with white wigs and robes in court rooms. That's nonsense. You see a similar thing, not only the educational, legal and political level, you see a similar thing happened at the economic level because in the end, even though they said they they're no longer colonies, the economic system that's maintained in the post-colony is pretty much the economic system that was in a colony and then we could look at it their religious systems. That's pretty much the same, when we go down the line. Now Fanon noticed something. It's not just those levels, but it's even at the level of the organization of architecture and civil planning. So, for instance, the very notion of the Metropole, the center, the capital city, that was also part of the colonial system, but it's possible to have a different conception of city, a different organization of power across a particular country or a society that may actually be more suitable to the society one lives in. And so, the creativity he was talking about was far more radical than simply than what many people may think. I think we see this a lot in science fiction, if you look at a lot and also very in in, if you look at things ranging from like Robin Hood and a Merry Men all the way to Star Wars and all of that stuff, they go to fight against the emperor. They burn it down. Then they have a big party outside, but what do they do afterwards? Then they go in and they build a society that in almost every respect look exactly like the thing they were trying to burn down. In other words, they fail to get to the question, the crucial question of how to build a world in which freedom can, can, can, can substantially and belong, and that requires being at home in, in, in very different kinds of human relationships than the ones that are governed by the system they began with. So that means then that if they are properly critical of society, they're trying to transform, they need to have a coherent conception and they need to work towards something they want to build. But I have to add a very important proviso and this was something Fanon noticed, but not only Fanon, there are many others who noticed this and what they noticed is this, if you're going to build a future, you know that point where I said that you are, if you're committed, you have to understand it's not about you. Well, it means if you're going to build a future, you have to understand it's the future premised on freedom, but the kind of people who will inherit it and the kind of people they may even become may be radically different than what you envision. The people who fought for our freedoms today, for instance, never thought of a world of trans people and different kinds of racial formations and political relations and religious formations. They never imagined that, but the fact of the matter, if they're committed to freedom, it means that we have to find and build a world in which we can live because the world, we can live in is a world that for them is not livable.