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## 1AC Wake

### Inequality---1AC

#### Advantage 1 is Inequality.

#### Increased concentration of buyer power in labor markets drives inequality---only antitrust can address the supply and demand side of wage suppression.

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A détente is especially desirable today in light of the severe stagnation in American wages. In the past thirty-five years, U.S. gross domestic product has all in all grown but the purchasing power of the average worker has barely changed.3 Labor’s share of national income declined precipitously in the 2000s, and in the five years after the Great Recession it was lower than at any point since World War II.4 Because most people get most of their income from labor, and because those who get most of their income from capital tend to be wealthy, this income shift has dramatic consequences for inequality.

Economists and policymakers have advanced numerous explanations for this troubling trend ranging from the decline of unions, to tighter monetary policy, to increased trade liberalization, and more.5 One explanation that has received attention in recent years is an apparent epidemic of market concentration and flagging competition.6 A growing body of evidence suggests that over time fewer and fewer firms have come to dominate sectors across the economy.7 One study found that from 1982 to 2012, the share of sales by the sectors’ top four firms increased in manufacturing, finance, services, utilities, retail trade, and wholesale trade.8 Average markups above cost—a manifestation of market power—rose from eighteen percent in 1980 to sixty-seven percent in 2014.9 This increase in concentration is due, in part, to a growing wave of mergers. By one count over 325,000 mergers have been announced since 1985.10 That year, around 2,000 mergers with a value of a little over $300 billion were announced.11 In 2018, 15,000 mergers occurred—valued at just under two trillion dollars.12

The ability of firms to charge prices for their products or services that exceed the competitive level harms workers in their role as consumers, and the reverberating inefficiencies have consequences for wages as well.13 Workers are harmed more directly, though by firms with buyer power in labor markets. Instead of enabling firms to charge high prices for the goods or services they sell, buyer power—also known as monopsony power—allows firms to push wages below the level workers would receive in competitive labor markets.

A recent study applied the Herfindahl-Hirschman Index (HHI), which is used to measure market concentration. The Department of Justice (DOJ) and the Federal Trade Commission (FTC) (“the agencies”) used HHI in merger review, and found that at least forty percent of job markets fell into the “highly concentrated” category, making them especially susceptible to anticompetitive behavior by employers.14 The hiring markets for the twenty-five percent most concentrated occupations in almost every commuting zone in the country have concentration levels nearly tripled the “highly concentrated” threshold.15 In commuting zones across middle America, the hiring market for nearly every occupation is highly concentrated.16 As discussed below, a concentrated labor market generally increases the buyer power of participants in that market. Recent research on labor supply elasticity, which is an indicator of vulnerability to employers’ market power, further challenges traditional assumptions of competitiveness in labor markets.17

Historically, antitrust enforcers have given far less attention to firms’ power as buyers than as sellers and have been particularly hesitant to check their power as buyers of labor. However, the tide may be beginning to change. Federal and state enforcers have begun to challenge anticompetitive labor contracts,18 and there is a small but growing body of precedent addressing increased buyer power in mergers.19 In 2016, the Obama Administration’s Council of Economic Advisors issued a report describing the problem of labor market power and encouraging greater attention to the issue by the antitrust enforcement agencies.20 Separately, then-Acting Assistant Attorney General Renata Hesse stated that antitrust enforcement efforts should not only be concerned with the welfare of consumers, but should “also benefit workers, whose wages won’t be driven down by dominant employers with the power to dictate terms of employment.”21 Nevertheless, to date, the agencies have never blocked a merger on the basis of harm to workers.

There are many reasons that may account for the dearth of enforcement, including misunderstandings of the relationship between labor and antitrust laws, the momentum of precedent focused on seller-side harms, and the resistance of some to increased antitrust enforcement as a general matter.22 In addition to these practical and ideological impediments, mistaken intuitions about the economics of buyer power create obstacles for enforcement. At first glance it would seem that if firms use their buyer power to lower their costs, downstream customers are ultimately benefitted. Therefore, the consumer welfare standard, which underpins modern antitrust enforcement, would seem to counsel against intervention contrary to buyer power. In most cases, though, this intuition is simply wrong.23 More competitive labor markets are not just good for workers; they are good for consumers too.

Clarifying the relevant interests at stake is crucial as policy reforms begin in earnest, and there is reason to believe that such reforms are on the horizon. Several politicians have recently advocated for greater antitrust scrutiny of labor markets. For example, in 2017 Senator Amy Klobuchar introduced a bill that would require the enforcement agencies to pay greater attention to buyer power in merger review.24 Senator Elizabeth Warren—who seeks more interventionist antitrust policy on many fronts25—and Senator Cory Booker—who in 2017 sent a letter to the DOJ and FTC citing concern with the failure of the agencies to address labor market power—have also taken up the cause.26

Labor market issues are also garnering increased attention from antitrust scholars.27 In an article published in 2018, C. Scott Hemphill and Nancy Rose argued for more interventionist merger policy directed at various forms of buyer market power.28 The same year, Suresh Naidu, Eric Posner and Glen Weyl published Antitrust Remedies for Labor Market Power, a sweeping analysis of the myriad options available to enforcers to promote more competitive labor markets.29 This legal analysis has been spurred by a growing body of empirical work on buyer power in labor markets.30 An array of scholars concluded that labor market power is a problem and one that antitrust institutions should do more to address.

This paper similarly argues that buyer power—and specifically buyer power in labor markets—deserves greater antitrust scrutiny and, to that end, develops a framework for systematically evaluating labor market power in merger analysis. The enthusiasm of some progressive politicians for more interventionist antitrust policy has drawn skepticism from many antitrust practitioners and scholars who worry that reforms will unmoor antitrust policy from its foundational principles and turn antitrust enforcement over to political whims.31 At least with respect to labor market power, however, economic theory and empirical evidence support increased enforcement without any reform of the basic legal framework and without deviating from substantial consensus about the proper role for antitrust in the economy.

#### Antitrust is key---permissive guidelines enabled the rise in monopsonies, expanding a worker welfare standard to labor markets is key to wage equality.

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Of course, this is not the world in which we live. Even the corner grocery store knows it can raise its prices a little bit without losing all of its customers, which is what the standard competitive theory suggests. More and more, firms have demonstrated high and increasing levels of market power (Philippon 2019; Stiglitz 2019). At the same time, the bargaining power of workers has weakened.

It was never an equal match. An employer typically can find an alternative worker far more easily than a worker can find an alternative employer. This is especially so during slack periods in the labor market, or in places where there has been persistent unemployment. Leaving or losing a job is often greatly disruptive to workers and their families. There are mortgages to pay, children to feed, bills coming due. From the perspective of workers, jobs are not easily substitutable.

As the chapters in this volume make abundantly clear, this imbalance of market power has consequences. It enables firms to raise prices for goods and services—lowering the real incomes of workers. It enables firms to suppress wages of workers below what they would be in a competitive marketplace—contributing to the inequality crisis facing the country. This economic inequality gets translated into political inequality, especially in our money-driven politics, resulting in rules that evermore favor big corporations at the expense of workers. The growing political inequality, in turn, hampers economic performance, and ensures that most of the benefits of our anemic economic growth go to those at the very top (Stiglitz 2012).

In the middle of the 20th century, John K. Galbraith (1952) described an economy based on countervailing power—where labor institutions and government checked the power of large corporations and financial institutions. But policy choices over the past half century have upset this balance in ways that have weakened not only the workers, but also the economy and the country. This volume explores what has happened by concentrating on one understudied part of the problem: the labor market.

Explaining the Weakening of Workers’ Bargaining Power

Multiple factors have contributed to the weakening of workers’ bargaining position. This volume focuses specifically on the ways that employers have increased their market power over workers.

Employer Concentration

Permissive antitrust enforcement has promoted concentration across industries, reducing the number of employers—particularly those in rural areas (Stiglitz 2016).1 With few alternatives, workers must accept the low wages that large local employers offer. More precisely, limited competition by buyers—in this case, employers who buy labor services—gives rise to monopsony power.2 Any firm with monopsony power knows that if it hires more workers, it will drive up the wage. The marginal cost of hiring an additional worker is thus greater than the wage. The result is lower employment and lower wages than if there were a competitive labor market. The chapter by Marinescu in this volume forcefully documents the degree of monopsony in labor markets across the United States, especially in rural areas—areas where, not surprisingly, wages lag behind the rest of the country.

Collusion

Typically there is some, but limited, competition in the labor market, but it is competition that is insufficient to achieve anything approximating what would emerge in a truly competitive marketplace. But employers often do not like even this limited competition, because even some competition means that wages are higher than they would be with no competition. Thus, firms sometimes collude to not compete; and that collusion drives down wages. The incentives for firms to do this—if they can get away with it—are obvious: collusion has been a feature of capitalism from the start. As Adam Smith observed in The Wealth of Nations, “Masters are always and everywhere in a sort of tacit, but constant and uniform, combination, not to raise the wages of labour above their actual rate. . . . Masters, too, sometimes enter into particular combinations to sink the wages of labour even below this rate. These are always conducted with the utmost silence and secrecy” (Smith 1776, book 1, chap. 8).

Even then, Smith had observed an asymmetry not only in bargaining power, but also in capitalists’ response to workers’ attempts to redress the balance. When workers combine their forces, “the masters . . . never cease to call aloud for the assistance of the civil magistrate, and the rigorous execution of those laws which have been enacted with so much severity against the combination of servants, labourers, and journeymen” (Smith 1776, book 1, chap. 8). This stance, of course, was markedly different from capitalists’ own behavior—not only in labor markets, but elsewhere, too. As Smith put it in one of his most famous statements, “People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices” (book 1, chap. 10). This issue is central: to redress the natural imbalance of bargaining power, workers have to band together and engage in collective bargaining. Unions are critical. But it is precisely because unions have been somewhat successful in redressing the imbalance that employers have worked so hard to suppress them, as I comment later in this introduction.

Contracts

In multiple contexts, business enterprises have not been satisfied with the increased profits brought by greater market concentration and occasional collusion. Businesses have figured out how to sustain and amplify those profits by the clever design of contracts that are conceived to inhibit competition in the labor market. This is another method that enables them to drive down wages still further.3 The chapters by Evan Starr and Terri Gerstein (this volume) provide ample evidence of the harmful impact of the misuse of labor contracts, noting in particular that often-used ruses distort the true impact on workers. Noncompete agreements, by definition, reduce competition. There might be some justification for not allowing employees with knowledge of trade secrets to go to work for competitors, but that hardly applies to employees of fast-food chains.

Employers have also put into contracts provisions that weaken workers’ rights—and power—if a dispute arises. Inserting arbitration clauses into most contracts has moved dispute resolution out of the public domain— where it can be protected in the public interest, through transparency and basic standards—into private hands. This not only weakens workers’ position after a dispute arises, but also subtly changes the balance of power— making it easier for firms to take advantage of workers, knowing that their ability to get redress is so circumscribed. Making matters worse is a broader set of changes in legal frameworks that has hurt workers and consumers at the expense of corporations. For instance, the ability to bring class-action lawsuits, particularly in arbitration, has been greatly limited.

Asymmetric Information

The standard competitive theory assumes perfect information. Research over the past 50 years has explained how even a little information asymmetry can have a large impact. Employers have recognized this—they have figured out that such asymmetry can weaken workers’ position and lead to lower wages. They have responded by doing what they can to increase these asymmetries, sharing data with each other but insisting that workers keep their own compensation data confidential, and punishing employees who violate such confidentiality. The chapter by Harris in this volume describes the adverse effects of informational asymmetries, how firms have tried to increase these asymmetries, and what governments have done and can still do to promote transparency—and thus competition—in the labor market.

#### The plan solves inequality and wages.

Eric Posner 21. Professor at the University of Chicago Law School. “You Deserve a Bigger Paycheck. Here’s How You Might Get It.” https://www.nytimes.com/2021/09/23/opinion/antitrust-workers-employers.html

The spectacle of the antitrust challenge to Big Tech has been riveting. But a far more consequential transformation in antitrust law has largely escaped notice — the movement to use antitrust law to address wage suppression and inequality caused by the power of employers in labor markets.

Economic theory says that when a pool of workers has only one potential employer, or a small number of potential employers, those workers will be paid below-market wages. Without the credible threat to quit and work for a competitor, workers lack leverage that could allow them to secure a raise and better conditions. This situation is sometimes called monopsony, and it is similar to monopoly in the market for goods. When buyers have no choice among sellers, a monopolist can charge high prices; when workers have little choice among employers, the employer can “charge” low wages.

Monopolies result in sluggish economic growth as well as high prices because in order to raise prices, monopolists make fewer goods or provide less in services. Companies that use their market power to suppress wages do something similar: They hire fewer workers, and this leads to unemployment and low growth as well. And because employers push down wages by reducing employment, they supply fewer goods, causing higher prices to consumers even though labor costs are reduced. A business might have monopoly power (over goods it sells), monopsony power (over workers), both or neither. If a small town has one newspaper, the newspaper has both a monopoly over local news and a monopsony over journalists. If the town has a single automobile manufacturing plant, that business will have a monopsony over the relevant skilled workers but not a monopoly over cars, which are sold into a national market where there are competitors.

Economists have understood these things since Adam Smith, who famously called wage-fixing by employers “the natural state of things, which nobody ever hears of.” But economists did not take this risk very seriously until recently, instead usually assuming that employers compete vigorously for workers. As a result, though the logic for using antitrust law to address market power is the same for monopsony as it is for monopoly, the legal community did not embrace the possibility that antitrust law should be brought to bear against employers, except in unusual cases.

But in recent years, thanks to the remarkable work of a diverse group of mostly young economists, this conventional wisdom was shattered. Exploiting vast data sets of employment and wages that had become available, they discovered that concentrated labor markets — that is, with one or few employers — are ubiquitous. In one paper, José Azar, Ioana Marinescu, Marshall Steinbaum and Bledi Taska found that more than 60 percent of labor markets exceeded levels of concentration that are regarded as presumptive antitrust problems by the Department of Justice. Numerous papers have made similar findings.

In highly concentrated labor markets, wages fall — as economic theory would predict. For example, Elena Prager and Matt Schmitt examined hospital mergers and found that when hospitals expand through mergers and gain significant market power, the wage growth of employees declines. Notably, this decline affected skilled health care professionals like nurses — but not administrators and unskilled staff members like cafeteria workers, who could easily find jobs outside hospitals.

The work on labor market concentration has been supplemented by growing evidence that employers collude with one another and engage in other anticompetitive practices. Evan Starr and his co-authors have found that agreements not to compete — where employers block workers from moving to competitors — are extremely common (as many as nearly 40 percent of workers have been subject to one) and are associated with lower wages. Alan B. Krueger and Orley Ashenfelter found that nearly 60 percent of major brand-name franchises — companies like McDonald’s and Jiffy Lube — subjected franchise employees to no-poaching agreements, which prevented them, even within the same franchise system, from quitting one employer to join another.

As a result, many workers, especially in rural areas and small towns — areas subject to high unemployment and economic stagnation — are squeezed by employers and underpaid. For example, when farm equipment manufacturers merge, they close dealerships, and so a mechanic who used to be able to get a good job as several dealers competed for his work must accept a less-appealing job from the single place in the area or drop out of the labor market.

Antitrust law applies to “restraint of trade,” and courts agree that when employers enter cartels to suppress wages, they violate the law. Yet until a few years ago, there were hardly any antitrust cases against employers. The major exception was a 2010 case against Big Tech after Google, Apple and other companies agreed not to solicit one another’s software engineers. This was potentially criminal behavior, but the Justice Department slapped them on the wrist. (A subsequent lawsuit secured more than $400 million in damages for the workers.)

But it was the academic research, not the tech case, that finally woke the antitrust community from its torpor. In the past year, the Justice Department has brought several criminal indictments against employers for antitrust violations (the first ever). The Federal Trade Commission is pondering a rule to restrict noncompetes. State attorneys general brought cases against franchises and other employers that used no-poaching agreements and noncompetes. Congress is holding hearings next week on antitrust and the American worker. Private litigators have joined in as discoveries of abusive wage practices have piled up. For example, “Big Chicken” companies face lawsuits not only for fixing the prices of chicken but also for fixing the wages of their workers.

If the academic research on labor markets is correct, then millions of Americans are paid thousands or even tens of thousands of dollars less than they should be paid. Labor monopsony affects people at all income levels, but it is a particular problem for lower-income workers and people living in stagnant rural and semirural parts of the country. In his recent executive order on antitrust, President Biden became the first president to commit government resources to ensure that the antitrust laws are used to help workers. Let’s hope he follows through.

#### Growing economic inequality drives diversionary nationalism and makes war inevitable.

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One of the oldest theories of nationalism is that states instill the nationalist myth in their citizens to divert their attention from great economic inequality and so forestall pervasive unrest. Because the very concept of nationalism obscures the extent of inequality and is a potent tool for delegitimizing calls for redistribution, it is a perfect diversion, and states should be expected to engage in more nationalist mythmaking when inequality increases. The evidence presented by this study supports this theory: across the countries and over time, where economic inequality is greater, nationalist sentiments are substantially more widespread.

This result adds considerably to our understanding of nationalism. To date, many scholars have focused on the international environment as the principal source of threats that prompt states to generate nationalism; the importance of the domestic threat posed by economic inequality has been largely overlooked. However, at least in recent years, domestic inequality is a far more important stimulus for the generation of nationalist sentiments than the international context. Given that nuclear weapons—either their own or their allies’—rather than the mass army now serve as the primary defense of many countries against being overrun by their enemies, perhaps this is not surprising: nationalism-inspired mass mobilization is simply no longer as necessary for protection as it once was (see Mearsheimer 1990, 21; Posen 1993, 122–24).

Another important implication of the analyses presented above is that growing economic inequality may increase ethnic conflict. States may foment national pride to stem discontent with increasing inequality, but this pride can also lead to more hostility towards immigrants and minorities. Though pride in the nation is distinct from chauvinism and outgroup hostility, it is nevertheless closely related to these phenomena, and recent experimental research has shown that members of majority groups who express high levels of national pride can be nudged into intolerant and xenophobic responses quite easily (Li and Brewer 2004). This finding suggests that, by leading to the creation of more national pride, higher levels of inequality produce environments favorable to those who would inflame ethnic animosities.

Another and perhaps even more worrisome implication regards the likelihood of war. Nationalism is frequently suggested as a cause of war, and more national pride has been found to result in a much greater demand for national security even at the expense of civil liberties (Davis and Silver 2004, 36–37) as well as preferences for “a more militaristic foreign affairs posture and a more interventionist role in world politics” (Conover and Feldman 1987, 3). To the extent that these preferences influence policymaking, the growth in economic inequality over the last quarter century should be expected to lead to more aggressive foreign policies and more international conflict. If economic inequality prompts states to generate diversionary nationalism as the results presented above suggest, then rising inequality could make for a more dangerous world.

The results of this work also contribute to our still limited knowledge of the relationship between economic inequality and democratic politics. In particular, it helps explain the fact that, contrary to median-voter models of redistribution (e.g., Meltzer and Richard 1981), democracies with higher levels of inequality do not consistently respond with more redistribution (e.g., Bénabou 1996). Rather than allowing redistribution to be decided through the democratic process suggested by such models, this work suggests that states often respond to higher levels of inequality with more nationalism. Nationalism then works to divert attention from inequality, so many citizens neither realize the extent of inequality nor demand redistributive policies. By prompting states to promote nationalism, greater economic inequality removes the issue of redistribution from debate and therefore narrows the scope of democratic politics.

#### Monopsonies are key---inequality hollows out economics resilience---shocks are inevitable, only worker stability makes recovery possible.

Kate Bahn 21. Washington Center for Equitable Growth Testimony before the Joint Economic Committee, "Kate Bahn testimony before the Joint Economic Committee on monopsony, workers, and corporate power". Equitable Growth. 7-14-2021. https://equitablegrowth.org/kate-bahn-testimony-before-the-joint-economic-committee-on-monopsony-workers-and-corporate-power/

Thank you Chair Beyer, Ranking Member Lee, and members of the Joint Economic Committee for inviting me to testify today. My name is Kate Bahn and I am the Director of Labor Market Policy and the interim Chief Economist at the Washington Center for Equitable Growth. We seek to advance evidence-backed ideas and policies that promote strong, stable and broad-based growth. Core to this mission is understanding the ways in which inequality has distorted, subverted and obstructed economic growth in recent decades.

Mounting evidence, which I will review today, demonstrates how the rising concentration of corporate power has increased economic inequality and made the U.S. economy less efficient. Reversing the trends that have led to a “second gilded age” is critical to encouraging a resilient economic recovery following the pandemic-induced economic crisis of 2020 and encouraging a healthy, competitive economy for the future.

Introduction

The United States boasts one of the wealthiest economies in the world, but decades of increasing income inequality, job polarization, and stagnant wages for most Americans has plagued our labor market and demonstrated that a rising tide does not lift all boats. Furthermore, economic evidence demonstrates how inequality results in an inefficient allocation of talent and resources while increasing corporate concentration that enriches the few while holding back the entire economy from its potential. Understanding the causes and consequences of the concentration of corporate power will guide policymaking in order to ensure that the economic recovery in the next phase of the pandemic will be broadly shared and ensure a more resilient economy.

“Monopsony” is a key economic concept to understand in this discussion. Monopsony is the labor market equivalent of the better-known phenomenon of “monopoly,” but instead of having only one producer of a good or service, there is effectively only one buyer of a good or service, such as only one employer hiring people’s labor in a company town. Like in monopoly, this phenomenon is not limited to when a firm is strictly the only buyer of labor. Today I will explain the circumstances and effects of employers having significant monopsony power over the market and over workers.

When employers have outsized power in employment relationships, they are able to set wages for their workers, rather than wages being determined by competitive market forces. Given this monopsony power, employers undercut workers. This means paying them less than the value they contribute to production. One recent survey of all the economic research on monopsony finds that, on average across studies, employers have the power to keep wages over one-third less than they would be in a perfectly competitive market. Put another way, in a theoretical competitive market, if an employer cut wages then all workers would quit. But in reality, these estimates are the equivalent of a firm cutting wages by 5 percent yet only losing 10 percent to 20 percent of their workers, thus growing their profits without significantly impacting their business.

It is not only important for workers to earn a fair share so they can support themselves and their families, but also critical to ensure that our economy rebuilds to be stronger and more resilient. Prior to the current public health crisis and resulting recession, earnings inequality had been growing since at least the 1980s while the labor share of national income has been declining in same period. This is cause for concern as recent evidence suggests that the labor share of income has a positive impact on GDP growth in the long-run.

The unprecedented economic shock caused by the coronavirus pandemic revealed how economic inequality leads to a fragile economy, where those with the least are hit the hardest, amplifying recessions since lower-income workers typically spend more of their income in the economy. But the crisis also demonstrated how economic policy targeted toward workers and families can provide a foundation for growth. This is because workers are the economy, and pushing back against the concentration corporate power by providing resources to workers is the foundation for strong, stable and broadly shared growth.

The Causes of Monopsony

The concept of monopsony was initially developed by the early 20th century economist Joan Robinson, who examined how lack of competition led to unfair and inefficient economic outcomes. The prototypical example of monopsony is a company town, where there is one very dominant employer and workers have no choice but to accept low wages since they have no outside options. This is the most extreme case, but it is important to note that firms have monopsony power in any circumstance where workers aren’t moving between jobs seamlessly in search of the highest wages they can get.

Firms can use monopsony power to lower workers’ wages any time workers:

* Have few potential employers
* Face job mobility constraints
* Can only gather imperfect information about employers and jobs
* Have divergent preferences for job attributes
* Lack the ability to bargain over those offers

I will go through each of these factors in turn and demonstrate how labor markets are unique compared to other markets in dealing with competitive forces.

While concentrated labor markets are not the norm, they are pervasive across the United States, especially within certain sectors or locations. When markets are very concentrated, employers can give workers smaller yearly raises or make working conditions worse, knowing that their workers have nowhere to go to find a better job with better pay. (See Figure 1.)

A study published in the journal Labour Economics by economists Jose Azar, Ioana Marinescu, and Marshall Steinbaum finds that 60 percent of U.S. local labor markets are highly concentrated as defined by U.S. antitrust authorities’ 2010 horizontal merger guidelines. This accounts for 20 percent of employment in the United States. Research by economists Gregor Schubert, Anna Stansbury, and Bledi Tsaka goes further by estimating workers’ outside options, or the likelihood a worker is able to change into a different occupation or industry. This study finds that even with a more expansive definition of job opportunities more than 10 percent of the U.S. workforce is in local labor markets where pay is being suppressed by employer concentration by at least 2 percent, and a significant proportion of these workers facing few outside options are facing pay suppression of 5 percent or more. As study co-author Anna Stansbury noted, “for a typical full-time workers making $50,000 a year, a 2 percent pay reduction is equivalent to losing $1,000 per year and a 5 percent pay reduction is equivalent to losing $2,500 per year.”

Certain sectors are now very concentrated, such as the healthcare industry. In a paper by the economists Elena Prager and Matt Schmitt, they find that hospital mergers led to negative wage growth among skilled workers such as nurses or pharmacy workers. Consolidation and outsized employer power, alongside other phenomenon such as the fissuring of the workplace, may have broader impacts on the structure of the U.S. labor market when it affects the overall structure of the labor market, including the hollowing out of middle class jobs that have historically been a pathway for upward mobility.

#### Labor market power collapses the economy---inequality and wage stagnation.

Eric A. Posner 8/13/21. Kirkland & Ellis Distinguished Service Professor at University of Chicago. How Antitrust Failed Workers. Oxford University Press, 2021.

In the United States, and much of the Western world, economic growth has slowed, inequality has risen, and wages have stagnated. Academic research has identified several possible causes, ranging from structural shifts in the economy to public policy failure. One possible cause that has received increasing attention from economists is labor market power, the ability of employers to set wages below workers’ marginal revenue product.1 New evidence suggests that many labor markets around the country are not competitive but instead exhibit considerable market power enjoyed by employers, who use their market power to suppress wages. This phenomenon—the power of employers to suppress wages below the competitive rate—is known among economists as labor monopsony, or simply labor market power. Wage suppression enhances income inequality because it creates a wedge between the incomes of people who work in concentrated and competitive labor markets. Wage suppression also reduces the incomes of workers relative to those of people who live off capital, and the latter are almost uniformly wealthier than the former. Wage suppression also interferes with economic growth since it results in underemployment of labor and, while it may seem to raise the return on capital, actually depresses it, as capital must lie idle to take advantage of monopsony power. With wages artificially suppressed, qualified workers decline to take jobs, and workers may underinvest in skills and schooling. Many workers exit the workforce and rely on government benefits, including disability benefits that have become a hidden welfare system.2 This in turn costs the government both in lost taxes and in greater expenditures. One estimate finds that monopsony power in the U.S. economy reduces overall output and employment by 13% and labor’s share of national output by 22%.3

The claim that labor market power raises inequality and reduces growth mirrors another claim that has received attention lately—that the product market power of firms has contributed to rising inequality and faltering growth.4 A product market is a collection of products defined by frequent consumer substitution. When a small number of sellers or one seller of these products exist, we say that each seller has product market power, which enables it to charge a price higher than marginal cost, or the price that would prevail in a competitive market. When a small number of employers hire from a pool of workers of a certain skill level within the geographic area in which workers commute, the employers have labor market power.

One major source of market power in both types of markets is thus concentration, where only a few firms operate in a given market. Imagine, for example, a small town with only a few gas stations. Each gas station sets the price of gas to compete with the prices of the other gas stations. When a gas station lowers its price, it may obtain greater market share from the other gas stations—which increases profits—but it also receives less revenue per sale. If only a single gas station exists, it will maximize profits by charging a high (“monopoly”) price because the gains from buyers willing to pay the price exceed the lost revenue from buyers who stay away. If only a few gas stations exist, they might illegally enter a cartel in which they charge an above-market price and divide the profits, or they might informally coordinate, which is generally not illegal, though the social harm is the same. In contrast, if many gas stations compete, prices will be bargained down to the efficient level—the marginal cost—resulting in low prices for consumers and high aggregate output of gasoline.

Labor market concentration creates monopsony (or, if more than one employer, oligopsony, but I use these terms interchangeably) where labor market power is exercised by the buyer rather than (as in the example of gas stations) the seller. Employers are buyers of labor who operate within a labor market. A labor market is a group of jobs (e.g., computer programmers, lawyers, or unskilled workers) within a geographic area where the holders of those jobs could with relative ease switch among the jobs. The geographic area is usually defined by the commuting distance of workers. A labor market is concentrated if only one or a few employers hire from this pool of workers. For example, imagine the gas stations employ specialist maintenance workers who monitor the gas-pumping equipment. If only a few gas stations exist in that area, and no other firms (e.g., oil refineries) hire from this pool of workers, then the labor market is concentrated, and the employers have market power in the labor market. To minimize labor costs, the employers will hold wages down below what the workers would be paid in a competitive labor market—their marginal revenue product. Faced with these low wages, some people qualified to work will refuse to. But the employers gain more from wage savings than they lose in lost output because of the small workforce they employ.

Antitrust law does not distinguish monopoly and monopsony (including labor monopsony): firms that achieve monopolies or monopsonies through anticompetitive behavior violate antitrust law. But product market concentration has received a huge amount of attention by courts, researchers, and regulators, while labor market concentration has received hardly any attention at all.5 The Department of Justice (DOJ) and Federal Trade Commission’s (FTC) Horizontal Merger Guidelines, which are used to screen potential mergers for antitrust violations, provide an elaborate analytic framework for evaluating the product market effects of mergers. Yet, while the Merger Guidelines state that there is no distinction between seller and buyer power,6 they say nothing about the possible adverse labor market effects of mergers. Similarly, while there are thousands of reported cases involving allegations that firms have illegally cartelized product markets, there are few cases involving allegations of illegally cartelized labor markets.7

This historic imbalance between what I will call product market antitrust and labor market antitrust has no basis in economic theory. From an economic standpoint, the dangers to public welfare posed by product market power and labor market power are the same. As Adam Smith recognized, businesses gain in the same way by exploiting product market power and labor market power—enabling them to increase profits by raising prices (in the first case) or by lowering costs (in the second case).8 For that reason, businesses have the same incentive to obtain product market power and labor market power. Hence the need—in both cases—for an antitrust regime to prevent businesses from obtaining product and labor market power except when there are offsetting social gains.

#### It’s the key internal link to growth---wage depression constrains worker supply, constrains output, and decreases investment.

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Intuitively, it seems likely that less expensive inputs or lower wages would mean savings for firms to pass on to the consumers. But it turns out that inefficiencies and lack of competition in upstream markets have ripple effects that can harm everyone. In a competitive market, employers pay the market wage; when there are vacancies, a marginal increase in pay will follow so employers can fill those vacancies. Labor monopsonists have different incentives. If they raise pay to fill a marginal vacancy, they might also have to raise pay for their existing employees. The small increase in pay needed to attract one more worker could mean a massive swing in overall labor cost (Krueger 2017). So even if growth would generally be good for the company, they might not be able to add the workers they need specifically because of the special dynamics of controlling too much of the market.

This is an extreme example, but the same general principle applies when employers have the market power to depress wages below competitive levels. When the marginal cost of filling vacancies and growing one’s business to efficient levels diverges from the firm’s individual incentives for doing so, firms are constricted and leave jobs unfilled. Constraining inputs like labor leads to constrained outputs, and if firms are producing less of the products that consumers want, then prices for those products go up. After all, supply constraints and price increases are two sides of the same coin, economically. Fewer workers ultimately means fewer goods, and fewer goods means higher prices for the limited amount of goods available.4 Over time, this problem is magnified because fewer workers are incentivized to enter the field at all. The supply of qualified workers will go down, further reducing the firm’s ultimate output below efficient levels. In the end, everyone suffers except the firm with market power, which captures outsized profits.

Think: Why does America have a chronic undersupply of nurses or teachers, as well as stagnant wages (Council of Economic Advisers 2016)? In a competitive market, undersupply would lead to higher wages and increased entry to the field. If wages are inefficiently underpriced, we end up without enough nurses and ballooning healthcare costs. (Not to mention that, in the case of nurses, we end up with worse health outcomes for consumers!) This is part of the reason it is so problematic to interpret the consumer welfare standard to mean that short-term consumer prices are increased: presumed price effects could be irrelevant or misleading as to the overall effect on consumers.

Antitrust enforcement is supposed to be dynamic and to be able to keep up with the state of economic theory.5 But this cross-pollination is not in evidence. For example, even though inefficiency anywhere in the supply chain leads to worse outcomes for consumers, product market cases outnumber labor market cases by a factor of nearly 15, and in mergers by closer to 35. Moreover, no recent merger has been blocked on the basis of labor market effects alone (Levi 1948, 540, fn10). A quick foray into how antitrust law has developed follows.

#### Slow growth collapses the liberal order AND causes global hotspot escalation---extinction.

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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.

#### Decline overcomes traditional barriers to conflict.

Jomo Kwame Sundaram & Vladimir Popov 19. Former economics professor, was United Nations Assistant Secretary-General for Economic Development, and received the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought in 2007. Former senior economics researcher in the Soviet Union, Russia and the United Nations Secretariat, is now Research Director at the Dialogue of Civilizations Research Institute in Berlin “Economic Crisis Can Trigger World War.” <http://www.ipsnews.net/2019/02/economic-crisis-can-trigger-world-war/>.

Economic recovery efforts since the 2008-2009 global financial crisis have mainly depended on unconventional monetary policies. As fears rise of yet another international financial crisis, there are growing concerns about the increased possibility of large-scale military conflict.

More worryingly, in the current political landscape, prolonged economic crisis, combined with rising economic inequality, chauvinistic ethno-populism as well as aggressive jingoist rhetoric, including threats, could easily spin out of control and ‘morph’ into military conflict, and worse, world war.

Crisis responses limited

The 2008-2009 global financial crisis almost ‘bankrupted’ governments and caused systemic collapse. Policymakers managed to pull the world economy from the brink, but soon switched from counter-cyclical fiscal efforts to unconventional monetary measures, primarily ‘quantitative easing’ and very low, if not negative real interest rates.

But while these monetary interventions averted realization of the worst fears at the time by turning the US economy around, they did little to address underlying economic weaknesses, largely due to the ascendance of finance in recent decades at the expense of the real economy. Since then, despite promising to do so, policymakers have not seriously pursued, let alone achieved, such needed reforms.

Instead, ostensible structural reformers have taken advantage of the crisis to pursue largely irrelevant efforts to further ‘casualize’ labour markets. This lack of structural reform has meant that the unprecedented liquidity central banks injected into economies has not been well allocated to stimulate resurgence of the real economy.

From bust to bubble

Instead, easy credit raised asset prices to levels even higher than those prevailing before 2008. US house prices are now 8% more than at the peak of the property bubble in 2006, while its price-to-earnings ratio in late 2018 was even higher than in 2008 and in 1929, when the Wall Street Crash precipitated the Great Depression.

As monetary tightening checks asset price bubbles, another economic crisis — possibly more severe than the last, as the economy has become less responsive to such blunt monetary interventions — is considered likely. A decade of such unconventional monetary policies, with very low interest rates, has greatly depleted their ability to revive the economy.

The implications beyond the economy of such developments and policy responses are already being seen. Prolonged economic distress has worsened public antipathy towards the culturally alien — not only abroad, but also within. Thus, another round of economic stress is deemed likely to foment unrest, conflict, even war as it is blamed on the foreign.

International trade shrank by two-thirds within half a decade after the US passed the Smoot-Hawley Tariff Act in 1930, at the start of the Great Depression, ostensibly to protect American workers and farmers from foreign competition!

Liberalization’s discontents

Rising economic insecurity, inequalities and deprivation are expected to strengthen ethno-populist and jingoistic nationalist sentiments, and increase social tensions and turmoil, especially among the growing precariat and others who feel vulnerable or threatened.

Thus, ethno-populist inspired chauvinistic nationalism may exacerbate tensions, leading to conflicts and tensions among countries, as in the 1930s. Opportunistic leaders have been blaming such misfortunes on outsiders and may seek to reverse policies associated with the perceived causes, such as ‘globalist’ economic liberalization.

Policies which successfully check such problems may reduce social tensions, as well as the likelihood of social turmoil and conflict, including among countries. However, these may also inadvertently exacerbate problems. The recent spread of anti-globalization sentiment appears correlated to slow, if not negative per capita income growth and increased economic inequality.

To be sure, globalization and liberalization are statistically associated with growing economic inequality and rising ethno-populism. Declining real incomes and growing economic insecurity have apparently strengthened ethno-populism and nationalistic chauvinism, threatening economic liberalization itself, both within and among countries.

Insecurity, populism, conflict

Thomas Piketty has argued that a sudden increase in income inequality is often followed by a great crisis. Although causality is difficult to prove, with wealth and income inequality now at historical highs, this should give cause for concern.

Of course, other factors also contribute to or exacerbate civil and international tensions, with some due to policies intended for other purposes. Nevertheless, even if unintended, such developments could inadvertently catalyse future crises and conflicts.

Publics often have good reason to be restless, if not angry, but the emotional appeals of ethno-populism and jingoistic nationalism are leading to chauvinistic policy measures which only make things worse.

At the international level, despite the world’s unprecedented and still growing interconnectedness, multilateralism is increasingly being eschewed as the US increasingly resorts to unilateral, sovereigntist policies without bothering to even build coalitions with its usual allies.

Avoiding Thucydides’ iceberg

Thus, protracted economic distress, economic conflicts or another financial crisis could lead to military confrontation by the protagonists, even if unintended. Less than a decade after the Great Depression started, the Second World War had begun as the Axis powers challenged the earlier entrenched colonial powers.

They patently ignored Thucydides’ warning, in chronicling the Peloponnesian wars over two millennia before, when the rise of Athens threatened the established dominance of Sparta!

Anticipating and addressing such possibilities may well serve to help avoid otherwise imminent disasters by undertaking pre-emptive collective action, as difficult as that may be.

#### Antitrust action now is key.

Zachary Brown 11-2. Program Associate. “The Harms of Monopolies on American Workers” Public Citizen. 11-2-21. <https://www.citizen.org/news/the-harms-of-monopolies-on-american-worker/>

Antitrust law and its enforcement **need a major overhaul.** Mergers of large corporations across the country disastrously impacts our economy. And while the broad economic effect of monopolistic rule often hogs all of the attention, we can’t forget the **strong impact** these corporate behemoths have on **American workers.**

In a hearing last month, the House Judiciary Committee took up this very problem. Multiple antitrust experts were called to testify. They illustrated that **effective antitrust protections benefit workers.** Just in case you missed it, here are a few quick hits from the hearing to keep you in the loop.

**More Competition, More Worker Empowerment**

Throughout the hearing, it was repeatedly shown that the lack of competition in the economic landscape **damages conditions for workers**. As markets become more concentrated, **income and wages decrease**, Brian Callaci, chief economist of the Open Markets Institute, testified. Additionally, labor market concentration also has a positive correlation with the amount of **labor rights violations**. Callaci went on to explain that monopsony power, in which there is one dominant buyer (employer) with many sellers (employees), leads to an unfair power balance that leaves workers at a distinct disadvantage. Put simply, if there’s an overwhelmingly powerful boss in town, they can set the salary to whatever they want without fear of competition.

During the hearing, we also heard about the effects of consolidation on workers from Daniel Gross, a delivery driver for United Parcel Service. Citing Amazon’s growth over the years, Gross explained that Amazon’s last mile delivery network especially harms workers because Amazon occupies an increasing percentage of the delivery market yet pays its workers less than UPS. Amazon’s unique power to link its online retail business to its delivery and logistics business puts other delivery services such as USPS, UPS, FedEx, and DHL at a clear disadvantage. This allows Amazons to unduly influence the market for labor conditions.

A Gap in Antitrust Law

Speaking to the distinct impact that the enforcement of antitrust laws could have on the labor markets, Eric Posner, a professor from the University of Chicago Law School, detailed a **“litigation gap” in antitrust** law. While antitrust cases usually revolve around the harms done to other companies, very few decisions consider the effects that mergers and monopolies **have on workers**. Concerns about mergers leading to higher prices are usually central to the debate, while concerns about mergers’ effect on wages are often treated as an afterthought. But recent research shows that **anticompetitive behaviors are just as prevalent in the labor market space** as the product market space.

Posner explained that the Justice Department and the Federal Trade Commission have never challenged a merger because of its anticompetitive effects on labor markets, specifically. Workers deserve fair resources, wages, and conditions – encouraging and protecting competition between companies provides the everyday worker better options.

We can find some encouragement that both President Biden and Jonathan Kanter, Biden’s recent nominee to lead the Justice Department’s Antitrust Division, have expressed an understanding of market concentration’s impact on workers. But it is up to all of us to keep the pressure on our elected officials and government.

Revamping antitrust enforcement to address effects on labor would **more equitably protect** **workers** across the country.

### FTC---1AC

#### Advantage 2 is FTC Credibility.

#### FTC promised labor protection---they’ll lose now but the plan makes them win.

Nicolás Rivero 21. NU Graduate. "Biden’s antitrust crusaders can’t crusade without Congress". Quartz. 3-11-2021. https://qz.com/1982437/lina-khan-and-tim-wu-need-congress-to-push-their-antitrust-agenda/amp/

US president Joe Biden is poised to promote two of the country’s most prominent anti-monopoly crusaders to top jobs in his administration. The moves signal that Biden is serious about cracking down on dominant companies that include Facebook, Google, Amazon, and Apple. But for the president’s trustbusting champions to make a real impact, they’ll need support from Congress.

Biden appointed Columbia law professor Tim Wu to the National Economic Council (NEC) as his top advisor on technology and competition on March 5. Politico reports that Biden will soon follow up by nominating Lina Khan, also a Columbia law professor, to the Federal Trade Commission (FTC). (Before she can take her seat as one of the antitrust agency’s five commissioners, Khan must be confirmed by the Senate.)

Khan and Wu are two of the leading voices in a new movement of legal thought that argues the US should fundamentally overhaul the way it approaches antitrust. The crux of their argument is that courts should broaden the values they consider when deciding whether to block a merger or break up a dominant company. Rather than focus narrowly on the impact a company has on consumer prices, they argue that judges should also think about a company’s impact on small businesses, labor rights, and the health of democracy.

Khan and Wu have already secured a win for their cause just by being appointed—essentially a White House stamp of approval on their viewpoints. But despite much handwringing from industry groups, neither appointee will be able to single-handedly remake American antitrust in their image.

How the FTC can tackle antitrust

To be sure, Wu can advocate loudly for his preferred policies from his perch at the NEC, which advises the president on economic policy. And if Khan makes it to the FTC, which is the top US antitrust enforcement agency, she’ll have direct influence over which investigations the agency prioritizes, which lawsuits it brings, and whether its prosecutors will ask judges to impose fines, break up dominant firms, or require them to change their business practices.

But there are clear limits to their power. The most the FTC can do is bring more antitrust cases that ask courts for more aggressive remedies, like breakups. That would allow the agency to make a point about what it considers acceptable business behavior. But many of those lawsuits would be bound to lose in front of judges who have grown far more skeptical of antitrust cases over the past four decades and far more conservative over the past four years.

A larger caseload would also require Congress to approve more funding for the cash-strapped agency, which is already struggling to pay for its current docket. “The agencies have been asked on many occasions to do a lot with relatively little…but it’s not for free,” says former FTC chair and George Washington University law professor Bill Kovacic. If the FTC wants to pursue more large cases without a bigger budget, “they’ll have to make choices, and those choices will involve backing off of other areas of enforcement.”

The FTC could also decide to dust off its rarely used rule-making power and declare certain anticompetitive business practices illegal. But any new rule would almost certainly trigger legal challenges, which would spark a long, expensive court battle in front of judges who aren’t likely to be sympathetic. Kovacic estimates the process could take four or five years—and in the end, judges might just strike the rule down.

How Congress can tackle antitrust

The best hope for stricter antitrust enforcement lies in Congress. Lawmakers could pass bills, like one recently proposed by Minnesota senator Amy Klobuchar, that would make it easier for enforcement agencies to challenge mergers and acquisitions. They could even go a step further and draft an updated set of antitrust laws, perhaps following the blueprint laid out in last year’s antitrust report from the House of Representatives (which was co-authored by Khan). Armed with new laws clearly banning specific behaviors, prosecutors at the Department of Justice and the FTC would stand a better chance winning cases against well-funded adversaries like Facebook and Google.

Those steps wouldn’t hinge on heroics from antitrust hardliners like Khan and Wu. Instead, their success would depend on the whims of Senate centrists like West Virginia’s Joe Manchin, who has lately been flexing his power to derail the chamber’s democratic majority in opposition to left-wing priorities like a $15 minimum wage.

Ultimately, Congress should be the body that sets US antitrust policy. It has the clearest authority to ban the bullying business tactics for which Big Tech firms have been criticized. Legislative fixes are likely to be quicker and less vulnerable to court challenges—not to mention more democratic—than changing FTC rules. And it has traditionally been Congress’s prerogative to keep the country’s antitrust policy up to date: Legislators updated the monopoly laws every two decades or so between 1890 and 1950 to respond to new threats. They’ve just neglected that tradition for the past 70 years.

#### Khan is advocating for the plan but constrained by the existing body of antitrust law---only adopting a new standard solves.

Tara L. Reinhart et al 21. \*Tara Reinhart is head of the Antitrust/Competition Group in Skadden’s Washington, D.C. office. She focuses on civil litigation and government investigations, with an emphasis on complex antitrust litigation and international cartel probes. \*Steven C. Sunshine is the head of Skadden’s Global Antitrust/Competition Group. He represents clients in connection with antitrust aspects of mergers and acquisitions, litigation, counseling and grand jury investigations. \*David Wales is recognized as a leading antitrust lawyer and has over 25 years of experience in both private and public sectors. His practice focuses on providing antitrust advice to U.S. and international clients in a wide range of industries on all aspects of antitrust, including mergers and acquisitions, alliances, criminal grand jury investigations, dominant firm conduct, distribution arrangements, licensing and competitor collaborations. \*Julia York has represented numerous global corporations in various industries, including pharmaceuticals, telecommunications, energy and financial markets, in both litigation and transactional matters. “FTC Chair Khan Highlights Key Policy Priorities Going Forward, but Aggressive Agenda Faces Uphill Climb” Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates. 10-04-21. <https://www.skadden.com/insights/publications/2021/10/ftc-chair-khan-highlights-policy-priorities>

In a September 22, 2021, memorandum to staff, Federal Trade Commission (FTC) Chair Lina Khan formally laid out her “Vision and Priorities for the FTC,” reaffirming her calls for broad antitrust enforcement organized around three key policy priorities: merger enforcement, dominant intermediaries and restrictive contract terms. The memo further describes her vision for the agency’s strategic approach and operational objectives to support those priorities. Like her prior calls for antitrust reform and aggressive enforcement,1 the policy priorities outlined by Chair Khan are somewhat abstract and do not specify concrete actions the agency will take to achieve them. However, a close review of these high-level priorities, approach and objectives reveals some **practical obstacles to implementation**, including limitations **imposed by resource constraints and the existing body of antitrust law.** Policy Priorities: Merger Enforcement, Dominant Intermediaries and Restrictive Contract Terms Chair Khan listed three policy priorities for the agency going forward. First, she identified a need to strengthen the agency’s merger enforcement work to combat what she described as rampant consolidation and the market dominance she believes that consolidation has enabled. In particular, she expressed a concern that markets “will only become more consolidated” absent FTC vigilance and assertive action. She noted that revising the merger guidelines will be important to achieve merger reform, characterizing prior iterations of the guidelines as a “somewhat narrow and outdated framework for assessing mergers.” She also highlighted a need to find ways to deter unlawful transactions, including “facially illegal deals.” Second, Ms. Khan indicated her desire to focus enforcement on “dominant intermediaries and extractive business models.” After suggesting that market power is an increasingly systemic problem in the economy, and that the FTC should devote resources to regulating the most significant actors — with “next-generation technologies, innovations, and nascent industries” requiring particular vigilance, she focused specifically on the market position of “gatekeeper” companies and “dominant middlemen.” Such entities, according to Chair Khan, have been able to “hike fees, dictate terms, and protect and extend their market power.” She also posited that the involvement of private equity and other investment vehicles may strip such businesses of productive capacity and harm consumers. In discussing the agency’s strategic approach to address these issues, Chair Khan noted her intention to “focus[] on structural incentives that enable unlawful conduct,” and to “look[] upstream at the firms that are enabling and profiting from this conduct.” Third, Ms. Khan discussed certain contract terms, including **noncompete provisions**, repair restrictions and exclusionary clauses, that she believes could constitute unfair methods of competition or unfair or deceptive trade practices. She also **advocated for a “holistic” approach to identifying harms to account for effects on workers** and independent businesses. Describing this holistic approach in broad terms, she indicated that the agency would **focus on “power asymmetries** and the unlawful practices those imbalances enable,” and the effects such conduct has, for example, on **marginalized communities**. In sharing her hopes to “further democratize the agency,” Chair Khan similarly expressed that the FTC’s work should help “shape[] the **distribution of power and opportunity** across our economy.” More generally, the memo identifies areas of investment for the agency to help achieve these priorities. This includes incorporating a greater range of analytical tools and skillsets into the agency’s work, and expanding the agency’s regional footprint to grow its ranks, including by hiring additional technologists, data analysts, financial analysts and experts from outside disciplines. Chair Khan also announced that she will name Holly Vedova and Samuel Levine, both career FTC staff (as opposed to political appointees), as the director of the Bureau of Competition and the director of the Bureau of Consumer Protection, respectively. Practical Limitations on Implementation of Chair Khan’s Policy Priorities Chair Khan describes the antitrust agenda outlined in her memorandum as “robust,” and the memo communicates her intention to attempt to reshape antitrust policy and enforcement. However, a revolutionary shift in antitrust enforcement by the FTC will **face substantial practical challenges.** Most significantly, the path to reshaping antitrust enforcement will be constrained by the substantial body of existing antitrust law and the need to convince a federal judge that the **conduct in question is unlawful**. Chair Khan’s memo generally advocates for a new, more expansive and holistic approach to identifying antitrust harms **beyond the traditional focus on consumer welfare** and price effects. However, **courts have — and will likely continue to — rely on existing standards developed** in the case law over many decades. Those standards focus on consumer welfare and predominantly price effects. **Absent legislative change**, then, a **practical gap** will persist between Chair Khan’s **vision of refocused and more assertive antitrust enforcement**, on the one hand, and **the law that would apply** to any FTC enforcement action, on the other.2

#### That decimates the FTC---losses threaten the institution.

Marianela Lopez-Galdos 7/28/21. Global Competition Counsel at the Computer& Communications Industry Association, previously served as Director of Competition & Regulatory Policy, and is a professor at George Washington University Competition Law Center and at the University of Melbourne Law School. “Policy Decisions of Antitrust Institutions Series: The Future of the FTC and Its Perils”. Disruptive Competition Project. https://www.project-disco.org/competition/072821-policy-decisions-of-antitrust-institutions-series-the-future-of-the-ftc-and-its-perils/

But the current FTC leadership seems to have overlooked the agency’s history. As such, it has already promised to produce different policy outcomes and noted that the Section 5 Policy Guidelines were shortsighted. As a result, the current FTC has decided, with the support of the other two Democratic Commissioners, to rescind the Policy Guidelines.

It is unknown whether the current FTC will try to adopt different guidelines or whether it will start opening more cases under Section 5 of the FTC Act. Furthermore, it is less clear whether the new FTC leadership currently counts with the sufficient and aligned Neo-Brandeisian human talent to bring solid cases that are not based on the consumer welfare standard or to litigate before judges that support the Neo-Brandeisian vision of antitrust.

What seems clear is that the new agency’s leader might find it hard to bring all Commissioners to an agreement with respect to what the agency can do with Section 5 of the FTC Act, and this situation, in and of itself, puts the agency in peril.

The FTC’s Rulemaking Authority

Another important policy change that may be detrimental to the FTC is its expressed willingness to expand the agency’s rulemaking authority under, e.g., Section 18 of the FTC Act. It is well known that in addition to its authority to investigate law violations by individuals and businesses, the FTC also has federal rulemaking authority to issue industry-wide regulations.

However, the agency’s rulemaking authority has been self-limited since the 80s in an effort to ensure the institution doesn’t overuse its capacity to adopt industry-wide regulations and raise concerns with those policy makers that are against the legislature deferring its core mandate to an independent agency that doesn’t represent the people.

Traditionally the legislature has the constitutional mandate to create laws affecting different sectors of the economy. Whereas it is legally accepted to design independent agencies with constrained mandates to adopt regulations, such powers are not necessarily understood to construe independent agencies as substitutes for the legislature’s powers. It is a basic tenet of administrative law, that agencies are constrained by the enabling statute that gives them authority to promulgate regulations in the first place.

Against this background, it seems risky for the new leadership to engage in broad rulemaking endeavors that might raise concerns from an institution legitimacy perspective. In the long term, it is predictable that many policymakers might not be supportive of an agency that implements its rulemaking authority in its broadest sense. As a result, some degree of political backlash against the agency might not help the agency’s lifecycle, especially if the agency is not granted with specific legislative guidance in the form of new legislation.

The Future of the FTC

One of the most challenging matters to tackle when it comes to leadership of antitrust authorities, or administrative agency for that matter, is legacy and the impact for the future of the agency. To put it simply, while antitrust leaders leave agencies, the side effects of leadership’s successes and failures condition the future of the agencies. Their leadership has consequences and sets precedent which will bind the agency well into the future.

Under the current political context, it would not be surprising if the current Neo-Brandeisian FTC enjoyed political support and success with its decision to bring big cases, especially against leading tech companies. In the short term, if the FTC makes headlines for opening cases against “Big Tech”, policymakers pushing for antitrust reforms will surely applaud the new changes as they would reflect a commitment to enhanced enforcement outcomes notwithstanding the strength of the cases.

However, in the mid-and long-term, if the FTC loses the big cases, the commitment to policy outcomes won’t be met. And then, it is unlikely that the question would be whether the antitrust norms are fit for today’s economy, but rather if the agency is capable of executing its mandate effectively. The recent decision in the FTC v. Facebook case is a good example of this paradigm, where the Judge expressed that the FTC had not carried out a sufficiently robust analysis supported by evidence, and therefore dismissed the case.

Eventually, the agency’s short-term reputational gains could quickly turn into a debacle for the institution itself with the caveat that by then, most probably, Neo-Brandeisian leadership will be long gone. Unfortunately then, the U.S. antitrust system — which is the only one to keep two federal antitrust agencies, bringing about positive outcomes for consumers — might be at risk. Political support to merge these two institutions could gain even more support, as has happened in the past, to the detriment of consumers.

#### Trust solves scams and privacy violation---it’s a prerequisite to all reforms.

Testimony of Ted Mermin 21. Executive Director Center for Consumer Law & Economic Justice UC Berkeley School of Law. Before the United States House of Representatives Committee on Energy & Commerce Subcommittee on Consumer Protection and Commerce Hearing on “The Consumer Protection and Recovery Act: Returning Money to Defrauded Consumers”. https://docs.house.gov/meetings/IF/IF17/20210427/112501/HHRG-117-IF17-Wstate-MerminT-20210427.pdf

10. Trust the FTC. This final step informs all the others. There can be no doubt that there is more work to do protecting consumers than the FTC currently has the tools or resources to accomplish. There is also no doubt that the FTC has been trammeled in ways that its sister agencies, federal and state, have not. Whatever the reason, it is high time to retire the “zombie ideas” about the FTC – that the Commission is unnecessary, or overreaching, or heavy-handed, or inefficient.23 It is time, as one commissioner stated in Senate testimony last week, to “turn the page on the FTC’s perceived powerlessness.”24

For an American public eager for greater – not lesser – protection from increasingly sophisticated scam artists, deceptive advertisers, and privacy violating tech companies, building an effective FTC is an easy decision. It can and should be for this committee as well.

IV. Conclusion

This subcommittee meets at a remarkable historical moment, when the COVID-19 pandemic has revealed the profound need for a robust Federal Trade Commission just days after the Supreme Court made action by Congress an absolute necessity. This is a perilous time, with the chief protector of American consumers rendered nearly powerless just when those consumers are experiencing a heightened threat resulting from a once-in-a-century pandemic. The Consumer Protection and Recovery Act provides a critical first step toward restoring authority and effectiveness to the nation’s leading consumer protection agency.

Swift action to restore the FTC’s traditional 13(b) authority means that when constituents contact your office, and tell your staff that they have lost their life’s savings to a work-at-home scam, or their identity has been stolen and someone has opened accounts in their name, or they just spent their stimulus payment on a supposed cure for COVID for their grandmother who’s on a respirator – there will still be an agency to refer them to. No one wants that staffer to have to add: “Well, we could send you to the FTC, but they don’t actually have the power to get you your money back.”

Inaction or delay will mean no recovery for millions of wronged American consumers. The time to pass the Consumer Protection and Recovery Act is now.

#### Scamming causes extinction.

Casey Newton 20. Verge contributing editor. "The massive Twitter hack could be a global security crisis". Verge. 7-15-2020. https://www.theverge.com/interface/2020/7/15/21325708/twitter-hack-global-security-crisis-nuclear-war-bitcoin-scam

Beginning in the spring of 2018, scammers began to impersonate noted cryptocurrency enthusiast Elon Musk. They would use his profile photo, select a user name similar to his, and tweet out an offer that was effective despite being too good to be true: send him a little cryptocurrency, and he’ll send you a lot back. Sometimes the scammer would reply to a connected, verified account — Musk-owned SpaceX, for example — giving it additional legitimacy. Scammers would also amplify the fake tweet via bot networks, for the same purpose.

The events of 2018 showed us three things. One, at least some people fell for the scam, every single time — certainly enough to incentivize further attempts. Two, Twitter was slow to respond to the threat, which persisted well beyond the company’s initial comments that it was taking the issue seriously. And three, the demand from scammers coupled with Twitter’s initial measures to fight back set up a cat-and-mouse game that incentivized bad actors to take more drastic measures to wreak havoc.

That brings us to today. The story picks up with Nick Statt in The Verge:

The Twitter accounts of major companies and individuals have been compromised in one of the most widespread and confounding hacks the platform has ever seen, all in service of promoting a bitcoin scam that appears to be earning its creator quite a bit of money.

We don’t know how it’s happened or even to what extent Twitter’s own systems may have been compromised. The hack appears to have subsided, but new scam tweets were posting to verified accounts on a regular basis starting shortly after 4PM ET and lasting more than two hours. Twitter acknowledged the situation after more than an hour of silence, writing on its support account at 5:45PM ET, “We are aware of a security incident impacting accounts on Twitter. We are investigating and taking steps to fix it. We will update everyone shortly.”

Among the hacked accounts were President Barack Obama, Joe Biden, Amazon CEO Jeff Bezos, Bill Gates, the Apple and Uber corporate accounts, and pop star Kanye West.

But they came later. The first prominent individual account to be compromised? Elon Musk, of course.

Within the first hours of the attack, people were duped into sending more than $118,000 to the hackers. It also seems possible that a great number of sensitive direct messages could have been accessed by the attackers. Of even greater concern, though, is the speed and scale at which the attack unfolded — and the national security concerns it raises, which are profound.

The first and most obvious question is, of course, who did this and how? And at press time, we don’t know. At Vice, Joseph Cox, one of the best security reporters I know, reported that members of the underground hacking community are sharing screenshots suggesting someone gained access to an internal Twitter tool used for account management. Cox writes:

Two sources close to or inside the underground hacking community provided Motherboard with screenshots of an internal panel they claim is used by Twitter workers to interact with user accounts. One source said the Twitter panel was also used to change ownership of some so-called OG accounts—accounts that have a handle consisting of only one or two characters—as well as facilitating the tweeting of the cryptocurrency scams from the high profile accounts.

Twitter has been deleting screenshots of the panel and has suspended users who have tweeted the screenshots, claiming that the tweets violate its rules.

To speculate much further would be irresponsible, but Cox’s reporting suggests that this is not a garden-variety hack in which a bunch of people reused their passwords, or a hacker used social engineering to convince AT&T to swap a SIM card. One possibility is that hackers accessed internal Twitter tools; another that Cox raises is that a Twitter employee was involved in the incident — which, if true, would make this the second inside job revealed at Twitter this year.

In any case, Twitter’s response to the incident offered further cause for distress. The company’s initial tweet on the subject said almost nothing, and two hours later it had followed only to say what many users were forced to discover for themselves: that Twitter had disabled the ability of many verified users to tweet or reset their passwords while it worked to resolve the hack’s underlying cause.

The near-silencing of politicians, celebrities, and the national press corps led to much merriment on the service — see this, along with Those good tweets below, for some fun — but the move had other, darker implications. Twitter is, for better and worse, one of the world’s most important communications systems, and among its users are accounts linked to emergency medical services. The National Weather Service in Lincoln, IL, for example, had just tweeted a tornado warning before suddenly going dark. To the extent that anyone was relying on that account for further information about those tornadoes, they were out of luck.

Of course, Twitter’s move to stop verified accounts from tweeting represents a difficult balancing on equities. You would probably rather the National Weather Service not tweet than a hacker sell the account to a bad actor who logs in and falsely suggests that tornadoes are sweeping through every city in America. But the ham-fisted approach to resolving the issue — banning a huge portion of 359,000 verified accounts — reflects the staggering scale of the breach. This is as close to pulling the plug on Twitter as Twitter itself has ever come.

And that makes you wonder what contingencies the company has put into place in the event that it is someday taken over not by greedy Bitcoin con artists, but state-level actors or psychopaths. After today it is no longer unthinkable, if it ever truly was, that someone take over the account of a world leader and attempt to start a nuclear war. (A report on that subject from King’s College London came out just last week.)

It is in such a world that I find myself in the unusual position of agreeing with Sen. Josh Hawley, the Missouri Republican who among other things wants to end content moderation. He wrote a letter to Twitter CEO Jack Dorsey, and I found myself agreeing with all of it:

“I am concerned that this event may represent not merely a coordinated set of separate hacking incidents but rather a successful attack on the security of Twitter itself. As you know, millions of your users rely on your service not just to tweet publicly but also to communicate privately through your direct message service. A successful attack on your system’s servers represents a threat to all of your users’ privacy and data security.”

And yet even Hawley doesn’t go far enough. The threat here is not simply user privacy and data security, though those threats are real and substantial. It is about the striking potential of Twitter to incite real-world chaos through impersonation and fraud. As of today, that potential has been realized. And I can only worry about how, with a presidential election now less than four months away, it might be realized further.

Twitter will likely spend the next several days investigating how this incident took place. A criminal investigation seems likely, during which the company may not be able to fully describe Wednesday’s events to our satisfaction. But it is vital that as soon as possible, Twitter share as much about what happened today as it can — and, just as importantly, what it will do to ensure that it never happens again.

After Wednesday’s catastrophe, it hardly seems like hyperbole to suggest that our world could hang in the balance.

#### AND fraud funds terrorists.

Frank S. Perri 10. Frank S. Perri, J.D., CFE, CPA. "The Fraud-Terror Link:". No Publication. xx-xx-xxxx. https://www.fraud-magazine.com/article.aspx?id=4294967888

The threat of terrorism has become the principal security concern in the United States since 9/11. Some might perceive that fraud isn’t linked to terrorism because white-collar crime issues are more the province of organized crime, but that perception is misguided. Terrorists derive funding from a variety of criminal activities ranging in scale and sophistication – from low-level crime to organized narcotics smuggling and fraud. CFEs need to know the latest links between fraud and terror.

Credit card fraud, wire fraud, mortgage fraud, charitable donation fraud, insurance fraud, identity theft, money laundering, immigration fraud, and tax evasion are just some of the types of fraud commonly used to fund terrorist cells. Such groups will also use shell companies to receive and distribute illicit funds. On the surface, these companies might engage in legitimate activities to establish a positive reputation in the business community.

Financing is required not just to fund specific terrorist operations but to meet the broader organizational costs of developing and maintaining a terrorist organization and to create an enabling environment necessary to sustain their activities. The direct costs of mounting individual attacks have been relatively low considering the damage they can yield.

“Part of the problem is that it takes so little to finance an operation,” said Gary LaFree, director of the University of Maryland’s National Consortium for the Study of Terrorism and Responses to Terrorism.2 For example, the 2005 London bombings cost about $15,600.3 The 2000 bombing of the USS Cole is estimated to have cost between $5,000 and $10,000.4 Al-Qaida’s entire 9/11 operation cost between $400,000 and $500,000, according to the final report of the National Commission on Terrorist Attacks Upon the United States.5

Terrorist groups require significant funds to create and maintain an infrastructure of organizational support, sustain an ideology of terrorism through propaganda, and finance the ostensibly legitimate activities needed to provide a veil of legitimacy for their shell companies.6 However, don’t think that only large operations are needed for terrorists to carry out attacks; small semi-autonomous cells in many countries are often just as capable of conducting disruptive activities without extensive outside financial help – they just conduct smaller-scale frauds.7

Even though the nexus between fraud and terrorism is undisputed, there’s concern at state and local levels that law enforcement professionals lack specialized knowledge on how to detect the fraud-terror link because they’re more apt to investigate and prosecute violent crimes.8

A critical lack of awareness about terrorists’ links to fraud schemes is undermining the fight against terrorism. Fraud analysis must be central, not peripheral, in understanding the patterns of terrorist behavior.9

#### Causes extinction---nuclear escalation.

Matthew Bunn & Nickolas Roth 17. \*Professor of practice at the Harvard Kennedy School. \*\*Research associate at the Belfer Center’s Project on Managing the Atom at Harvard University and research fellow at the Center for International and Security Studies at the University of Maryland. “The effects of a single terrorist nuclear bomb.” Bulletin of the Atomic Scientists, http://thebulletin.org/effects-single-terrorist-nuclear-bomb11150

The escalating threats between North Korea and the United States make it easy to forget the “nuclear nightmare,” as former US Secretary of Defense William J. Perry put it, that could result even from the use of just a single terrorist nuclear bomb in the heart of a major city. At the risk of repeating the vast literature on the tragedies of Hiroshima and Nagasaki—and the substantial literature surrounding nuclear tests and simulations since then—we attempt to spell out here the likely consequences of the explosion of a single terrorist nuclear bomb on a major city, and its subsequent ripple effects on the rest of the planet. Depending on where and when it was detonated, the blast, fire, initial radiation, and long-term radioactive fallout from such a bomb could leave the heart of a major city a smoldering radioactive ruin, killing tens or hundreds of thousands of people and wounding hundreds of thousands more. Vast areas would have to be evacuated and might be uninhabitable for years. Economic, political, and social aftershocks would ripple throughout the world. A single terrorist nuclear bomb would change history. The country attacked—and the world—would never be the same. The idea of terrorists accomplishing such a thing is, unfortunately, not out of the question; it is far easier to make a crude, unsafe, unreliable nuclear explosive that might fit in the back of a truck than it is to make a safe, reliable weapon of known yield that can be delivered by missile or combat aircraft. Numerous government studies have concluded that it is plausible that a sophisticated terrorist group could make a crude bomb if they got the needed nuclear material. And in the last quarter century, there have been some 20 seizures of stolen, weapons-usable nuclear material, and at least two terrorist groups have made significant efforts to acquire nuclear bombs. Terrorist use of an actual nuclear bomb is a low-probability event—but the immensity of the consequences means that even a small chance is enough to justify an intensive effort to reduce the risk. Fortunately, since the early 1990s, countries around the world have significantly reduced the danger—but it remains very real, and there is more to do to ensure this nightmare never becomes reality. Brighter than a thousand suns. Imagine a crude terrorist nuclear bomb—containing a chunk of highly enriched uranium just under the size of a regulation bowling ball, or a much smaller chunk of plutonium—suddenly detonating inside a delivery van parked in the heart of a major city. Such a terrorist bomb would release as much as 10 kilotons of explosive energy, or the equivalent of 10,000 tons of conventional explosives, a volume of explosives large enough to fill all the cars of a mile-long train. In a millionth of a second, all of that energy would be released inside that small ball of nuclear material, creating temperatures and pressures as high as those at the center of the sun. That furious energy would explode outward, releasing its energy in three main ways: a powerful blast wave; intense heat; and deadly radiation. The ball would expand almost instantly into a fireball the width of four football fields, incinerating essentially everything and everyone within. The heated fireball would rise, sucking in air from below and expanding above, creating the mushroom cloud that has become the symbol of the terror of the nuclear age. The ionized plasma in the fireball would create a localized electromagnetic pulse more powerful than lightning, shorting out communications and electronics nearby—though most would be destroyed by the bomb’s other effects in any case. (Estimates of heat, blast, and radiation effects in this article are drawn primarily from Alex Wellerstein’s “Nukemap,” which itself comes from declassified US government data, such as the 660-page government textbook The Effects of Nuclear Weapons.) At the instant of its detonation, the bomb would also release an intense burst of gamma and neutron radiation which would be lethal for nearly everyone directly exposed within about two-thirds of a mile from the center of the blast. (Those who happened to be shielded by being inside, or having buildings between them and the bomb, would be partly protected—in some cases, reducing their doses by ten times or more.) The nuclear flash from the heat of the fireball would radiate in both visible light and the infrared; it would be “brighter than a thousand suns,” in the words of the title of a book describing the development of nuclear weapons—adapting a phrase from the Hindu epic the Bhagavad-Gita. Anyone who looked directly at the blast would be blinded. The heat from the fireball would ignite fires and horribly burn everyone exposed outside at distances of nearly a mile away. (In the Nagasaki Atomic Bomb Museum, visitors gaze in horror at the bones of a human hand embedded in glass melted by the bomb.) No one has burned a city on that scale in the decades since World War II, so it is difficult to predict the full extent of the fire damage that would occur from the explosion of a nuclear bomb in one of today’s cities. Modern glass, steel, and concrete buildings would presumably be less flammable than the wood-and-rice-paper housing of Hiroshima or Nagasaki in the 1940s—but many questions remain, including exactly how thousands of broken gas lines might contribute to fire damage (as they did in Dresden during World War II). On 9/11, the buildings of the World Trade Center proved to be much more vulnerable to fire damage than had been expected. Ultimately, even a crude terrorist nuclear bomb would carry the possibility that the countless fires touched off by the explosion would coalesce into a devastating firestorm, as occurred at Hiroshima. In a firestorm, the rising column of hot air from the massive fire sucks in the air from all around, creating hurricane-force winds; everything flammable and everything alive within the firestorm would be consumed. The fires and the dust from the blast would make it extremely difficult for either rescuers or survivors to see. The explosion would create a powerful blast wave rushing out in every direction. For more than a quarter-mile all around the blast, the pulse of pressure would be over 20 pounds per square inch above atmospheric pressure (known as “overpressure”), destroying or severely damaging even sturdy buildings. The combination of blast, heat, and radiation would kill virtually everyone in this zone. The blast would be accompanied by winds of many hundreds of miles per hour. The damage from the explosion would extend far beyond this inner zone of almost total death. Out to more than half a mile, the blast would be strong enough to collapse most residential buildings and create a serious danger that office buildings would topple over, killing those inside and those in the path of the rubble. (On the other hand, the office towers of a modern city would tend to block the blast wave in some areas, providing partial protection from the blast, as well as from the heat and radiation.) In that zone, almost anything made of wood would be destroyed: Roofs would cave in, windows would shatter, gas lines would rupture. Telephone poles, street lamps, and utility lines would be severely damaged. Many roads would be blocked by mountains of wreckage. In this zone, many people would be killed or injured in building collapses, or trapped under the rubble; many more would be burned, blinded, or injured by flying debris. In many cases, their charred skin would become ragged and fall off in sheets. The effects of the detonation would act in deadly synergy. The smashed materials of buildings broken by the blast would be far easier for the fires to ignite than intact structures. The effects of radiation would make it far more difficult for burned and injured people to recover. The combination of burns, radiation, and physical injuries would cause far more death and suffering than any one of them would alone. The silent killer. The bomb’s immediate effects would be followed by a slow, lingering killer: radioactive fallout. A bomb detonated at ground level would dig a huge crater, hurling tons of earth and debris thousands of feet into the sky. Sucked into the rising fireball, these particles would mix with the radioactive remainders of the bomb, and over the next few hours or days, the debris would rain down for miles downwind. Depending on weather and wind patterns, the fallout could actually be deadlier and make a far larger area unusable than the blast itself. Acute radiation sickness from the initial radiation pulse and the fallout would likely affect tens of thousands of people. Depending on the dose, they might suffer from vomiting, watery diarrhea, fever, sores, loss of hair, and bone marrow depletion. Some would survive; some would die within days; some would take months to die. Cancer rates among the survivors would rise. Women would be more vulnerable than men—children and infants especially so. Much of the radiation from a nuclear blast is short-lived; radiation levels even a few days after the blast would be far below those in the first hours. For those not killed or terribly wounded by the initial explosion, the best advice would be to take shelter in a basement for at least several days. But many would be too terrified to stay. Thousands of panic-stricken people might receive deadly doses of radiation as they fled from their homes. Some of the radiation will be longer-lived; areas most severely affected would have to be abandoned for many years after the attack. The combination of radioactive fallout and the devastation of nearly all life-sustaining infrastructure over a vast area would mean that hundreds of thousands of people would have to evacuate. Ambulances to nowhere. The explosion would also destroy much of the city’s ability to respond. Hospitals would be leveled, doctors and nurses killed and wounded, ambulances destroyed. (In Hiroshima, 42 of 45 hospitals were destroyed or severely damaged, and 270 of 300 doctors were killed.) Resources that survived outside the zone of destruction would be utterly overwhelmed. Hospitals have no ability to cope with tens or hundreds of thousands of terribly burned and injured people all at once; the United States, for example, has 1,760 burn beds in hospitals nationwide, of which a third are available on any given day. And the problem would not be limited to hospitals; firefighters, for example, would have little ability to cope with thousands of fires raging out of control at once. Fire stations and equipment would be destroyed in the affected area, and firemen killed, along with police and other emergency responders. Some of the first responders may become casualties themselves, from radioactive fallout, fire, and collapsing buildings. Over much of the affected area, communications would be destroyed, by both the physical effects and the electromagnetic pulse from the explosion. Better preparation for such a disaster could save thousands of lives—but ultimately, there is no way any city can genuinely be prepared for a catastrophe on such a historic scale, occurring in a flash, with zero warning. Rescue and recovery attempts would be impeded by the destruction of most of the needed personnel and equipment, and by fire, debris, radiation, fear, lack of communications, and the immense scale of the disaster. The US military and the national guard could provide critically important capabilities—but federal plans assume that “no significant federal response” would be available for 24-to-72 hours. Many of those burned and injured would wait in vain for help, food, or water, perhaps for days. The scale of death and suffering. How many would die in such an event, and how many would be terribly wounded, would depend on where and when the bomb was detonated, what the weather conditions were at the time, how successful the response was in helping the wounded survivors, and more. Many estimates of casualties are based on census data, which reflect where people sleep at night; if the attack occurred in the middle of a workday, the numbers of people crowded into the office towers at the heart of many modern cities would be far higher. The daytime population of Manhattan, for example, is roughly twice its nighttime population; in Midtown on a typical workday, there are an estimated 980,000 people per square mile. A 10-kiloton weapon detonated there might well kill half a million people—not counting those who might die of radiation sickness from the fallout. (These effects were analyzed in great detail in the Rand Corporation’s Considering the Effects of a Catastrophic Terrorist Attack and the British Medical Journal’s “Nuclear terrorism.”) On a typical day, the wind would blow the fallout north, seriously contaminating virtually all of Manhattan above Gramercy Park; people living as far away as Stamford, Connecticut would likely have to evacuate. Seriously injured survivors would greatly outnumber the dead, their suffering magnified by the complete inadequacy of available help. The psychological and social effects—overwhelming sadness, depression, post-traumatic stress disorder, myriad forms of anxiety—would be profound and long-lasting. The scenario we have been describing is a groundburst. An airburst—such as might occur, for example, if terrorists put their bomb in a small aircraft they had purchased or rented—would extend the blast and fire effects over a wider area, killing and injuring even larger numbers of people immediately. But an airburst would not have the same lingering effects from fallout as a groundburst, because the rock and dirt would not be sucked up into the fireball and contaminated. The 10-kiloton blast we have been discussing is likely toward the high end of what terrorists could plausibly achieve with a crude, improvised bomb, but even a 1-kiloton blast would be a catastrophic event, having a deadly radius between one-third and one-half that of a 10-kiloton blast. These hundreds of thousands of people would not be mere statistics, but countless individual stories of loss—parents, children, entire families; all religions; rich and poor alike—killed or horribly mutilated. Human suffering and tragedy on this scale does not have to be imagined; it can be remembered through the stories of the survivors of the US atomic bombings of Hiroshima and Nagasaki, the only times in history when nuclear weapons have been used intentionally against human beings. The pain and suffering caused by those bombings are almost beyond human comprehension; the eloquent testimony of the Hibakusha—the survivors who passed through the atomic fire—should stand as an eternal reminder of the need to prevent nuclear weapons from ever being used in anger again. Global economic disaster. The economic impact of such an attack would be enormous. The effects would reverberate for so far and so long that they are difficult to estimate in all their complexity. Hundreds of thousands of people would be too injured or sick to work for weeks or months. Hundreds of thousands more would evacuate to locations far from their jobs. Many places of employment would have to be abandoned because of the radioactive fallout. Insurance companies would reel under the losses; but at the same time, many insurance policies exclude the effects of nuclear attacks—an item insurers considered beyond their ability to cover—so the owners of thousands of buildings would not have the insurance payments needed to cover the cost of fixing them, thousands of companies would go bankrupt, and banks would be left holding an immense number of mortgages that would never be repaid. Consumer and investor confidence would likely be dramatically affected, as worried people slowed their spending. Enormous new homeland security and military investments would be very likely. If the bomb had come in a shipping container, the targeted country—and possibly others—might stop all containers from entering until it could devise a system for ensuring they could never again be used for such a purpose, throwing a wrench into the gears of global trade for an extended period. (And this might well occur even if a shipping container had not been the means of delivery.) Even the far smaller 9/11 attacks are estimated to have caused economic aftershocks costing almost $1 trillion even excluding the multi-trillion-dollar costs of the wars that ensued. The cost of a terrorist nuclear attack in a major city would likely be many times higher. The most severe effects would be local, but the effects of trade disruptions, reduced economic activity, and more would reverberate around the world. Consequently, while some countries may feel that nuclear terrorism is only a concern for the countries most likely to be targeted—such as the United States—in reality it is a threat to everyone, everywhere. In 2005, then-UN Secretary-General Kofi Annan warned that these global effects would push “tens of millions of people into dire poverty,” creating “a second death toll throughout the developing world.” One recent estimate suggested that a nuclear attack in an urban area would cause a global recession, cutting global Gross Domestic Product by some two percent, and pushing an additional 30 million people in the developing world into extreme poverty. Desperate dilemmas. In short, an act of nuclear terrorism could rip the heart out of a major city, and cause ripple effects throughout the world. The government of the country attacked would face desperate decisions: How to help the city attacked? How to prevent further attacks? How to respond or retaliate? Terrorists—either those who committed the attack or others—would probably claim they had more bombs already hidden in other cities (whether they did or not), and threaten to detonate them unless their demands were met. The fear that this might be true could lead people to flee major cities in a large-scale, uncontrolled evacuation. There is very little ability to support the population of major cities in the surrounding countryside. The potential for widespread havoc and economic chaos is very real. If the detonation took place in the capital of the nation attacked, much of the government might be destroyed. A bomb in Washington, D.C., for example, might kill the President, the Vice President, and many of the members of Congress and the Supreme Court. (Having some plausible national leader survive is a key reason why one cabinet member is always elsewhere on the night of the State of the Union address.) Elaborate, classified plans for “continuity of government” have already been drawn up in a number of countries, but the potential for chaos and confusion—if almost all of a country’s top leaders were killed—would still be enormous. Who, for example, could address the public on what the government would do, and what the public should do, to respond? Could anyone honestly assure the public there would be no further attacks? If they did, who would believe them? In the United States, given the practical impossibility of passing major legislation with Congress in ruins and most of its members dead or seriously injured, some have argued for passing legislation in advance giving the government emergency powers to act—and creating procedures, for example, for legitimately replacing most of the House of Representatives. But to date, no such legislative preparations have been made. In what would inevitably be a desperate effort to prevent further attacks, traditional standards of civil liberties might be jettisoned, at least for a time—particularly when people realized that the fuel for the bomb that had done such damage would easily have fit in a suitcase. Old rules limiting search and surveillance could be among the first to go. The government might well impose martial law as it sought to control the situation, hunt for the perpetrators, and find any additional weapons or nuclear materials they might have. Even the far smaller attacks of 9/11 saw the US government authorizing torture of prisoners and mass electronic surveillance. And what standards of international order and law would still hold sway? The country attacked might well lash out militarily at whatever countries it thought might bear a portion of responsibility. (A terrifying description of the kinds of discussions that might occur appeared in Brian Jenkins’ book, Will Terrorists Go Nuclear?) With the nuclear threshold already crossed in this scenario—at least by terrorists—it is conceivable that some of the resulting conflicts might escalate to nuclear use. International politics could become more brutish and violent, with powerful states taking unilateral action, by force if necessary, in an effort to ensure their security. After 9/11, the United States led the invasions of two sovereign nations, in wars that have since cost hundreds of thousands of lives and trillions of dollars, while plunging a region into chaos. Would the reaction after a far more devastating nuclear attack be any less?

#### FTC’s enforcement reputation solves global emerging tech---leadership and legitimacy are key.

Michael Spiro 20. JD from the University of Washington School of Law, an L.L.M. in Innovation and Technology Law from Seattle University School of Law. Corporate counsel at Smartsheet Inc. “The FTC and AI Governance: A Regulatory Proposal.” Seattle Journal of Seattle Journal of Technology Environmental & Innovation Law. Volume 10 Issue 1 Article 2. 12-19-2020. https://digitalcommons.law.seattleu.edu/cgi/viewcontent.cgi?article=1001&context=sjteil

Despite these limitations, the FTC has a formidable reputation as an enforcement authority, and commercial entities, and their lawyers, pay close attention to its orders and decisions.248 For example, when the FTC issues a complaint, it is published on the FTC’s website, which often generates significant attention in the privacy community.249 One reason for this is the fear firms have of the FTC’s auditing process, which not only is “exhaustive and demanding,” but can last for as long as 20 years.250 As such, the FTC settles most of the enforcement actions it initiates.251 Firms are motivated to settle with the FTC because they can avoid having to admit any wrongdoing in exchange for taking remedial measures, and thus they also avoid the costs to their reputation from apologizing.252

Though done by necessity, the rule-making process the FTC engages in with its consent orders and settlement agreements can be of benefit when regulating emerging technologies. 253 For one, it allows the flexibility needed to adapt to new and rapidly changing situations.254 Further, the FTC can wait and see if an industry consensus develops around a particular standard before codifying that rule through its enforcement actions.255 As with the common law, which has long demonstrated the ability to adjust to technological changes iteratively, the FTC’s incremental case-bycase approach can help minimize the risks of producing incorrect or inappropriate regulatory policy outcomes.256

In addition to its use of consent orders and settlement agreements, the FTC has created a type of “soft law” by issuing guidelines, press releases, workshops, and white papers.257 Unlike in enforcement actions, where the FTC looks at a company’s conduct and sees how its behavior compares to industry standards, the FTC arrives at the best practices it develops for guidance purposes through a “deep and ongoing engagement with all stakeholders.”258 As such, not only is the FTC’s authority broad enough to regulate the use of emerging technologies such as AI in commerce, but the FTC’s enforcement actions also constitute a body of jurisprudence the FTC can rely on to address the real and potential harms that stem from the deployment of consumeroriented AI.259

Given its broad grant of authority, the regulatory tools at its disposal, and its experience dealing with emerging technologies, the FTC is currently in the best position to take the lead in regulating AI. The FTC’s leadership is sorely needed to fill in the remaining – and quite large – gaps in those few sectoral laws that specifically address AI and algorithmic decision-making.260 Several factors make the FTC the ideal agency for this role. First, the FTC can use its broad Section 5 powers to respond rapidly and nimbly to the types of unanticipated regulatory issues AI is likely to create.261

Second, the FTC has an established history of approaching emerging technologies with “a light regulatory touch” during their beginning stages, waiting to increase its regulatory efforts only once the technology has become more established.262 This approach provides the innovative space needed for new technologies such as AI to develop to their full potential. Thus, as it has in the past, the FTC would focus on disclosure requirements rather than conduct prohibition, and take a case-by-case approach rather than rely on rulemaking.263 Also, as it has traditionally done, the FTC can hold public events on consumer-related AI and issue reports and white papers to guide industry.264

In other words, the FTC has long taken a co-regulatory approach to regulation, which it can and should proceed to do with AI. As in other emerging technology areas, this will help industry continue to grow and innovate, while allowing for the calibration among all relevant stakeholders of the “appropriate expectations” concerning the use and deployment of AI decision-making systems.265 At the same time, the FTC should use its regulatory powers to nudge, and when necessary, push companies to refrain from engaging in unfair and deceptive trade practices in the design and deployment of AI systems.266 The FTC should also place the onus on firms that design and implement those systems to ensure misplaced or unrealistic consumer expectations about AI are corrected.267

By nudging (or pushing) firms in this way, the FTC can “gradually impose a set of sticky default practices that companies can only deviate from if they very explicitly notify consumers.”268 In terms of disclosure requirements, as it has done in other contexts, the FTC can develop rules and guidelines for “when and how a company must disclose information to avoid deception and protect a consumer from harm,” which can include requiring firms to adopt the equivalent of a privacy policy. 269 Given the black box like nature of most algorithmic decision-making processes, there is much that AI developers might have to disclose to prevent those processes from being deemed unfair or deceptive.270

In addition, given its broad authority under Section 5, the FTC is able to address small, nuanced changes in AI design that could adversely affect consumers, but that other areas of law, such as tort, may not be able to adequately handle.271 Again, this is important because AI and algorithmic decision-making can pose profound and systemic risks of harm, even though the actual harm to individual consumers may be small or hard to quantify. And as it has done in the area of privacy, the FTC can become the de facto federal agency authority charged with protecting consumers from harms caused by AI systems and other algorithmic decisionmaking processes.272

The FTC also can, and should, seek to work with other agencies to address AI-related harms, given that the regulatory efforts of other agencies will still occur and be needed in specific sectors or industries, which would impact and be relevant to the FTC’s efforts as well.273 Agency cooperation is essential to ensuring regulatory consistency, accuracy, and efficiency in the type of complex, varied technological landscape that AI presents.274 This should not be a problem as the FTC’s Section 5 authority overlaps regularly with the authority of other agencies, and the FTC itself has a history of cooperating with those agencies.275 Further, the FTC can use its experience working with other agencies to build standards and policy consensus within the regulatory community and among stakeholders. 276

The overarching role the FTC has played in protecting consumer privacy within the United States also has given it legitimacy within the wider privacy community. The FTC has been pivotal over time in promoting international confidence in the United States’ ability to regulate privacy by for example acting as the essential mechanism for enforcing the Safe Harbor Agreement with the European Union.277 As it takes on a similar overarching regulatory role for AI and algorithmic decision-making processes in this country, the FTC should gain a similar level of legitimacy internationally. This is important given the increasingly cross border nature of AI research and development.

#### Unregulated emerging tech cause extinction---outweighs nuclear war.

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The risks from anthropogenic hazards appear at present larger than those from natural ones. Although great progress has been made in reducing the number of nuclear weapons in the world, humanity is still threatened by the possibility of a global thermonuclear war and a resulting nuclear winter. We may face even greater risks from emerging technologies. Advances in synthetic biology might make it possible to engineer pathogens capable of extinction-level pandemics. The knowledge, equipment, and materials needed to engineer pathogens are more accessible than those needed to build nuclear weapons. And unlike other weapons, pathogens are self-replicating, allowing a small arsenal to become exponentially destructive. Pathogens have been implicated in the extinctions of many wild species. Although most pandemics “fade out” by reducing the density of susceptible populations, pathogens with wide host ranges in multiple species can reach even isolated individuals. The intentional or unintentional release of engineered pathogens with high transmissibility, latency, and lethality might be capable of causing human extinction. While such an event seems unlikely today, the likelihood may increase as biotechnologies continue to improve at a rate rivaling Moore’s Law.

Farther out in time are technologies that remain theoretical but might be developed this century. Molecular nanotechnology could allow the creation of self-replicating machines capable of destroying the ecosystem. And advances in neuroscience and computation might enable improvements in cognition that accelerate the invention of new weapons. A survey at the Oxford conference found that concerns about human extinction were dominated by fears that new technologies would be misused. These emerging threats are especially challenging as they could become dangerous more quickly than past technologies, outpacing society’s ability to control them. As H.G. Wells noted, “Human history becomes more and more a race between education and catastrophe.”

Such remote risks may seem academic in a world plagued by immediate problems, such as global poverty, HIV, and climate change. But as intimidating as these problems are, they do not threaten human existence. In discussing the risk of nuclear winter, Carl Sagan emphasized the astronomical toll of human extinction:

A nuclear war imperils all of our descendants, for as long as there will be humans. Even if the population remains static, with an average lifetime of the order of 100 years, over a typical time period for the biological evolution of a successful species (roughly ten million years), we are talking about some 500 trillion people yet to come. By this criterion, the stakes are one million times greater for extinction than for the more modest nuclear wars that kill “only” hundreds of millions of people. There are many other possible measures of the potential loss–including culture and science, the evolutionary history of the planet, and the significance of the lives of all of our ancestors who contributed to the future of their descendants. Extinction is the undoing of the human enterprise.

There is a discontinuity between risks that threaten 10 percent or even 99 percent of humanity and those that threaten 100 percent. For disasters killing less than all humanity, there is a good chance that the species could recover. If we value future human generations, then reducing extinction risks should dominate our considerations. Fortunately, most measures to reduce these risks also improve global security against a range of lesser catastrophes, and thus deserve support regardless of how much one worries about extinction. These measures include:

### Plan---1AC

Plan: The United States federal government should substantially increase prohibitions on anticompetitive private sector business practices that reduce bargaining power of workers in labor markets.

#### Solvency---1AC

#### Contention 3 is Solvency.

#### The plan’s codification is key to certainty.

Eric A. Posner 8/13/21. Kirkland & Ellis Distinguished Service Professor at University of Chicago. How Antitrust Failed Workers. Oxford University Press, 2021.

Anticompetitive behavior. Plaintiffs would be able to base their case on any of the following anticompetitive acts: mergers in highly concentrated markets; use of noncompete and related clauses; restrictions on employees’ freedom to disclose wage and benefit information; unfair labor practices under the National Labor Relations Act;38 misclassification of employees as independent contractors; no-poaching, wage-fixing, and related agreements that are also presumptively illegal under Section 1; and prohibitions on class actions. Of course, current law gives employees the theoretical right to allege these types of anticompetitive behavior, but the cases show a pattern of judicial skepticism, as noted earlier. Codification would help employees by compelling courts to take these claims seriously. Employers would be allowed to rebut a prima facie case of anticompetitive behavior by showing that the act in question would likely lead to an increase in wages.

This reform would strengthen and extend Section 2 actions against labor monopsonists by standardizing a list of anticompetitive acts. While not all of these acts are invariably anticompetitive, the employer would be able to defend itself by citing a business justification. For example, a noncompete could be justified because it protects an employer’s investment in training. If so, an employer could avoid antitrust liability by showing that its use of noncompetes benefits workers, who obtain higher wages as a result of their training.39

These reforms would strengthen Section 2 claims against labor monopsonies but would also preserve the doctrinal structure of Section 2. They would not generate significant legal uncertainty or require a revision in the way that we think about antitrust law.

#### Antitrust law must prioritize workers---workers suffer a greater loss than consumers.

Clayton J. Masterman 16. 2019 graduate of the Vanderbilt University Ph.D. Program in Law & Economics. “The Customer Is Not Always Right: Balancing Worker and Customer Welfare in Antitrust Law” Vol. Vanderbilt Law Review. 69:5:1387. 2016. <https://law.vanderbilt.edu/phd/students/The-Customer-Is-Not-Always-Right-Balancing-Worker-and-Customer-Welfare-in-Antitrust-Law.pdf>

As this Note has already stated, the purpose of antitrust law is to protect competition, but the **meaning of competition is nebulous**.136 Regardless of whether total welfare or the consumer welfare standard is the appropriate measure of net competitive effect,137 a body of law that protects competition should **not allow firms to engage in conduct that restricts trade severely** in one part of the supply chain merely because it prioritizes end customer benefits.138 As a class of consumers, **workers also deserve protection from anticompetitive employer agreements.** Congressional intent **supports prioritizing the interests of workers** over customers when analyzing anticompetitive restraints in labor markets. Unions are inherently anticompetitive; a union is a combination of workers jointly setting wages and other work conditions, just as a cartel is a combination of firms setting prices together.139 As a result, the existence of unions increases the wages that firms pay their workers, which in turn results in price increases for customers.140 Nonetheless, labor law staunchly defends the ability of workers to create unions. When antitrust restrictions would deter union conduct, Congress has decided that **labor law carries more weight.**141 Thus, the labor exceptions to antitrust law142 demonstrate a congressional decision that the welfare gains to workers from increased wages and other improved terms of employment outweigh the costs to customers in the output market from the resulting increased prices. Given that Congress protects workers in one class of anticompetitive conduct, it is reasonable to **structure antitrust law to protect workers from conduct with parallel effects**. Restraints of trade in labor markets are the converse of unions, trading lower wages for lower prices. However, it is possible that Congressional intent extends only to weighing the interests of workers over customers in the special case of union activity. Even though unions engage in political activies, the aims of unions are primarily economic.143 Thus, Congress supports the economic mission of unions (advancing the welfare of workers despite the potential economic effects on firms and customers) by favoring them in antitrust law. Unions are only special in antitrust because Congress has expressed a legislative preference for workers over other economic actors. It is thus **appropriate for courts to weigh workers over other actors** when firms engage in conduct that affects workers at the expense of other groups. Further, the welfare economics of restricting competition in employment markets supports worker protection. Economists generally agree that individuals exhibit diminishing marginal utilities of wealth—that is, each additional dollar an individual receives makes them a little less well off than the previous dollar did.144 **Diminishing marginal utility of wealth** thus implies that when two individuals lose equivalent amounts of money, the individual for whom the loss was a greater portion of his or her wealth **suffers a greater loss**.145 Generally, the wages that workers lose as a result of anticompetitive conduct will be larger than the price cuts for customers.146 Where the monopsonist also has market power in the output market, the price decrease passed on to customers will be even smaller than in a competitive output market.147 Because wages likely represent a larger portion of workers’ wealth than the additional wealth consumers gain from lower prices, workers lose more welfare than customers gain. Moreover, behavioral economics suggest that the losses to workers from wage reductions will **hurt workers more** than the gains that customers will receive from lower prices.148 Behavioral economists have recognized that individual utility is relative to a reference point like the status quo; losses relative to that reference point **cause a welfare loss about twice the size of the welfare gain** from an equivalent gain.149 Put simply, losses hurt more than equivalent gains feel good. Because monopsonistic conduct results in losses for workers and gains for customers relative to the competitive equilibrium, the **total net effect on welfare that consumers experience is even more likely to be negative.** To be sure, behavioral economics has not been universally welcomed in antitrust law.150 But courts have entertained behavioral economics arguments in antitrust before, generally in cases where neoclassical economic analysis would sharply diverge from what the court believes a “real” customer would do.151 Here, it is unlikely that customers weigh price decreases in the same way that workers weigh wage increases because wages are the primary source of most workers’ incomes; as a result, equivalent economic losses to workers likely outweigh the gain.152

# 2AC

## FTC Advantage

#### 1. Zero link uniqueness---aggressive antitrust enforcement is back.

E. Steele Clayton, IV, 8/10/21 – Bass, Berry & Sims PLC, “Be Prepared: Aggressive Antitrust Enforcement Is Back.” https://www.jdsupra.com/legalnews/be-prepared-aggressive-antitrust-8939761/

This summer has seen a flurry of bold antitrust announcements from the Biden administration. By issuing a sweeping executive order calling for numerous changes to antitrust enforcement and by naming progressive favorites and prominent Big Tech critics to head the Federal Trade Commission (FTC) and the Antitrust Division of the U.S. Department of Justice (DOJ), President Biden has signaled that federal antitrust policy is entering a new era.

The FTC has already begun carrying out its mandate to reshape antitrust policy. Under the leadership of new Chairwoman Lina Khan, the FTC has moved quickly to eliminate checks on its antitrust enforcement powers. A majority of the FTC’s commissioners have expressly disavowed the agency’s longstanding approaches to policing antitrust violations and have given the new chair unprecedented authority over investigations and rulemakings.

Collectively, the Biden administration and the FTC have sent a clear message to the business community: aggressive antitrust enforcement is back. Companies should expect to see an increase in antitrust investigations, stiffer penalties for violations, more burdensome merger reviews, and new rules targeting a range of industry practices. In this environment, effective antitrust counseling and compliance programs are more important than ever.

#### 3. FTC overstretch inevitable BUT the plan fiats they legislative backing and court victory---key to legitimacy and funding.

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But the current FTC leadership seems to have overlooked the agency’s history. As such, it has already promised to produce different policy outcomes and noted that the Section 5 Policy Guidelines were shortsighted. As a result, the current FTC has decided, with the support of the other two Democratic Commissioners, to rescind the Policy Guidelines.

It is unknown whether the current FTC will try to adopt different guidelines or whether it will start opening more cases under Section 5 of the FTC Act. Furthermore, it is less clear whether the new FTC leadership currently counts with the sufficient and aligned Neo-Brandeisian human talent to bring solid cases that are not based on the consumer welfare standard or to litigate before judges that support the Neo-Brandeisian vision of antitrust.

What seems clear is that the new agency’s leader might find it hard to bring all Commissioners to an agreement with respect to what the agency can do with Section 5 of the FTC Act, and this situation, in and of itself, puts the agency in peril.

The FTC’s Rulemaking Authority

Another important policy change that may be detrimental to the FTC is its expressed willingness to expand the agency’s rulemaking authority under, e.g., Section 18 of the FTC Act. It is well known that in addition to its authority to investigate law violations by individuals and businesses, the FTC also has federal rulemaking authority to issue industry-wide regulations.

However, the agency’s rulemaking authority has been self-limited since the 80s in an effort to ensure the institution doesn’t overuse its capacity to adopt industry-wide regulations and raise concerns with those policy makers that are against the legislature deferring its core mandate to an independent agency that doesn’t represent the people.

Traditionally the legislature has the constitutional mandate to create laws affecting different sectors of the economy. Whereas it is legally accepted to design independent agencies with constrained mandates to adopt regulations, such powers are not necessarily understood to construe independent agencies as substitutes for the legislature’s powers. It is a basic tenet of administrative law, that agencies are constrained by the enabling statute that gives them authority to promulgate regulations in the first place.

Against this background, it seems risky for the new leadership to engage in broad rulemaking endeavors that might raise concerns from an institution legitimacy perspective. In the long term, it is predictable that many policymakers might not be supportive of an agency that implements its rulemaking authority in its broadest sense. As a result, some degree of political backlash against the agency might not help the agency’s lifecycle, especially if the agency is not granted with specific legislative guidance in the form of new legislation.

The Future of the FTC

One of the most challenging matters to tackle when it comes to leadership of antitrust authorities, or administrative agency for that matter, is legacy and the impact for the future of the agency. To put it simply, while antitrust leaders leave agencies, the side effects of leadership’s successes and failures condition the future of the agencies. Their leadership has consequences and sets precedent which will bind the agency well into the future.

Under the current political context, it would not be surprising if the current Neo-Brandeisian FTC enjoyed political support and success with its decision to bring big cases, especially against leading tech companies. In the short term, if the FTC makes headlines for opening cases against “Big Tech”, policymakers pushing for antitrust reforms will surely applaud the new changes as they would reflect a commitment to enhanced enforcement outcomes notwithstanding the strength of the cases.

However, in the mid-and long-term, if the FTC loses the big cases, the commitment to policy outcomes won’t be met. And then, it is unlikely that the question would be whether the antitrust norms are fit for today’s economy, but rather if the agency is capable of executing its mandate effectively. The recent decision in the FTC v. Facebook case is a good example of this paradigm, where the Judge expressed that the FTC had not carried out a sufficiently robust analysis supported by evidence, and therefore dismissed the case.

Eventually, the agency’s short-term reputational gains could quickly turn into a debacle for the institution itself with the caveat that by then, most probably, Neo-Brandeisian leadership will be long gone. Unfortunately then, the U.S. antitrust system — which is the only one to keep two federal antitrust agencies, bringing about positive outcomes for consumers — might be at risk. Political support to merge these two institutions could gain even more support, as has happened in the past, to the detriment of consumers.

## T Per Se

#### Prohibition includes per se and rule of reason.

Anu Bradford and Adam S. Chilton 18. Anu Bradford Henry L. Moses Professor of Law and International Organization, Columbia Law School. Adam S. Chilton. Assistant Professor of Law and Walter Mander Research Scholar.

Before discussing our data and the coding of the CLI, it is important to recognize that there are limitations to any index that attempts to quantify competition regulation. This is because it is difficult to produce a single metric that tells the comprehensive story of country’s competition regime. For example, if a specific type of conduct is prohibited, is it prohibited always (per se) or sometimes (rule of reason)? This seems like a relevant distinction to code, but it turns out to be difficult to capture systematically in many jurisdictions. For instance, Article 101(3) of the Treaty on the Functioning of the European Union (TFEU) seems to regulate anticompetitive agreements under the rule of reason standard in the European Union, but, in practice, cartels are per se prohibited. This highlights the challenge of coding even just the law in books, let alone accounting for all the nuances of a country’s competition policies.20

#### Anticompetitive business practices include rule of reason.

Charlotte Wezi Mesikano-Malonda 16. Executive director. "Global Competition Review". No Publication. 7-22-2016. https://globalcompetitionreview.com/review/the-european-middle-eastern-and-african-antitrust-review/the-european-middle-eastern-and-african-antitrust-review-2017/article/malawi-competition-and-fair-trading-commission

Anticompetitive business practices are generally defined as the category of agreements, decisions and concerted practices that result in the prevention, restriction or distortion of either actual or potential competition. Abuse of dominance and market power is an example of anticompetitive business practices and hence falls within the purview of the CFTA.3 Anticompetitive business practices are either illegal per se or illegal by rule of reason. A conduct is illegal per se if, regardless of its objective and effect or any justifications of the conduct, there is a presumption of harm on competition.

#### 2. No bright line---rule of reason is a prohibition---they function synonymously.

Light 19, Sarah E. Light Assistant Professor of Legal Studies and Business Ethics, The Wharton School, University of Pennsylvania., The Law of the Corporation as Environmental Law, 71 Stan. L. Rev. 137, 2019, Lexis/Nexis

While antitrust law can serve as an environmental mandate by prohibiting collusive behavior that keeps environmentally preferable goods from the market, there is also conflict between antitrust law's goals of promoting competition and environmental law's goals of promoting [\*177] conservation. 192 Because antitrust law's per se rule and rule of reason operate on a somewhat fluid continuum, 193 this Subpart discusses the two doctrines together. The per se rule operates as a prohibition, whereas the rule of reason operates as both a prohibition and a disincentive. As noted above, antitrust law generally prohibits certain types of market activity - price fixing, horizontal boycotts, and output limitations - as illegal per se, and harm to competition is presumed. 194 For example, if an industry association declines to award a seal of approval necessary for a product's sale without any good faith attempt to test the product's performance, but rather simply because that product is manufactured by a competitor, such an action would be illegal per se. 195 Under this Article's framework, a per se violation is thus a prohibition. The more fact-intensive inquiry under the rule of reason tests "whether the restraint imposed is such as merely regulates and perhaps thereby promotes competition or whether it is such as may suppress or even destroy competition." 196 While this extremely broad statement might suggest that any fact is relevant to the inquiry, the salient facts under the rule of reason are "those that tend to establish whether a restraint increases or decreases output, or decreases or increases prices." 197 If an anticompetitive effect is found, then the action is illegal and the rule of reason operates, like the per se rule, as a prohibition. 198 The rule of reason can also operate as a disincentive, even if no [\*178] court finds an anticompetitive effect, as uncertainty and litigation risk may discourage firms from undertaking legally permissible, environmentally positive industry collaborations. 199 Associations of firms have adopted numerous mechanisms of private environmental governance to address the management of common pool resources like fisheries, forests, and the global climate. 200 Examples include the Sustainable Apparel Coalition's Higg Index 201 and the American Chemistry Council's Responsible Care program. 202 But private industry standards raise special antitrust concerns. An agreement among competitors with respect to product or process specifications may exclude competitors who fail to meet such standards, raising the specter that such industry collaborations really constitute output limitations or efforts to limit competition. 203 While the U.S. Supreme Court has scrutinized private standard-setting associations carefully, 204 it has noted that if associations "promulgate … standards based on the merits of objective expert judgments and through procedures that prevent the standard-setting process from being biased by members with economic interests in stifling product competition … , those private standards can have significant procompetitive advantages." 205 In the absence of price fixing or a boycott, a rule of reason analysis generally applies to product standard setting by private associations. 206 The uncertain outcome [\*179] inherent in the application of antitrust law in this context could therefore serve as a potential disincentive to the adoption of private industry standards. 207 The challenge of course is that some form of explicit sanctions on noncompliant industry members may be necessary for private industry standards to be effective. In the context of private reputational mechanisms like the New York Diamond Dealers Club, 208 Barak Richman has pointed out that the Club's use of reputational sanctions and voluntary refusals to deal with actors who flout industry norms, while welfare enhancing, could nonetheless amount to violations of antitrust law. 209 This echoes the concern raised by Andrew King and Michael Lenox in their extensive empirical analysis of the Responsible Care program created by the Chemical Manufacturers Association (now the American Chemistry Council). 210 King and Lenox concluded that the absence of explicit sanctions on members who failed to meet the standards set by the program left the program vulnerable to "opportunism." 211 While they suggested that industry associations could look to third parties to enforce the rules, 212 an alternative way to facilitate the long-term environmental benefits of stronger sanctions would be to interpret antitrust law in conformity with the environmental priority principle presented below. 213 [\*180] In some instances, the conflict between the values of promoting competition and conserving environmental resources can be stark. 214 Jonathan Adler, for example, has identified this conflict in the context of fisheries - a tragedy of the commons situation in which some form of collective action is required to avoid overfishing. 215 He cites as an example Manaka v. Monterey Sardine Industries, Inc., in which a fisherman was excluded from a local fishing cooperative. 216 The fisherman sued the cooperative under the Sherman Act, and the court found an antitrust violation in his exclusion. 217 While the fishing cooperative's policies were no doubt exclusionary, Adler contends that they also promoted conservation by restricting catch. 218 The fishery collapsed by the 1950s, a collapse Adler hypothesizes might have been "inevitable" but that perhaps might not have occurred in the absence of the antitrust suit. 219 While a court performing a rule of reason analysis must consider whether a restraint on trade suppresses or destroys competition, Adler points out that courts may also "consider offsetting efficiencies from otherwise anticompetitive arrangements." 220 It is not clear, however, that the courts have consistently taken these factors into account. 221 Among other potential remedies, Adler argues that to resolve this tension between antitrust law, on the one hand, and private collective action to conserve environmental resources, on the other, courts should more actively consider the "ancillary conservation benefits of otherwise anticompetitive conduct." 222 Recognizing the long-term health of a fishery would be consistent with antitrust law's purpose of ensuring viable markets exist in the future, and consistent with the environmental priority principle introduced below. 223

#### 4. Grammar---prohibition modifies anticompetitive practices---that requires effect.

Don R. Willett 15. Justice in the Supreme Court of Texas. “In RE Memorial Hermann Hospital System; Memorial Hermann Physician Network; Michael Macris, m.d.; Michael Macris, m.d., p.a.; and Keith Alexander, Relators”. http://www.txcourts.gov/media/981611/140171.pdf

The trial court found that the documents at issue “are relevant to an anticompetitive action.” Before we can resolve the parties’ dispute regarding the correctness of this finding, we must first determine the meaning of the statutory phrase “relevant to an anticompetitive action.”35 Statutory construction is a question of law we review de novo.36 Our objective is to determine and give effect to the Legislature’s intent, 37 and “the truest manifestation of what lawmakers intended is what they enacted.”

38 Proper construction requires reading the statute as a whole rather than interpreting provisions in isolation.39 “[C]ourts should not give an undefined statutory term a meaning out of harmony or inconsistent with other provisions, although it might be susceptible of such a construction if standing alone.”40 “We presume that the Legislature chooses a statute’s language with care,” and we will not ignore the statute’s use of a term that carries a “particular meaning.”41 “Privileges are not favored in the law and are strictly construed.”42

Neither section 160.007 nor any other peer review committee privilege that incorporates the phrase “anticompetitive action” defines the term.43 Black’s Law Dictionary defines “anticompetitive” as “[h]aving a tendency to reduce or eliminate competition” in contrast to the term procompetitive.44 Procompetitive is in turn defined as “[i]ncreasing, encouraging, or preserving competition.”45 Competition itself is defined as “[t]he struggle for commercial advantage; the effort or action of two or more commercial interests to obtain the same business from third parties.”46 The dictionary also notes that the term anticompetitive “describes the type of conduct or circumstances generally targeted by antitrust laws,”47 although the statement is “not purely definitional.”48

This framework accurately maps out the meaning afforded the term “anticompetitive” in court decisions in the antitrust context. As noted by the Supreme Court of the United States, to restrain competition is the “very essence” of every agreement and regulation of trade.49 Therefore, regarding restraints of trade, “[t]he true test of legality is whether the restraint imposed is such as merely regulates and perhaps thereby promotes competition or whether it is such as may suppress or even destroy competition.”50 As such, an “abbreviated or ‘quick-look’ analysis” is appropriate only when “an observer with even a rudimentary understanding of economics could conclude that the arrangements in question would have an anticompetitive effect on customers and markets.”51 The goal of judicial scrutiny of restraints on trade is to “distinguish[] between restraints with anticompetitive effect that are harmful to the consumer and restraints stimulating competition that are in the consumer’s best interest.”52

Judicial scrutiny in other areas of antitrust law confirms that the antitrust laws were designed as a “consumer welfare prescription” that requires consideration of both anticompetitive and procompetitive effects.53 Thus, proof that a firm’s dominant position is the “consequence of a superior product, business acumen, or historic accident”—circumstances that either benefit the consumer or are outside the firm’s control—will defeat a claim of monopoly.54 Claims of attempted monopolization require the further showing that the defendant “pose[s] a danger of monopolization,” because judging unilateral conduct absent actual potential to achieve a monopoly would “risk that the antitrust laws will dampen the competitive zeal of a single aggressive entrepreneur.”55 Similarly, in scrutinizing a proposed merger, the “economic efficiencies produced by the merger must be weighed against anticompetitive consequences in the final determination whether the net effect on competition is substantially adverse.”56 Ultimately, the “use of the word ‘competition’ [is] a shorthand for the invocation of the benefits of a competitive market,” 57 and antitrust law acknowledges that “it is sometimes difficult to distinguish robust competition from conduct with long-run anticompetitive effects.”58

We have no trouble holding that the Legislature intended the term “anticompetitive” in section 160.007 to denote an overall substantially adverse effect on competition, rather than the existence of some negative effects. However, we reject Memorial Hermann’s characterization of the term “anticompetitive action” as synonymous with “antitrust action.” Although we agree that the term anticompetitive “describes the type of conduct or circumstances generally targeted by antitrust laws,”59 the term itself is broader because the law of antitrust does not encompass all conduct that could substantially lessen competition in a particular market. For example, certain conduct—regardless of its overall impact on competition—is immune from antitrust law under the state action doctrine,60 the exemption for political activity,61 or the exemptions, both implicit and explicit, for labor unions.62 The terms anticompetitive and antitrust are therefore not inherently coextensive, and we cannot ignore the Legislature’s use of the broader term, particularly in juxtaposition to section 160.007(b)’s specificity regarding its application to civil rights proceedings.63

## Advantage CP

#### The plan is key.

Open Market 19. “The FTC’s Crisis of Legitimacy: Comment from the Open Markets Institute on the FTC’s 3-2 clearance of the Staples-Essendant Merger”. https://www.openmarketsinstitute.org/publications/ftcs-crisis-legitimacy-comment-open-markets-institute-ftcs-3-2-clearance-staples-essendant-merger

The Open Markets Institute encourages the commission to follow the consequences of the merger in the office supply market, and to take remedial actions if necessary to ensure that competition can thrive. We have little hope that the FTC can restore its legitimacy as an enforcement or regulatory body until it gives up the highly politicized, unreliable, and dangerous pro-monopoly philosophy entrenched by Bork.

The FTC must return to its roots as the policeman of fair markets, not the government sword useful to the giant monopolist.

## Cap K

#### Extinction outweighs.

Seth D. Baum & Anthony M. Barrett 18. Global Catastrophic Risk Institute. 2018. “Global Catastrophes: The Most Extreme Risks.” Risk in Extreme Environments: Preparing, Avoiding, Mitigating, and Managing, edited by Vicki Bier, Routledge, pp. 174–184.

2. What Is GCR And Why Is It Important? Taken literally, a global catastrophe can be any event that is in some way catastrophic across the globe. This suggests a rather low threshold for what counts as a global catastrophe. An event causing just one death on each continent (say, from a jet-setting assassin) could rate as a global catastrophe, because surely these deaths would be catastrophic for the deceased and their loved ones. However, in common usage, a global catastrophe would be catastrophic for a significant portion of the globe. Minimum thresholds have variously been set around ten thousand to ten million deaths or $10 billion to $10 trillion in damages (Bostrom and Ćirković 2008), or death of one quarter of the human population (Atkinson 1999; Hempsell 2004). Others have emphasized catastrophes that cause long-term declines in the trajectory of human civilization (Beckstead 2013), that human civilization does not recover from (Maher and Baum 2013), that drastically reduce humanity’s potential for future achievements (Bostrom 2002, using the term “existential risk”), or that result in human extinction (Matheny 2007; Posner 2004). A common theme across all these treatments of GCR is that some catastrophes are vastly more important than others. Carl Sagan was perhaps the first to recognize this, in his commentary on nuclear winter (Sagan 1983). Without nuclear winter, a global nuclear war might kill several hundred million people. This is obviously a major catastrophe, but humanity would presumably carry on. However, with nuclear winter, per Sagan, humanity could go extinct. The loss would be not just an additional four billion or so deaths, but the loss of all future generations. To paraphrase Sagan, the loss would be billions and billions of lives, or even more. Sagan estimated 500 trillion lives, assuming humanity would continue for ten million more years, which he cited as typical for a successful species. Sagan’s 500 trillion number may even be an underestimate. The analysis here takes an adventurous turn, hinging on the evolution of the human species and the long-term fate of the universe. On these long time scales, the descendants of contemporary humans may no longer be recognizably “human”. The issue then is whether the descendants are still worth caring about, whatever they are. If they are, then it begs the question of how many of them there will be. Barring major global catastrophe, Earth will remain habitable for about one billion more years 2 until the Sun gets too warm and large. The rest of the Solar System, Milky Way galaxy, universe, and (if it exists) the multiverse will remain habitable for a lot longer than that (Adams and Laughlin 1997), should our descendants gain the capacity to migrate there. An open question in astronomy is whether it is possible for the descendants of humanity to continue living for an infinite length of time or instead merely an astronomically large but finite length of time (see e.g. Ćirković 2002; Kaku 2005). Either way, the stakes with global catastrophes could be much larger than the loss of 500 trillion lives. Debates about the infinite vs. the merely astronomical are of theoretical interest (Ng 1991; Bossert et al. 2007), but they have limited practical significance. This can be seen when evaluating GCRs from a standard risk-equals-probability-times-magnitude framework. Using Sagan’s 500 trillion lives estimate, it follows that reducing the probability of global catastrophe by a mere one-in-500-trillion chance is of the same significance as saving one human life. Phrased differently, society should try 500 trillion times harder to prevent a global catastrophe than it should to save a person’s life. Or, preventing one million deaths is equivalent to a one-in500-million reduction in the probability of global catastrophe. This suggests society should make extremely large investment in GCR reduction, at the expense of virtually all other objectives. Judge and legal scholar Richard Posner made a similar point in monetary terms (Posner 2004). Posner used $50,000 as the value of a statistical human life (VSL) and 12 billion humans as the total loss of life (double the 2004 world population); he describes both figures as significant underestimates. Multiplying them gives $600 trillion as an underestimate of the value of preventing global catastrophe. For comparison, the United States government typically uses a VSL of around one to ten million dollars (Robinson 2007). Multiplying a $10 million VSL with 500 trillion lives gives $5x1021 as the value of preventing global catastrophe. But even using “just" $600 trillion, society should be willing to spend at least that much to prevent a global catastrophe, which converts to being willing to spend at least $1 million for a one-in-500-million reduction in the probability of global catastrophe. Thus while reasonable disagreement exists on how large of a VSL to use and how much to count future generations, even low-end positions suggest vast resource allocations should be redirected to reducing GCR. This conclusion is only strengthened when considering the astronomical size of the stakes, but the same point holds either way. The bottom line is that, as long as something along the lines of the standard riskequals-probability-times-magnitude framework is being used, then even tiny GCR reductions merit significant effort. This point holds especially strongly for risks of catastrophes that would cause permanent harm to global human civilization. The discussion thus far has assumed that all human lives are valued equally. This assumption is not universally held. People often value some people more than others, favoring themselves, their family and friends, their compatriots, their generation, or others whom they identify with. Great debates rage on across moral philosophy, economics, and other fields about how much people should value others who are distant in space, time, or social relation, as well as the unborn members of future generations. This debate is crucial for all valuations of risk, including GCR. Indeed, if each of us only cares about our immediate selves, then global catastrophes may not be especially important, and we probably have better things to do with our time than worry about them. While everyone has the right to their own views and feelings, we find that the strongest arguments are for the widely held position that all human lives should be valued equally. This position is succinctly stated in the United States Declaration of Independence, updated in the 1848 Declaration of Sentiments: “We hold these truths to be self-evident: that all men and 3 women are created equal”. Philosophers speak of an agent-neutral, objective “view from nowhere” (Nagel 1986) or a “veil of ignorance” (Rawls 1971) in which each person considers what is best for society irrespective of which member of society they happen to be. Such a perspective suggests valuing everyone equally, regardless of who they are or where or when they live. This in turn suggests a very high value for reducing GCR, or a high degree of priority for GCR reduction efforts.

#### Capitalism is antiracist.

Paul F. deLespinasse 20. Professor Emeritus of Political Science and Computer Science at Adrian College. “Capitalism no friend to racism”. https://www.gazettetimes.com/news/local/paul-f-delespinasse-capitalism-no-friend-to-racism/article\_85bac3a8-805b-587d-9725-0e10f09547a8.amp.html

Some people argue that eliminating racism requires getting rid of capitalism. But racism existed before capitalism developed. Since racism exists in non-capitalist societies, capitalism can't be blamed for it.

True, in some ways capitalism is friendly to racism.

Capitalism combines mostly free markets with predominantly private ownership of the means of production, except for land and other natural resources. (Privately owned natural resources aren't essential characteristics and must probably be abandoned if capitalism is to survive. The alternative isn't governmental ownership of natural resources, but ownership by the public, with government acting as a trustee for it.)

In a market economy people are free to enter into voluntary associations, created by mutual consent, to exchange or transfer inducements. People can hire and be hired, buy and sell, mostly at mutually agreed-upon prices.

Mutual consent being required, racists can refuse to enter voluntary associations with members of the target race. They can refuse to hire them, sell to them or buy from them.

Racism is rooted in stereotyping, assuming that "when you have seen one (person of a certain race), you have seen them all." Since all individuals are unique, stereotyping is stupid, but freedom includes freedom to act stupidly.

To this extent capitalism is racism's ally. But there is another side to this story.

Although capitalism's freedom allows people to indulge their prejudices, it makes them pay for doing so. Their economic interest would be to hire the best available people without considering their race and to sell to all willing customers. Not doing this reduces their income.

Since buyers and sellers want to make the best deals possible, capitalism pushes society away from racist behavior even though it won't immediately eliminate racist thinking. A notable example was a well-known bigot who owned a sports team and hired black athletes because she wanted her team to win.

Racist thinking, though, should be undermined by capitalism's encouragement of voluntary associations between people of different races. Personal relations can undermine people's tendency to think in terms of stereotypes.

The American South was not capitalistic before the Civil War. Slaves did not give their consent to be associated with their owners. Their association was involuntary, not voluntary. They were kept in bondage by sanctions —government's power of the sword.

Capitalism didn't come to the South even after the Civil War. Once the attempted "reconstruction" reforms ended, state governments prevented the normal anti-racist capitalistic tendencies from working. Segregation made it illegal for white people and black people to enter into many kinds of voluntary associations with one another, to work together, to go to school together, even to marry. The fact that governments enacted such legislation indicates their fear that people otherwise would associate with those of different races.

These restrictions clearly violated the basic essence of capitalism: freedom of voluntary association by mutual consent of the parties. Racist societies are not expressions of capitalism, but its contradiction.

And they violated a fundamental requirement of good government: the rule of law. Genuine laws must be general rules of action and cannot impose sanctions on people on the basis of their race.

Some more recent legislation attempting to force bigots to stop discriminating on the basis of race also contradicts the basic capitalistic principle. How can people be forced to enter voluntary associations without their consent when such associations, by definition, require mutual consent?

It is no wonder that today's very well-intended antidiscrimination law is such a conceptual mess. (Open accommodation — first come, first served — laws, however, seem to work well.)

Although capitalism enables bigots to discriminate, it makes them pay an economic price in the form of lost business and lost opportunities to employ the best people. Economic interest tends to pull people together.

Capitalism and racism are basically deadly enemies.

#### Cap isn’t racist but socialism is.

Jim Lindgren 18. Professor of Law at Northwestern University. "Can There Be Capitalism Without Racism? – Reason.com". No Publication. 8-20-2018. https://reason.com/volokh/2018/08/20/can-there-be-capitalism-without-racism/?amp

The website Campus Reform points to a multi-year academic program, Racial Capitalism, hosted at the UC-Davis Humanities Institute that explores the links between racism and capitalism (tip to Glenn Reynolds). Among the questions that were asked at the event launching the program are:

1. "Which came first, capitalism or racism?"
2. "Can there be capitalism without racism?"
3. "Is capitalism always racial?"

IMO, the answers to these questions are fairly obvious:

1. Racism came first. Every inhabited continent had slaves, and ethnic out-groups were among the most likely to be enslaved. It is the abolition of slavery that is particularly Western, as Orlando Patterson explains his books Freedom and Slavery and Social Death.
2. (and 3.) If there can be any economic system without racism (I suppose it depends on how high one's standards are), then capitalism is not always racist and there can be capitalism without racism. Capitalism is easier to square with a reduction in racism than most ideologies because (a) it is individualistic, (b) it is not built on envy for despised groups, and (c) in the United States at least, pro-capitalists tend to be less racist personally than anti-capitalists.

Indeed, in the general public it is the opposition to capitalism and the desire for redistribution that are positively associated with racism and intolerance.

I explore this relationship in "Redistribution and Racism, Tolerance and Capitalism," which analyzes data from 20 nationally representative surveys of the general public.

Abstract

In debates over the roles of law and government in promoting the equality of income or in redistributing the fruits of capitalism, widely different motives are attributed to those who favor or oppose capitalism or income redistribution. According to one view, largely accepted in the academic social psychology literature (Jost et al., 2003), opposition to income redistribution and support for capitalism reflect an orientation toward social dominance, a desire to dominate other groups. According to another view that goes back at least to the nineteenth century origins of Marxism, anti-capitalism and a support for greater legal efforts to redistribute income reflect envy for the property of others and a frustration with one's lot in a capitalist system.

In this paper I expand and test the first (social dominance) thesis using twenty nationally representative General Social Surveys conducted by the National Opinion Research Center between 1977 and 2010, involving over 21,000 respondents. I first show that respondents who express traditionally racist views (on segregation, interracial marriage, and inborn racial abilities) tend to support greater income redistribution. Traditional racists also express less positive views toward free-market capitalism and its consequences, tending to want the government to guarantee jobs for everyone and to fix prices, wages, and profits. Next, I report a similar pattern for those who express intolerance for unpopular groups on the fifteen Stouffer tolerance questions (regarding racists, homosexuals, communists, extreme militarists, and atheists). Those who express less tolerance for unpopular groups tend to favor income redistribution and to be less supportive of capitalism and its discontents. Using full latent variable structural equation modeling shows similar results. The data are broadly inconsistent with the standard belief in the social psychology literature that pro-capitalist and anti-redistributionist views are positively associated with racism and intolerance.

I then explore an alternative hypothesis, showing that, compared to anti-redistributionists, strong redistributionists have much higher odds of reporting anger, sadness, loneliness, outrage, and other negative emotions. Similarly, anti-redistributionists had much higher odds of reporting being happy or at ease. Last, both redistributionists and anti-capitalists expressed lower overall happiness, less happy marriages, and lower satisfaction with their financial situations and with their jobs or housework. Further, in several General Social Surveys anti-redistributionists were generally more likely to report altruistic behavior than those who favored a stronger policy of government redistribution of income.

In addition, in a 1996 survey:

Not only do redistributionists report more anger, but they report that their anger lasts longer. Further, when asked about the last time they were angry, strong redistributionists were more than twice as likely as strong opponents of leveling to admit that they responded to their anger by plotting revenge.

The more interesting question (than whether you can have capitalism without racism) is whether you can have socialism without racism. The answer is yes, but the reason is an enlightening one.

In the long run, a robust socialism (that dominates most of the economy) tends to lead to the scapegoating

of demonized out-groups, because there must be someone to blame for economic failure. Thus, the Soviet Union began with hating the Kulaks and the ownership class more generally, but once these were destroyed, they needed someone else to blame. Though it took many decades, the Soviet Union went beyond targeting "counter-revolutionaries" to add Jews to the list. So the demonized out-groups under socialism don't have to be defined by race or ethnicity; they could instead be defined by economic class, religion, or nationality. Accordingly, socialism doesn't have to be racist, but when it dominates the economy almost inevitably there must be some group to despise.

It would be good if the academy in general–and the UC-Davis Racial Capitalism program in particular–were ideologically diverse enough to reflect some of the substantial evidence from the last few decades on the relationship of capitalism and racism in the views of the general public, evidence that tends to point to a negative association between racism and support for capitalism.

#### Collapse causes extinction via transition wars. The structure of the international system explains conflict.

Michael Beckley 18. Professor of political science at Tufts. *Unrivaled: Why America Will Remain the World’s Sole Superpower*. Cornell University Press.

The story of world politics is often told as a game of thrones in which a rotating cast of great powers battles for top-dog status. According to researchers led by Graham Allison at Harvard, there have been sixteen cases in the past ﬁve hundred years when a rising power challenged a ruling power. 3 Twelve of these cases ended in carnage. One can quibble with Allison’s case selection, but the basic pattern is clear: hegemonic rivalry has sparked a catastrophic war every forty years on average for the past half millennium.

The emergence of unipolarity in 1991 has put this cycle of hegemonic competition on hold. Obviously wars and security competition still occur in today’s unipolar world—in fact, as I explain later, unipolarity has made certain types of asymmetric conﬂict more likely—but none of these conﬂicts have the global scope or generational length of a hegemonic rivalry.

To appreciate this point, just consider the Cold War—one of the four “peaceful” cases of hegemonic rivalry identiﬁed by Allison’s study. Although the two superpowers never went to war, they divided the world into rival camps, waged proxy wars that killed millions of people, and pushed each other to the brink of nuclear Armageddon. For forty-ﬁve years, World War III and human extinction were nontrivial possibilities.

Since the collapse of the Soviet Union, by contrast, the United States has not faced a hegemonic rival, and the world, though far from perfect, has been more peaceful and prosperous than ever before.

Just look at the numbers. From 1400 to 1991, the rate of war deaths worldwide hovered between 5 and 10 deaths per 100,000 people and spiked to 200 deaths per 100,000 during major wars. 4 After 1991, however, war death rates dropped to 0.5 deaths per 100,000 people and have stayed there ever since. Interstate wars have disappeared almost entirely, and the number of civil wars has declined by more than 30 percent. 5 Meanwhile, the global economy has quadrupled in size, creating more wealth between 1991 and 2018 than in all prior human history combined. 6

What explains this unprecedented outbreak of peace and prosperity? Some scholars attribute it to advances in communications technology, from the printing press to the telegraph to the Internet, which supposedly spread empathy around the globe and caused entire nations to place a higher value on human life. 7

Such explanations are appealing, because they play on our natural desire to believe in human progress, but are they convincing? Did humans suddenly become 10 to 20 times less violent and cruel in 1991? Are we orders of magnitude more noble and kind than our grandparents? Has social media made us more empathetic? Of course not, which is why the dramatic decline in warfare after 1991 is better explained by geopolitics than sociology. 8

The collapse of the Soviet Union not only ended the Cold War and related proxy ﬁghting, it also opened up large swathes of the world to democracy, international commerce, and peacekeeping forces—all of which surged after 1991 and further dampened conﬂict. 9 Faced with overwhelming U.S. economic and military might, most countries have decided to work within the American-led liberal order rather than ﬁght to overturn it. 10 As of 2018, nearly seventy countries have joined the U.S. alliance network—a Kantian community in which war is unthinkable—and even the two main challengers to this community, China and Russia, begrudgingly participate in the institutions of the liberal order (e.g., the UN, the WTO, the IMF, World Bank, and the G-20), engage in commerce with the United States and its allies, and contribute to international peacekeeping missions. 11 History may not have ended in 1991, but it clearly changed in profound ways—and mostly for the better.

#### An international workers organization actively enables monopolies---only legislative action solves.

Zephyr Teachout 20. An associate professor of law at Fordham Law School. She is the author of Break ’Em Up: Recovering Our Freedom From Big Ag, Big Tech, and Big Money. “Boycotts Can’t Be a Test of Moral Purity” The Atlantic. 08-03-20. <https://www.theatlantic.com/ideas/archive/2020/08/boycotts-cant-be-a-test-of-moral-purity/614821/>

For some people, when they hear about some bad corporate practice, their first reaction is to consider cutting ties to the company. So it is not surprising that each time I discuss the democratic dangers of Facebook, Amazon, or Google, people always bring up personal consumer choice. Instead of policy (antitrust, data rules, outlawing arbitration), the conversation veers quickly into pride or guilt. One woman worries she can’t leave Facebook without leaving her social life. One man sheepishly says he quit Facebook for a few weeks and crept back when he missed his friends. At the heart of this conversation is a thesis: Using a service is an endorsement of its business model. Or more pointedly: If someone is not strong enough to boycott, she lacks standing to object to the behavior of lawmakers and petition them for change. This belief is wrong, bad strategy, and dangerous for democracy. It is based on a confused idea of our obligations as consumers. This belief does not lead to more boycotts, but radically dampens activism: **Guilt gets in the way of protest**, and complicated chains of self-justification take the place of simple chains of democratic demand. This consumer model is most problematic when it comes to the **biggest monopolies**. Most **people can’t boycott them**, precisely because they are governmental and provide infrastructure services. We don’t ask people to boycott libraries in order to change library rules; we don’t ask people to boycott highways to ask for them to be safer; we don’t demand that you buy only bottled water while protesting water-utility governance. Of course, a strategic, organized, well-thought-through boycott with **political goals** can be transformational. And there is nothing wrong with people personally quitting products when they can. However, ethical consumerism has taken too central a role in progressive thinking, and **we shouldn’t require people to boycott essential communications infrastructure** such as Facebook and Google in order to demand that they be broken up. The railroads were regulated by anti-monopoly protesters who depended on the railroads, and the same can be true for the next generation of trust-busters. Boycotts can play a crucial role in political change, but not when they serve only as tests of individual integrity. Franklin Foer: The tech giants are dangerous, and Congress knows it The reason for this is that boycotts replace tension in the political sphere with **tension in the private sphere**, putting the central axis of tension between the firm and the activists. Will they or won’t they change practices? As such, boycotts can lead to small changes, or tangential promises to provide other kinds of community support that are not in line with the initial purpose of the boycott. As author Nicole Aschoff recently argued in Jacobin magazine, “When consumers and environmental NGOs channel their desire for environmental justice through the firm, their desires get absorbed into business strategies for growth and expansion.” In this way, ethical consumerism relies too heavily on partnerships with corporations to make change rather than challenging the leverage they have in our monopolized economy. This post was excerpted from Teachout’s recent book. Boycotts do have widespread appeal. The Vox columnist Matthew Yglesias has taken a look at why, writing, “Consumer brands are a leverage point for progressive politics because there’s no gerrymandering & marketers care more about young people. Consumer marketing is almost the exact opposite of voting and a younger, more urbanized, and more female demographic carries more weight.” This logic may lead to a short-term sense of empowerment, but to **longer-term disempowerment**—the more progressives lean into their consumer power as the key point of leverage, the **less they focus on exercising their political power**, the less long-term collective power they will amass. In other words, boycotts allow people to import virtuousness into their life **without the struggle of organizing and building a coalition.** Additionally, consumer politics is certainly less complicated than actually wielding power. The University of North Carolina sociology professor and Atlantic contributing writer Zeynep Tufekci argues that people “want to stay out of politics because they fear corruption and co-optation. They have a point. Modern representative democracies are being strangled in many countries by powerful interests.” But, she points out, the long-term impact of dropping out of politics may be to make individuals cleaner and **the system dirtier.** David Dayen: America’s monopoly problem goes way beyond the tech giants Today, there are hundreds of boycotts every year, and most do not have any appreciable impact. **People lose interest**, don’t maintain a public presence around a boycott, and the number of people involved is typically **too small to make a market difference**. What difference is made typically revolves around “the more modest goal of attracting media attention,” not the loss of income, the University of Pennsylvania professor Maurice Schweitzer says. The Chick-fil-A boycott, one of the largest in recent memory, came about when the Chick-fil-A CEO made anti-gay marriage comments. Organizers staged kiss-ins, and mayors said Chick-fil-A was not welcome in their towns. But Chick-fil-A ignored the protests, people forgot the comments after a few years, and little changed. As one commentator put it, “It is hard to stay mad at a ubiquitous and powerful brand.” While, in theory, people did commit to stop eating at Chick-fil-A until it changed its posture on marriage equality, the company outlasted the protest; it still rates a zero on the Human Rights Campaign’s Buyers Guide, and LGBTQ people are not included in its nondiscrimination policy. Ethical consumerism—and its close relatives corporate accountability and corporate social responsibility—is especially **poorly suited** to monopolized economies, and a tragic misfit for disciplining companies that play a quasi-governmental role. By accepting big corporations as partners, and not challenging their legitimacy as our rulers, the consumer-boycott model allows for short-term victories that appear to be progressive, while the partner corporation is building sufficient power to become boycott-proof. If Chick-fil-A was hard to boycott, think about what boycotting Google would mean. First, imagine a one-person boycott, someone angry about, say, Google-enabled job discrimination. He would have to get rid of his Android phone and switch from Gmail. He’d have to stop using Google Search and Google Maps. He’d have to refuse to watch anything on YouTube. He’d have to get rid of Nest. If he owned a business, he’d have to avoid Google ads, which he might rely on to reach customers. He’d have to refuse to use municipal Wi-Fi in cities where Google is behind “free” Wi-Fi. If he had children, he would have to tell them to refuse to use the technology required to interact with their teachers. And even if he succeeds in doing all these things, Google will not boycott him. If he uses the internet, he will necessarily see Google-served ads, and his responses and nonresponses to those ads will feed into Google’s data bank. Google will still collect information about him when he walks by a LinkNYC kiosk. Google will still collect his tax dollars in subsidies. Read: The tech companies already won Now try imagining an effective organized boycott of Google, large enough to actually dent the company’s profits. There are more than **5 billion Google searches a day.** Can we really imagine enough people switching to an alternate search engine or going without asking their question? Google will continue collecting information on those people regardless, and Search is just one part of the Google behemoth. As if that weren’t **daunting enough**, imagine a **sector-based boycott** of the data-collection practices of all the big tech companies—Facebook, Google, Amazon—for their shared behaviors. In a comic New York Times article, one reporter chronicled the social-media accounts that pushed boycotts using products from the companies they were boycotting. A quarter of the people who tweeted #boycottGoogle (a campaign organized to protest Google’s firing of the engineer James Damore) did so from Android phones. And people boycotting Amazon kept shopping at Amazon-owned Whole Foods. Cher protested Facebook’s role in the Cambridge Analytica scandal by leaving Facebook but remaining active on Facebook-owned Instagram. “I don’t know if I can get out of the ecosystem,” said one activist. “Where am I supposed to go?” said another. “I wish there was something else.” In 2019, the city of Richmond, California, ended its contract with Vigilant Solutions, a data-analytics company that does business with Immigration and Customs Enforcement. The city of Berkeley, following suit, debated boycotting all companies that provided services to ICE and Customs and Border Protection, including Amazon, because these federal agencies rely on Amazon Web Services. The Berkeley city manager, Dee Williams-Ridley, argued against boycotting Amazon, because it “would have a huge negative impact to the citywide operations.” Amazon helps manage city documents, and hosts housing and mental-health programs, and Amazon servers host many other tech companies that provide services to the city. People unwittingly using the thing they are supposedly boycotting to advertise their boycott can seem funny. But the lack of choice facing all boycotters actually represents a serious **narrowing of the window of moral political behavior.** The change in effectiveness can be confusing for people who remember the successful boycotts in the 1980s and ’90s of companies such as Nike, which came under fire for using sweatshops. Companies have reorganized their supply chains in a way that insulates them from liability and protest. Garment manufacturers no longer have direct relationships with big companies, who build systems of deliberate ignorance into their purchasing. According to Professor Richard Locke’s research on Nike, workplace conditions in almost 80 percent of its root suppliers remained either the same or worsened between 2001 and 2005, though the company’s records may appear better on paper. Most important, every part of Nike’s supply chain is monopolized, with just a few major players, so boycotters have nowhere else to go. A serious boycott would involve buying no foreign-manufactured garments, rather than targeting particular companies. Growing consolidation of power interacts with the rise of social media, leading to more boycotts that are less effective and shorter-lasting. As Tufekci has argued, these actions tend to the **ephemeral and episodic**, instead of the **effective and persistent**. The result is a combination of hyperactivity online and decreased power. Boycotts gin up social-media presence on an almost daily basis. **Unlike a demand for legislative action**—where inaction by a lawmaker grows in meaning over time—the longer a company does not change in the face of protests, **the more powerful it gets.** The lawmaker becomes vulnerable to a primary challenger; the company has proved that it is strong.

## Horsetrading DA

#### No link---it’s only about affs that breakup online platforms. Emory = blue.

1NC Perera 3-12-2021, veteran cybersecurity reporter, Data security & privacy reporter for MLex (Dave, “US antitrust legislation faces uphill battle despite unified Democratic government,” <https://mlexmarketinsight.com/news-hub/editors-picks/area-of-expertise/antitrust/us-antitrust-legislation-faces-uphill-battle-despite-unified-democratic-government>)

Renewed interest among US lawmakers in antitrust legislation is unlikely to produce radical policy shifts, notwithstanding the Democratic Party’s unified control of the federal government. Democrats promised a “big, bold agenda” after they captured the Senate by a hairsbreadth in January. Democratic lawmakers may very well stick to those ambitions and announce audacious legislative proposals. But the fate of those bills is at the mercy of a political dynamic ensuring that the more liberal the policy prescriptions, the less likely they are to become law. The most likely outcome over the next two years is more funding for enforcers at the Department of Justice and Federal Trade Commission, whether directly through appropriated funds, steeper merger notification filing fees, or both. It’s also possible Congress could incrementally tinker along the edges of antitrust. It might lower the threshold for challenging mergers, or mandate data portability requirements for social media companies. Those expecting — or fearing — more ambitious outcomes likely won’t see them enacted. So until America’s November 2022 election, scratch from the list of high probabilities reforms such as requiring dominant firms to separate lines of business, or shifting the burden of proof onto an acquiring company. Put another way, unless a bill can attract significant Republican support, not even two years of unified Democratic government can guarantee reforms. — American exceptionalism — Single party control of both congressional chambers and the presidency is relatively rare in American politics. It has occurred in fewer than a third of legislative sessions since 1980. When it strikes, it doesn’t last long — typically just the two years between one congressional election and another. Historically, unified control is a fertile period for new regulations. President George W. Bush overhauled Medicare. President Barack Obama ushered in financial sector reforms and the Affordable Care Act. Indications are that President Joe Biden is emboldened by his party’s last-minute capture of the Senate. History, of course, isn’t a blueprint. Even a brief look at past episodes of unified control reveals that not even single-party capture of the executive and legislative branches of the US government can assure the enactment of a partisan agenda. For one thing, neither political party is a monolith. Although far more politically aligned than when Democratic conservatives found common cause in the 20th century with Republicans, the major American parties nonetheless are coalitions of centrist and activist wings. For Democrats, the tensions inherent in appeasing all sides became apparent earlier this month when centrists trimmed benefits in the $1.9 trillion coronavirus stimulus package. Neither is single party grip on power secure unless it commands an overwhelming majority in the Senate, thanks to a uniquely American institution: the filibuster. In the Senate, the rules mandate a three-fifths vote before debate over a bill is cut off. In recent decades, it’s become a weapon routinely wielded by the minority party to kill legislation. The upshot is that policy legislation needs supermajority support before it can proceed, meaning the 50 Democrats of today’s Senate have little choice but to resign themselves to the grind of finding Republican supporters. There are limited exceptions. Assuming Democrats stay in unison, they don’t need Republican votes to appoint judges, approve executive branch nominations or pass fiscal legislation such as the coronavirus stimulus that just became law. It’s within Democrats’ power to abolish the filibuster, but for now, the maneuver appears safe. Asked just days ago about the matter, White House spokeswoman Jen Psaki told reporters that the president’s preference is for it to stay in place. “The president is an optimist by nature,” Psaki added. — Hunting for bipartisan consensus — Not every bill introduced in Congress, nor even every bill approved by a committee or even an entire single chamber, makes it through the process because its sponsors believe it’ll become law. There are a host of bills drafted with the intent of sending a message to industry, to independent regulators, to donors, to constituents. There are bills that lawmakers view as setting out a position to influence an ongoing policy debate. Even if it won’t become law this year, it might the next year, or the next, reintroduced and refined along the way. Telltale signs of whether a bill is a serious attempt at law are the number of cosponsors, and whether that list of names includes members of both parties in good stead with their party’s leadership. Bipartisan support is important even in the House, where Democrats have the votes to completely bypass Republicans. Because the House doesn’t have the filibuster to contend with, those with the majority of seats control the chamber. House Democrats can and do pass bills in the face of absolute House Republican opposition, but — special exceptions for fiscal bills aside — those bills are dead on arrival in the Senate. As long as the filibuster exists or Democrats lack a Senate supermajority, the House Judiciary antitrust subcommittee must court Republican support if its intention is to make new law. Finding clues of what House Democrats might seriously achieve, then, may be little more difficult than looking up the policy prescriptions House Republicans favor: giving regulators more resources, shifting the burden of proof in merger cases and boosting data portability and interoperability. A report issued by now-ranking Republican Ken Buck as a rejoinder to last year’s Democratic House Judiciary antitrust subcommittee staff report on competition in digital markets allowed that the GOP shares other Democratic concerns, including predatory pricing, monopoly leveraging and control over marketplace platforms. That conciliatory signal also came weighted, with warnings that Congress should be wary of “handing additional regulatory to agencies in an attempt to micromanage.” Instead, try instead telling enforcers they should return to first principles, the Colorado lawmaker advised. Whether Republicans and Democrats in the Senate can find common cause is an even more fraught question. Unlike its House counterpart, the Senate Judiciary subcommittee on antitrust hasn't conducted a 16-month investigation into digital monopolization. The subcommittee’s senior Republican, Utah’s Mike Lee, is prone to touting the importance of the consumer welfare standard and rails against online platforms “eager to impose the ideological censorship called for by their political benefactors.” Lee also says he’s open to working with subcommittee Chairwoman Amy Klobuchar on strengthening enforcement, adding the caveat that current antitrust laws are sufficient. Klobuchar, a Minnesota Democrat, doesn’t need Lee to get a bill through her subcommittee, but failing to find consensus with Republicans imperils her chances of making law. The prospects for her Competition and Antitrust Law Enforcement Reform Act becoming law as current written aren't good. — 'Big tech is out to get conservatives' — A looming question hanging over any bill, even one tailored to win bipartisan support, is whether it could be derailed by Republican anger at online platforms for alleged anti-conservative bias. A right-wing trope especially spread by President Donald Trump during his last year in office — the belief that platforms use their content moderation powers to silence conservatives — has mainstream acceptance in Republican circles. It’s a refrain almost obligatory for Republican lawmakers to repeat when discussing any issue related to online platforms. “Big tech is out to get conservatives,” House Judiciary Committee ranking member Jim Jordan of Ohio has said more than once. Democrats have their own share of anger at online platforms’ content-moderation practices, to be sure. They accuse online platforms of circumventing consumer protections, undermining civil rights laws and not doing enough to stymie disinformation. It’s Republicans, though, who appear the angriest, and are the more likely to insist that any legislative reform ***touching online platforms*** address content moderation, with the intention of making it harder, not easier, for online platforms to remove users, potentially imperiling a compromise measure.

#### The plan is popular and good politics.

Brishen Rogers 18. An Associate Professor at Temple University's Beasley School of Law, and a Fellow at the Roosevelt Institute. “The Limits of Antitrust Enforcement” Boston Review. 04-30-18. http://bostonreview.net/class-inequality/brishen-rogers-limits-antitrust-enforcement

**Left and right seem to be converging** here. **Progressives** are concerned that corporate power **threatens equality**, **conservatives** are concerned that it **threatens individual liberty**, and both are concerned that it threatens innovation. A **populist critique** of corporate power run amok may also **be good politics**. Political culture in the United States has never abandoned the Jeffersonian ideal of the yeoman farmer or independent artisan, nor has it abandoned its characteristic distrust of major institutions. There is now a Congressional Antitrust Caucus, and numerous foundations are sponsoring research into the causes and consequence of market concentration. This is all part of a renewed and **essential focus on structural inequality** and generally for the good.

#### State action thumps. Emory = blue.

1NC Carpenter 21, contributing writer for The Nation. She received the James Aronson Award for Social Justice Journalism in 2018, and has been a finalist for the Livingston Awards and the National Awards for Education Reporting. Her writing has also appeared in Rolling Stone, Guernica, and various other publications (Zoe, “Misinformation Is Destroying Our Country. Can Anything Rein It In?,” *The Nation*, <https://www.thenation.com/article/society/right-wing-media-misinformation/>)

Natali Fierros Bock says she could feel this mass delusion calcifying in the wake of the election in Pinal County, a rural area between Phoenix and Tucson where she serves as co–executive director of the group Rural Arizona Engagement. “It feels like an existential crisis,” Bock adds. Many of the Sharpiegate claims online referred to Pinal County, and Gosar, whose district includes a portion of the area, was reportedly responsible for helping organize the January 6 “Stop the Steal” rally in Washington that resulted in the deaths of five people. Mark Finchem, a Republican who represents part of Pinal County in the statehouse, was also in Washington on January 6. The Capitol insurrection threw into relief the real-world consequences of America’s increasingly siloed media ecosystem, which is characterized on the right by an expanding web of outlets and platforms willing to entertain an alternative version of reality. Social media companies, confronted with their role in spreading misinformation, scrambled to implement reforms. But right-wing misinformation is not just a technological problem, and it is far from being fixed. Any hope that the events of January 6 might provoke a reckoning within conservative media and the Republican Party has by now evaporated. The GOP remains eager to weaponize misinformation, not only to win elections but also to advance its policy agenda. A prime example is the aggressive effort under way in a number of states to restrict access to the ballot. In Arizona, Republicans have introduced nearly two dozen bills that would make it more difficult to vote, with the big lie about election fraud as a pretext. “When you can sell somebody the idea that their elections were stolen, they’ve been violated, right? So then you need protection,” Bock says, explaining the conservative justification for the suite of new restrictions in her state. Voting rights is her organization’s “number one concern” at the moment. But Bock’s fears about political misinformation are more sweeping. Community organizing is difficult in the best of times. “But when you can’t agree on what is true and not true, when my reality doesn’t match the reality of the person I’m speaking to, it makes it more difficult to find common ground,” she says. “If we can’t agree on a common truth, if we can’t find a starting place, then how does it end?” Around the time of the 2016 election, Kate Starbird, a professor at the University of Washington who studies misinformation during crises, noticed that more and more social media users were incorporating markers of political identity into their online personas—hashtags and memes and other signifiers of their ideological alignment. In the footage from the Capitol she saw the same symbols, outfits, and flags as those she’d been watching spread in far-right communities online. “To see those caricatures come alive in this violent riot or insurrection, whatever you want to call it, was horrifying, but it was all very recognizable for me,” Starbird says. “There was a time in which we were like, ‘Oh, those are bots, those aren’t real people,’ or ‘That’s someone play-acting,’ or ‘We’re putting on our online persona and that doesn’t really reflect who we are in an offline sense.’ January 6 pretty much disabused us of that notion.” It was a particularly rude awakening for social media companies, which had long been reluctant to respond to the misinformation that flourished on their platforms, treating it as an issue of speech that could be divorced from real-world consequences. Facebook, Twitter, and other platforms had made some changes in anticipation of a contested election, announcing plans to label or remove content delegitimizing election results, for instance. Facebook blocked new campaign ads for the week leading up to the election; Twitter labeled hundreds of thousands of misleading tweets with fact-checking notes. Yet wild claims about election fraud spread virally anyway, ping-ponging from individual social media users to right-wing influencers and media. During the 2016 campaign, most public concern about misinformation centered on shadowy foreign actors posing as news sources or US citizens. This turned out to be an oversimplification, though many on the center and left offered it as an explanation for Hillary Clinton’s defeat in 2016; blaming Russian state actors alone ignored factors like sexism, missteps made by the Clinton campaign itself, and the home-grown feedback loop of right-wing media. In 2020, according to research done by Starbird and other contributors to the Election Integrity Project, those most influential in disseminating misinformation were largely verified, “blue check” social media users who were authentic, in the sense that they were who they said they were—Donald Trump, for example, and his adult sons. DONATE NOW TO POWER THE NATION. Readers like you make our independent journalism possible. Another key aspect in the creation of the big lie was what Starbird calls “participatory disinformation.” Trump was tweeting about the election being stolen from him months beforehand, but once voting got under way, “what we see is that he kind of relies on the crowd, the audiences, to create the evidence to fit the frame,” Starbird explains. Individuals posted their personal experiences online, which were shared by more influential accounts and eventually featured in media stories that placed the anecdotes within the broader narrative of a stolen election. Some of the anecdotes that fueled Sharpiegate came from people who used a felt-tip pen to vote in person, then saw online that their vote had been canceled—though the “canceled” vote actually referred to mail-in ballots that voters had requested before deciding to vote in person. “It’s a really powerful kind of propaganda, because the people that were helping to create these narratives really did think they were experiencing fraud,” Starbird says. Action by content moderators usually came too late and was complicated by the fact that many claims of disenfranchisement by individual users were difficult to verify or disprove. The Capitol riot led the tech giants to take more aggressive action against Trump and other peddlers of misinformation. Twitter and Facebook kicked Trump off their platforms and shut down tens of thousands of accounts and pages. Facebook clamped down on some of its groups, which the company’s own data scientists had previously warned were incubating misinformation and “enthusiastic calls for violence,” according to an internal presentation. Google and Apple booted Parler, a social media site used primarily by the far right, from their app stores, and Amazon stopped hosting Parler’s data on its cloud infrastructure system, forcing it temporarily offline. But these measures were largely reactions to harm already done. “Moderation doesn’t reduce the demand for [misleading] content, and demand for that content has grown during some periods of time when the platforms weren’t moderating or weren’t addressing some of the more egregious ways their tools were abused,” says Renée DiResta, technical research manager at the Stanford Internet Observatory. Deplatforming individuals or denying service to companies that tolerate violent rhetoric, as Amazon did with Parler, can have an impact, particularly in the short term and when done at scale. It reduces the reach of influential liars and can make it more difficult for “alt-tech” apps to operate. A notorious example of deplatforming involved Alex Jones, the conspiracy theorist behind the site Infowars. Jones was kicked off Apple, Facebook, YouTube, and Spotify in 2018 for his repeated endorsement of violence. He lost nearly 2.5 million subscribers on YouTube alone, and in the three weeks after his accounts were cut off, Infowars’ daily average visits dropped from close to 1.4 million to 715,000. But Jones didn’t disappear—he migrated to Parler, Gab, and other alt-tech platforms, and he spoke at a rally in Washington the night before the Capitol attack. One outcome of unplugging Trump and other right-wing influencers has been a surge of interest in those alternative social media platforms, where more dangerous echo chambers can form and, in encrypted spaces, be more difficult to monitor. “Isn’t this just going to make the extreme communities worse? Yes,” says Ethan Zuckerman, founder of the Institute for Digital Public Infrastructure at the University of Massachusetts at Amherst. “But we’re already headed there, and at least the good news is that [extremists] aren’t going to be recruiting in these mainstream spaces.” The bad news, in Zuckerman’s view, is that the far right is now leading the effort to create new forms of online community. “The Nazis right now have an incentive to build alternative distributed media, and the rest of us are behind, because we don’t have the incentive to do it,” Zuckerman explains. He argues that a digital infrastructure that is smaller, distributed, and not-for-profit is the path to a better Internet. “And my real deep fear is that we end up ceding the design of this way of building social networks to far-right extremists, because they are the ones who need these new spaces to discuss and organize.” In March, Trump spokesman Jason Miller said on Fox that the former president was likely to return to social media this spring “with his own platform.” A more fundamental problem than Trump’s presence or absence on Twitter is the power that a single executive—Jack Dorsey, in the case of Twitter—has in making that decision. Social media companies have become so big that they have little fear of accountability in the form of competition. “To put it simply, companies that once were scrappy, underdog startups that challenged the status quo have become the kinds of monopolies we last saw in the era of oil barons and railroad tycoons,” concluded a recent report by the staff of the Democratic members of the House Judiciary Subcommittee on Antitrust. For now, the reforms at Facebook and other companies remain largely superficial. The platforms are still based on algorithms that reward outrageous content and are still financed via the collection and sale of user data. Karen Hao of MIT Technology Review recently reported that a former Facebook AI researcher told her “his team conducted ‘study after study’ confirming the same basic idea: models that maximize engagement increase polarization.” Hao’s investigation concluded that Facebook leadership’s relentless pursuit of growth “repeatedly weakened or halted many initiatives meant to clean up misinformation on the platform.” The modest “break glass” measures Facebook took during the election in response to the swell of misinformation, which included tweaks to its ranking algorithm to emphasize news sources it considered “authoritative,” have already been reversed. Tech companies could do more, as the election-time tweaks revealed. But they still “refuse to see misinformation as a core feature of their product,” says Joan Donovan, research director for the Shorenstein Center on Media, Politics and Public Policy at Harvard University. The problem of misinformation appears so vast “because that’s exactly what the technology allows.” There are some signs of a growing appetite for regulation on Capitol Hill. Democrats have proposed reforms to Section 230 of the Communications Decency Act, which insulates tech companies from legal liability for content posted to their platforms, such as requiring more transparency about content moderation and opening platforms to lawsuits in limited circumstances when content causes real-world harm. (GOP critiques of Section 230, on the other hand, make the false argument that it allows platforms to discriminate against conservatives.) Another legislative tactic would focus on the algorithms that platforms use to amplify content, rather than on the content itself. A bill introduced by two House Democrats would make companies liable if their algorithms promote content linked to acts of violence. Democratic lawmakers are also eyeing changes to antitrust law, while several antitrust lawsuits have been filed against Facebook and Google. But litigation could take years. Even breaking up Big Tech would leave intact its predatory business model. To address this, Zuckerman and other experts have called for a tax on targeted digital advertising. Such a tax would discourage targeted advertising, and the revenue could be used to fund public-service media. Held to account? Twitter CEO Jack Dorsey testified remotely before the Senate Judiciary Committee in November 2020. (Matt York / AP) Social media plays a key role in amplifying conspiracy theories and political misinformation, but it didn’t create them. “When we think of disinformation as something that appeared [only in the Trump era], and that we used to have this agreed-upon narrative of what was true and then social platforms came into the picture and now that’s all fragmented… that makes a lot of assumptions about the idea that everyone used to agree on what was true and what was false,” says Alice E. Marwick, an assistant professor at the University of North Carolina who studies social media and society. Politicians have long leveraged misinformation, particularly racist tropes. But it’s been made particularly potent not just by social media, Marwick argues, but by the right-wing media industry that profits from lies. “The American online public sphere is a shambles because it was grafted onto a television and radio public sphere that was already deeply broken,” argue Yochai Benkler, Robert Faris, and Hal Roberts of Harvard’s Berkman Klein Center for Internet and Society in their book Network Propaganda. The collapse of local news left a vacuum that for many Americans has been filled by partisan outlets that, on the right, are characterized by blatant disregard for journalistic standards of sourcing and verification. This insulated world of right-wing outlets, which stretches from those that bill themselves as objective sources, Fox News chief among them, to talk radio and extreme sites like Infowars and The Gateway Pundit, “represents a radicalization of roughly a third of the American media system,” the authors write. The conservative movement spent decades building this apparatus to peddle lies and fear along with miracle cures and pyramid schemes, and was so successful that Fox and other far-right outlets ended up in a tight two-step with the White House. Fox chairman Rupert Murdoch maintained a close relationship with Trump, as did Sean Hannity and former Fox News copresident Bill Shine, who became White House communications director in 2018. The backlash against Fox in the wake of the election hinted at a possible dethroning of the ruler of the right’s media machine. Its farther-right rival Newsmax TV posted a higher rating than Fox for the first time ever in the month after the election, following supportive tweets from Trump, and during the week of November 9 it passed Breitbart as the most-visited conservative website. But Fox quickly regained its perch. The network backpedaled rapidly during its post-election ratings slump, firing an editor who’d defended the projection of a Biden win in Arizona and replacing news programming with opinion content. According to Media Matters, Fox News pushed the idea of a stolen election nearly 800 times in the two weeks after declaring Biden the winner. The network’s ad revenue increased 31 percent during the final quarter of 2020, while its parent company, Fox Corporation, saw a 17 percent jump in pretax profit. The far-right media ecosystem has become so powerful in part because there’s been no downside to lying. Instead, the Trump administration demonstrated that there was a market opportunity in serving up misinformation that purports to back up what people want to believe. “In this day and age, people want something that tends to affirm their views and opinions,” Newsmax CEO Chris Ruddy told The New York Times’ Ben Smith in an interview published shortly after the election. Claims of a rigged election were “great for news,” he said in another interview. Trump’s departure from the White House won’t necessarily reduce the demand for this kind of content. Since the Capitol riot, two voting-systems companies have launched an unusual effort to hold right-wing outlets and influencers accountable for some of the lies they’ve spread. Dominion Voting Systems, a major provider of voting technology, and another company called Smartmatic were the subjects of myriad outlandish claims related to election fraud, many of which were used in lawsuits filed by Trump’s campaign and were repeatedly broadcast on Fox, Newsmax TV, and OAN. Since January the companies have filed several defamation suits against Trump campaign lawyers Sidney Powell and Rudy Giuliani, MyPillow CEO Mike Lindell, and Fox News and three of its hosts. Dominion alleges that as a result of false accusations, its “founder and employees have been harassed and have received death threats, and Dominion has suffered unprecedented and irreparable harm.” The threat of legal action forced a number of media companies to issue corrections for stories about supposed election meddling that mentioned Dominion. The conservative website American Thinker published a statement admitting its stories about Dominion were “completely false and have no basis in fact” and “rel[ied] on discredited sources who have peddled debunked theories.” OAN simply deleted all of the stories about Dominion from its website without comment. These lawsuits will not dismantle the world of right-wing media, but they have prompted a more robust debate about how media and social media companies could be held liable for lies that turn lethal—and whether this type of legal action should be pursued, given the protections afforded by the First Amendment and the fact that the powerful often use libel law to bully journalists. Alternative reality: Trump supporters in Maricopa County derided Fox for reporting on election night that Biden had won the state. (Hannah McKay / Pool / Getty Images) Ethan Zuckerman has been thinking about how to build a better Internet for years, a preoccupation not unrelated to the fact that, in the 1990s, he wrote the code that created pop-up ads. (“I’m sorry. Our intentions were good,” he wrote in 2014.) Still, he believes that framing misinformation as a problem of media and technology is myopic. “It’s very hard to conclude that this is purely an informational problem,” Zuckerman says. “It’s a power problem.” The GOP is increasingly tolerant of, and even reliant on, weaponized misinformation. “We’re in a place where the Republican Party realizes that as much as 70 percent of their voters don’t believe that Biden was legitimately elected, and they are now deeply reluctant to contradict what their voters believe,” Zuckerman says. Republicans are reluctant, at least in part, because of a legitimate fear of primary challenges from the right, but also because they learned from Trump the power of using conspiracy theories to mobilize alienated voters by preying on their deep mistrust of public institutions. It’s one thing for an ordinary citizen to retweet a false claim; it’s another for elected officials to legitimize conspiracy theories. But holding the GOP to account may prove to be even harder than reforming Big Tech. The radical grass roots have been empowered by small-dollar fundraising and gerrymandering, while more moderate Republicans are retiring or leaving the party. Writer Erick Trickey argued recently in The Washington Post that what undercut a similar wave of conservative crackpot paranoia driven by the John Birch Society in the 1960s was explicit denunciation by prominent conservatives like William Buckley and Ronald Reagan as well as Republican congressional leaders. But today’s party leaders have been unwilling to excommunicate conspiracy-mongers. In the aftermath of the Capitol riot, elected officials who spread rumors that the violence was actually the result of antifascists—including Arizona’s Paul Gosar and Andy Biggs—gained notoriety, while those critical of Trump were publicly humiliated. The embrace of conspiratorial narratives has been particularly pronounced in state GOP organizations. The Texas GOP recently incorporated the QAnon slogan “We are the storm” into official publicity media, and the Oregon GOP’s executive committee endorsed the theory that the riot had been a “false flag” operation. In March, members of the Oregon GOP voted to replace its Trump-supporting chairman with a candidate even farther out on the extremist fringe. Weaponized misinformation could have a lasting impact not only on the shape of the GOP but also on public policy. Republicans are now using the big lie to try to restrict voting rights in Arizona, Georgia, and dozens of other states. As of February 19, according to the Brennan Center for Justice, lawmakers in 43 states had introduced more than 250 bills restricting access to voting, “over seven times the number of restrictive bills as compared to roughly this time last year.” In late March, Georgia Governor Brian Kemp signed a 95-page bill making it harder to vote in that state in a number of ways. Many of the far-right extremists, politicians, and media influencers who spread misinformation about the presidential election are now pushing falsehoods about Covid-19 vaccines. The rumors, which have spread on social media apps like Telegram that are frequented by QAnon adherents and militia groups, among others, range from standard anti-vax talking points to absurd claims that the vaccines are part of a secret plan hatched by Bill Gates to implant trackable microchips, or that they cause infertility or alter human DNA. Sidestepping the craziest conspiracies, prominent conservatives like Tucker Carlson and Wisconsin Senator Ron Johnson, who has become one of the GOP’s leading purveyors of misinformation, are casting doubt about vaccine safety under the pretense of “just asking questions.” Vaccine misinformation plays into the longstanding conservative effort to sow mistrust in government, and it appears to be having an effect: A third of Republicans now say they don’t want to get vaccinated. These are the true costs of misinformation: deadly riots, policy changes that could disenfranchise legitimate voters, scores of preventable deaths. These translate into financial externalities: the additional expense of securing the Capitol, additional dollars devoted to the pandemic response. More abstract but no less real are the social costs: the parents lost down QAnon rabbit holes, the erosion of factual foundations that permit productive argument. The problem with the far right’s universe of “alternative facts” is not that it’s hermetically sealed from the universe the rest of us live in. Rather, it’s that these universes cannot truly be separated. If we’ve learned anything in the past six months, it’s that epistemological distance doesn’t prevent collisions in the real world that can be lethal to individuals—and potentially ruinous for democratic systems.

#### Texas law thumps.

Jessica Guynn 21. USA TODAY. “Texas is about to pass a new law Republicans say will stop censorship of conservatives on Facebook, Twitter” 09-01-21. https://www.usatoday.com/story/tech/2021/09/01/texas-censorship-conservatives-facebook-twitter-youtube-trump-law/5683621001/

**Texas is on the verge of passing a new law that would crack down on social media companies Republicans say are censoring conservative speech.** The legislature passed the bill. It now heads to the desk of Gov. Greg Abbott, a Republican who has publicly backed it and is **expected to sign it.** The new law, passed in the final days of the second special session called by Abbott, would allow any Texas resident banned from Facebook, Twitter or Google's YouTube for their political views to **sue the companies**. The state attorney general also would be able to sue on behalf of a user or a group of users.

## BBB DA

#### Manchin isn’t on board.

Jordain Carney, 11-10-2021, "Manchin: Lawmakers can 'no longer ignore' inflation," TheHill, https://thehill.com/homenews/senate/580910-manchin-lawmakers-can-no-longer-ignore-inflation

Sen. Joe Manchin (D-W.Va.) **sounded an alarm** Wednesday after new consumer data found that U.S. inflation had hit a 30-year high, **giving Democrats fresh headaches on** President **Biden's social and climate spending plan.**

Manchin, in a tweet, said that the "the threat" from inflation isn't temporary "and is instead getting worse."

"From the grocery store to the gas pump, Americans know the inflation tax is real and DC can no longer ignore the economic pain Americans feel every day," Manchin added.

Manchin's statement comes after the consumer price index, which tracks inflation for a range of staple goods and services, rose 0.9 percent last month and 6.2 percent in the 12-month period ending in October, the highest rate in the U.S. in 30 years.

Manchin doesn't mention Biden's spending plan in his statement, but it comes as he's raised concerns for months over inflation, questioning if a sweeping spending package would **negatively impact the economy.**

“Throughout the last three months, I have been straightforward about my concerns that I **will not support a reconciliation package** that expands social programs and irresponsibly adds to our nearly $29 trillion in national debt that no one else seems to care about. Nor will I support a package that risks hurting American families **suffering from historic inflation**,” Manchin said at a press conference earlier this month.

Manchin is the most conservative member of the Senate Democratic Caucus, but because Democrats are using reconciliation, an arcane budget process that lets them bypass the legislative filibuster, they need total unity from the 50-member caucus to pass the spending package.

Pushback from Manchin and other moderates has already led to changes in the bill, including dropping the price tag from the $3.5 trillion top-line figure greenlit by a budget resolution earlier this year.

But Manchin has **signaled that he still has concerns and isn't yet ready to to back the spending bill.**

"I have a lot of concerns, let's put it that way," Manchin said during an interview with Fox News last week. "They're working off the House bill. That's not going to be the bill I work off of."

#### 1. Competing deadlines thump.

Sahil Kapur 11-08. National political reporter. “Centrist Democrats now hold the cards as infrastructure bill heads to Biden's desk” NBC News. 11-08-21. https://www.nbcnews.com/politics/congress/centrist-democrats-now-hold-cards-infrastructure-bill-heads-biden-s-n1283485

**Competing deadlines**

Other hard deadlines could **complicate the December timeline**. Congress must pass legislation to **fund the government** by Dec. 3 or face a shutdown. Lawmakers also need to **raise the debt limit** to avert an economic meltdown. And Congress plans to **pass a massive defense policy bill** before the end of the year.

The infrastructure legislation provides around $550 billion in new spending, for a total of more than $1 trillion, in projects from roads to public transit to rural broadband. It was co-authored by Manchin and Sen. Kyrsten Sinema, D-Ariz., and it became a top legislative priority of House centrists who had battled with liberals for months over the timeline to pass it.

The legislation is projected to add $256 billion to the debt over a decade, according to the CBO.

#### 2. Immigration fights and distrust thump.

Jacqueline Alemany & Theodoric Meyer, 11-8-2021, "Progressives 'incredibly pessimistic' they'll get what they want in social spending bill," Washington Post, https://www.washingtonpost.com/politics/2021/11/08/progressives-incredibly-pessimistic-they-get-what-they-want-social-spending-bill/

Immigration problems

Another **possible sticking point: immigration.**

The latest version of the House bill would **expand the administration’s ability** to give five-year work permits to undocumented immigrants in the U.S. for at least a decade, protecting them from deportation. But it’s **unclear whether the Senate parliamentarian will allow** for such a measure in the reconciliation bill.

If the Senate strikes the immigration provisions, that **could create new House obstacles**.

“If [reconciliation] comes back stripped down of all the immigration provisions, this congressman will **find it very difficult**, very problematic to vote for Build Back Better,” Rep. Lou Correa (D-Calif.), one of three Democrats who've threatened to oppose the Build Back Better bill without immigration language.

Pelosi also committed in a meeting with Correa and the other two lawmakers, Reps. Adriano Espaillat (D-N.Y.) and Jesus “Chuy” Garcia (D-Ill.), to work to pass another immigration bill once the reconciliation package passes, Correa added.

Correa declined to comment on what he needs to see in such a bill, but said his commitment was reinforced on Sunday when he was approached by a young woman after Spanish-language mass at Christ Cathedral in Garden Grove, Calif., who urged him to keep pushing on immigration.

Asked what assurances Pelosi gave him that Democrats would take up an immigration bill after the reconciliation package passes, Correa said it came down to trust in a caucus in which “**nobody trusts anybody” right now.**

#### 3. SALT deduction fights thump.

Naomi Jagoda, 11-10-2021, "Democrats at odds over SALT changes," TheHill, https://thehill.com/policy/finance/580860-democrats-at-odds-over-salt-changes

Democrats in the House and Senate are **clashing over how to address a tax break** that has a disproportionate impact on a number of blue states.

Democratic lawmakers in both chambers want to make changes to the $10,000 state and local tax (SALT) deduction cap, a GOP creation, as part of their sweeping social spending and climate change legislation, but they have **chosen different tactics**: The House proposes substantially **raising** the level of the cap, while key senators back **exempting** taxpayers under a certain income level.

**Reaching a resolution will be necessary** before Democrats get a version of the budget reconciliation package to President Biden’s desk.

Republicans passed the $10,000 SALT deduction cap as part of their 2017 tax law, as a way to help offset the cost of tax cuts elsewhere in the bill. The cap is currently scheduled to expire after 2025.

The cap has long been disliked by politicians in high-tax states such as New York, New Jersey and California, who argue that the limit hurts their residents as well as the states’ abilities to provide services. But the cap is a tricky issue for Democrats because analysts across the ideological spectrum have estimated that fully repealing it would **cost hundreds of billions** of dollars and largely benefit high-income households.

Democrats waited for months to publicly release proposals about how to address the SALT deduction in the spending package, only beginning to do so last week.

The most recent version of the House’s bill would raise the cap from $10,000 to $80,000, holding it at that level through 2030. The cap would then revert back to $10,000 for 2031.

The proposal is estimated to raise about $14 billion over 10 years, House Ways and Means Committee Chairman Richard Neal (D-Mass.) says. Neal described the negotiations around the SALT issue in the House as **challenging and emotionally fraught.**

“If you moved like an inch this way, **then the suspicion settled in**, and if you moved an inch that way, the suspicion settled in,” he told reporters last week.

#### Biden PC fails.

The Intercept, 11-5-2021, "Deconstructed: Biden Should Look to Obama’s Mistakes," Intercept, <https://theintercept.com/2021/11/05/deconstructed-biden-build-back-better-obama/>

What do you think it is about Democrats that they **can’t move that quickly**? And they can’t move as efficiently as Republicans? Because it’s not as if the tax code is necessarily simpler? It was still a monster of a piece of legislation.

DS: Oh sure. I think part of it is a **lack of presidential leadership**. Look, we saw this with the ACA, the Affordable Care Act. Obama essentially delegated responsibility for the details of the bill to Congress. Now, obviously, constitutionally, that’s what Congress does.

But the point is, is that Obama very clearly said: Listen, I’m going to wait for the Max Baucus-run Senate Finance Committee and the House Ways and Means Committee to come up with a bill; I’ll lay out a couple of principles, and they can duke it out, and they can weigh in every now and again.

That’s much different than what we saw with, for instance, Donald Trump and his tax cuts, or George Bush and those tax cuts. The White House had a plan, they had a specific set of plans, and they rammed it through Congress. Now, here’s got to be a middle ground there somewhere. But the point is that it’s the same thing that’s happened with Biden, and the current reconciliation bill. Biden, in a certain sense, **where is he? What is he doing?** Why hasn’t the White House been much more on the ball about a specific set of proposals, going to different states to campaign for it? **None of that has happened.**

And the one that kind of blows my mind, although I’m no longer surprised by this kind of thing: OK, you can argue, West Virginia, **Biden lost it.** He doesn’t have as much political capital in a state like that. He won Arizona. He has a lot of leverage to use in a place like Arizona, with somebody like Kyrsten Sinema. That leverage in my view, I don’t see any evidence that that’s even been used.

So again, it comes back to: If your entire attitude is a conflict aversion with your own party; if you’re trying to somehow appease your corporate donors, and tell voters you’re solving the problems created by your corporate donors, and you have a hands-off attitude about how to actually get an agenda passed, then you end up with what we have now — a morass that’s going on for weeks and weeks and months of capitulations and surrenders.

And, not surprisingly, that ends up not being all that popular. Joe Biden, by one estimate, is at the **lowest approval rating** of any president in modern history at this time in his presidency. You can try to blame all sorts of external forces for that. But I think usually the most simple explanation is the correct one. And the most simple explanation is: He and his White House have spent months generating headlines, **surrendering on the most popular policies that people want.**

#### Winner’s win---Biden passing tough bills expands his political capital.

Stankiewicz 1/20/21 (Kevin - associate reporter for *CNBC.com*, “Sen. Chris Coons says Biden has ‘practical’ bent, hopes for cooperation in Congress,” https://www.cnbc.com/2021/01/20/biden-inauguration-day-live-updates-stream.html)

Democratic Sen. Chris Coons told CNBC he is hopeful President Joe Biden’s plans to address the Covid-19 crisis could set the tone for bipartisan cooperation in Washington. “I think it’s possible for Joe Biden, by responding to this pandemic in a competent and caring way, to actually build his political capital, to surprise the American people by showing that he and [GOP Sen.] Mitch McConnell, that the leaders in the House and the Senate, can actually work together to solve problems,” said Coons, a close ally to Biden and his fellow Delawarean. In an interview on “Power Lunch,” Coons said most Americans are fed up by inaction and partisan bickering from Congress. “Joe is someone who has never forgotten where he’s from, who has a practical, common-sense bent and who sees the suffering of the American people.” “He’s going to give us a chance to move forward, boldly, together, and I pray that the Congress takes him up on it,” Coons said.

#### Burnout and geographic dispersion check disease.

Sebastian Farquhar 17. \*\*Project Manager at FHI responsible for external relations, M.A in Physics and Philosophy, Oxford. \*\*John Halstead, Global Priorities Project. \*\*Owen Cotton-Barratt, Research Associate in the FHI at Oxford, Lecturer in Mathematics at St. Hugh’s College. \*\*Stefan Schubert, PhD in philosophy, Researcher at the Centre for Effective Altruism. \*\*Haydn Belfield, Academic Project Manager, Centre for the Study of Existential Risk, Cambridge. \*\*Andrew Snyder-Beattie, Director of Research at FHI. “Existential Risk: Diplomacy and Governance.” *Future of Humanity Institute*. Oxford, Global Priorities Project. <https://www.fhi.ox.ac.uk/wp-content/uploads/Existential-Risks-2017-01-23.pdf>.

For most of human history, natural pandemics have posed the greatest risk of mass global fatalities.37 However, there are some reasons to believe that natural pandemics are very unlikely to cause human extinction. Analysis of the International Union for Conservation of Nature (IUCN) red list database has shown that of the 833 recorded plant and animal species extinctions known to have occurred since 1500, less than 4% (31 species) were ascribed to infectious disease.38 None of the mammals and amphibians on this list were globally dispersed, and other factors aside from infectious disease also contributed to their extinction. It therefore seems that our own species, which is very numerous, globally dispersed, and capable of a rational response to problems, is very unlikely to be killed off by a natural pandemic.

One underlying explanation for this is that highly lethal pathogens can kill their hosts before they have a chance to spread, so there is a selective pressure for pathogens not to be highly lethal. Therefore, pathogens are likely to co-evolve with their hosts rather than kill all possible hosts.39

#### Not top of the agenda and tons of thumpers---Senate schedule is a train wreck.

BURGESS EVERETT and MARIANNE LEVINE, 11-9-2021, "The Senate’s year-end to-do list is ‘going to be a train wreck’ ," POLITICO, https://www.politico.com/news/2021/11/09/senate-dems-year-end-train-wreck-520275

The Senate is only scheduled to be in three weeks for the rest of 2021, with a recess set to start Dec. 10. There’s almost **no chance that schedule holds** at this point, with the Democratic majority facing a to-do list **more daunting than a Black Friday sales rush**. Congress has to **fund the government** past Dec. 3, **pass a massive defense policy** bill, finish out a **$1.75 trillion party-line social spending bill** and potentially maneuver around a U.S. credit default.

Each of those four bills could take **several days of Senate floor time,** not to mention the myriad negotiations still left to hash out Biden’s GOP-free domestic agenda with Sen. Joe Manchin (D-W.Va.), who wants to slow things down. Already some senators are anticipating a short-term government funding patch for a few weeks, potentially right up until Christmas. And in a worst-case scenario, the debt limit would need to be raised right around that same time — something Republicans say they won’t help with.

“It’s **going to be a train wreck**,” surmised Sen. John Thune (R-S.D.), the minority whip.

Of course, last year’s Republican Senate was barely better — passing a spending deal in late December and having to work on New Year’s Day 2021 to finish the defense authorization bill. But the better parallel to this year's coal-lumped holiday season might be 2009, when then-Majority Leader Harry Reid (D-Nev.) leveraged the holidays to pass the Affordable Care Act on Christmas Eve. That included holding a Saturday session during a driving snowstorm, the type of work that focuses lawmakers on getting out of Washington as soon as possible.

While Democrats still sound bullish on closing out their social safety net and climate measure by Thanksgiving, 2022 may be the real hard deadline. That’s when Democrats’ expanded child tax credit expires anyway — and when lawmakers will really, truly be desperate to get home after months of protracted negotiations.

“We’ll finish most of our work by December 31,” said Sen. Ben Cardin (D-Md.).

Senate Majority Leader Chuck Schumer was publicly eyeing Monday as the date his chamber would take up the social spending bill. But that **timeline is no longer feasible**, after House Democrats pushed their vote on the long-planned bill until that week, amid **demands from moderates for a score from the C**ongressional **B**udget **O**ffice.

Prior to leaving for this week's recess, senators acknowledged it’s possible they consider the defense policy bill before the social spending bill instead, given some of the outstanding hiccups they face finishing out Biden’s agenda.

Already, the **Senate is delaying the defense bill much later** than usual. It’s one of the few pieces of legislation that regularly passes Congress every year, usually with a strong bipartisan vote. And some senators have relayed their concerns about the delay to Schumer.

Sen. Jon Tester (D-Mont.) said that the defense bill would come "up the first day we’re back" next week, "which is good.”

“We will go to the reconciliation bill sometime" after that, Tester added. "But **I think it’s going to take a while.”**

## Inflation DA

#### Inflation is running rampant and labor shortages cause it---aff solves.

Gwynn Guilford 21. “Accelerating Inflation Spreads Through the Economy” The Wall Street Journal. 10-13-21. https://www.wsj.com/articles/us-inflation-consumer-price-index-september-2021-11634074529

U.S. inflation accelerated last month and **remained at its highest rate** in over a decade, with **price increases from pandemic-related labor and materials shortages** rippling through the economy. The Labor Department said last month’s consumer-price index, which measures what consumers pay for goods and services, rose by 5.4% from a year earlier, in unadjusted terms. That is the same rate as in June and July as the economy reopened, and slightly higher than in August. The so-called core price index, which excludes the often-volatile categories of food and energy, in September climbed 4% from a year earlier, the same rate as in August. On a monthly basis, the CPI rose a seasonally adjusted 0.4% in September from August, also faster than in August, which rose 0.3%. With food markets on a wild ride lately, cheese has seen more volatility than most. Yet in supermarkets, prices have remained relatively stable. Here’s why sharp changes in wholesale cheese prices are slow to make it to consumers. Illustration: Jacob Reynolds The **stretch of higher inflation**—which many economists now expect to linger—is weighing on policy decisions at the Federal Reserve and **starting to have a broader impact** on the overall cost of living, wages and social benefits programs. The Social Security Administration said on Wednesday that higher inflation would trigger a 5.9% increase for Social Security benefits that seniors and other Americans receive, the largest increase in nearly 40 years. It also will increase Social Security taxes for high-wage workers. Last week, the Labor Department said employers increased wages in September by 4.6% compared with a year ago, a pickup from previous months. In minutes released on Wednesday, the Fed said officials last month worried that disrupted supply chains were **raising the risks** of more persistent inflation as they firmed up plans to conclude their bond-buying stimulus program by the middle of next year. Unusually high demand is a crucial factor driving higher inflation. **Spending jumped** at an 11.9% pace in the second quarter as more people received Covid-19 vaccinations, businesses reopened and trillions of dollars in federal aid coursed through the economy. Consumer spending continued to surge in August.

#### Alt causes to inflation and Biden’s antitrust agenda thumps.

Robert H. Bork Jr. 21. Opinion Contributor. President of the Washington-based Antitrust Education Project. “Biden's antitrust demagoguery will drive inflation, not cure it” The Hill. 09-08-21. https://thehill.com/opinion/finance/571009-bidens-antitrust-demagoguery-will-drive-inflation-not-cure-it

If the Biden approach to agriculture and food is demagogic, its approach to oil and gas is risible. The current increase in gasoline prices results from the **supply chain disruption caused by the pandemic**, exacerbated by recent hurricanes and storms. It also may be partly because of the unrelenting **hostility of the Biden administration to American energy**, putting public lands off limits, killing the Keystone XL pipeline and **using regulation to harass the fracking industry**, despite the fact that cleaner-burning natural gas has helped reduce America’s greenhouse gas emissions. Technological advances led the United States to surpass Saudi Arabia and Russia in 2018 to become the world’s leading producer of oil. **Biden’s antitrust policy** also may be contributing to the sudden reversal of this energy glut. It was out of antitrust concerns that Berkshire Hathaway **pulled out of a major natural gas pipeline deal** earlier this year.

#### High wages don’t cause inflation.

Dr. Roy Cordato 18. Senior Economist, Emeritas. “The Myth of “Wage Push” Inflation” John Locke Foundation. 10-25-18. https://www.johnlocke.org/update/the-myth-of-wage-push-inflation/

Now, this doesn’t mean that we may not be seeing increased inflation over the coming months or years. For well over a decade, the Fed has been pursuing a policy of easy money. That’s what the talk of interest rates approaching zero and so-called “quantitative easing” has been all about. The fears of inflation that are all the chatter among the business commentator class are real and justified. What is **wrongheaded is the explanation that it might be caused by increased wages.** This also doesn’t mean that rising wages in certain sectors couldn’t be part of the story of how the new Fed-created money is working its way through the economy. New money flows from the Fed through the banks and into the economy unevenly. Therefore, **prices and wages are also bid up unevenly.** So, as different sectors of the economy receive the new money, possibly through new investment stimulated by the artificially low-interest rates, wages will rise. This, in turn, may lead to those wage earners having more money to spend on goods and services, which will drive up prices generally. But the **higher wages are not the cause of the inflation but a symptom of it.** The **idea that higher wages can cause inflation is simply bad economics**. It is part of the same discredited Keynesian analysis that tells us that government budget deficits create economic growth and that increased saving reduces it. As a wise graduate school professor of mine once told me, to ignore changes in money supply when trying to explain inflation is the equivalent of ignoring the eruption of Mount Vesuvius when trying to explain the destruction of Pompeii.

#### The aff doesn’t cause interest rates to rise.

Ben Carlson 21. “Why aren’t interest rates going up? There are 3 possible reasons” Fortune. 09-28-21. <https://fortune.com/2021/09/28/us-low-interest-rates-falling-federal-reserve-the-fed/>

The latest reading on inflation in the United States **checked in at 5.3%** over the past 12 months, **its highest level in 13 years**. In fact, inflation hasn't been more than 3% since 2011. GDP growth in the second quarter came in at an annualized rate of 6.5%. The Federal Reserve is now projecting 7% economic growth for the whole of 2021, the highest economic growth since the mid-1980s. Granted, these numbers are coming off a low base from the pandemic slowdown. We should expect outliers in economic data to the upside following outliers to the downside. But with all of the government spending, rising home prices, rising wages, supply shortages, retail spending boom and higher inflation, you would assume this is the perfect environment for interest rates to rise. And rates did rise a bit, but only for a time. They are now once again falling and show a clear **divergence from the latest inflation numbers**: In August the 10 year Treasury yield briefly hit 1.13%. So what gives? Why are bond investors still accepting paltry bond yields in the face of rising inflation and economic growth? As with most market moves, there is never one overarching reason. There is a lot that goes into the movement of interest rates. **Demographic** Baby boomers control the bulk of financial assets in this country, with close to $70 trillion in wealth. It's estimated ten thousand boomers will be retiring every single day through the end of the decade. When you are approaching or in retirement age, you don't have as much time or human capital to wait out bear markets. And retirement means your portfolio goes from the accumulation phase to withdrawal mode. For most investors, this **means de-risking at least a portion of their portfolio by decreasing their allocation to stocks** and increasing their allocation to bonds. This is why trillions of dollars have continued to flow into fixed-income funds over the past decade despite generationally low yields. If the demand for bonds remains high, that can **trump macroeconomic factors. The Federal Reserve** Demand for bonds extends beyond the investor class as well. The Federal Reserve has taken a much bigger role as a **buyer of government bonds** in recent years. In 2020, the Fed and the government accounted for nearly 60% of U.S. government bond purchases. Much of this buying was due to the pandemic but you can see the Fed and government now owns more than one-quarter of U.S. government debt: When you add up all of the U.S. investors between pensions, insurance companies, individuals and funds that remains the largest holders of government bonds at more than 40%. This is a good reminder that every liability for one party is an asset for another. What will be interesting in the years ahead is seeing if the Fed will be able to pull out of the debt markets in a big way. With so much debt in this country, it's **hard to see government officials allowing interest rates to go much higher** before the interest expense becomes too burdensome. It's possible the central bank will be forced to continue playing a large role as a holder of government debt to keep borrowing costs under control. **A repricing of risk-free rates** There could be other big picture reasons (beyond investor demand and central banks) why **interest rates aren't rising as many expected.** The United States has the largest, most mature, most diverse economy and financial markets on the planet by a wide margin. We also have the world's reserve currency.

#### But it doesn’t cause extinction.

Zeke Hausfather & Glen P. Peters 20. \*Director of climate and energy at the Breakthrough Institute in Oakland, California. \*\*Research director at the CICERO Center for International Climate Research in Oslo, Norway. "Emissions – the ‘business as usual’ story is misleading". Nature. 1-29-2020. https://www.nature.com/articles/d41586-020-00177-3

In the lead-up to the 2014 IPCC Fifth Assessment Report (AR5), researchers developed four scenarios for what might happen to greenhouse-gas emissions and climate warming by 2100. They gave these scenarios a catchy title: Representative Concentration Pathways (RCPs)1. One describes a world in which global warming is kept well below 2 °C relative to pre-industrial temperatures (as nations later pledged to do under the Paris climate agreement in 2015); it is called RCP2.6. Another paints a dystopian future that is fossil-fuel intensive and excludes any climate mitigation policies, leading to nearly 5 °C of warming by the end of the century2,3. That one is named RCP8.5.

RCP8.5 was intended to explore an unlikely high-risk future2. But it has been widely used by some experts, policymakers and the media as something else entirely: as a likely ‘business as usual’ outcome. A sizeable portion of the literature on climate impacts refers to RCP8.5 as business as usual, implying that it is probable in the absence of stringent climate mitigation. The media then often amplifies this message, sometimes without communicating the nuances. This results in further confusion regarding probable emissions outcomes, because many climate researchers are not familiar with the details of these scenarios in the energy-modelling literature.

This is particularly problematic when the worst-case scenario is contrasted with the most optimistic one, especially in high-profile scholarly work. This includes studies by the IPCC, such as AR5 and last year’s special report on the impact of climate change on the ocean and cryosphere4. The focus becomes the extremes, rather than the multitude of more likely pathways in between.

Happily — and that’s a word we climatologists rarely get to use — the world imagined in RCP8.5 is one that, in our view, becomes increasingly implausible with every passing year5. Emission pathways to get to RCP8.5 generally require an unprecedented fivefold increase in coal use by the end of the century, an amount larger than some estimates of recoverable coal reserves6. It is thought that global coal use peaked in 2013, and although increases are still possible, many energy forecasts expect it to flatline over the next few decades7. Furthermore, the falling cost of clean energy sources is a trend that is unlikely to reverse, even in the absence of new climate policies7.

Assessment of current policies suggests that the world is on course for around 3 °C of warming above pre-industrial levels by the end of the century — still a catastrophic outcome, but a long way from 5 °C7,8. We cannot settle for 3 °C; nor should we dismiss progress.

Plan for progress

Some researchers argue that RCP8.5 could be more likely than was originally proposed. This is because some important feedback effects — such as the release of greenhouse gases from thawing permafrost9,10 — might be much larger than has been estimated by current climate models. These researchers point out that current emissions are in line with such a worst-case scenario11. Yet, in our view, reports of emissions over the past decade suggest that they are actually closer to those in the median scenarios7. We contend that these critics are looking at the extremes and assuming that all the dice are loaded with the worst outcomes.

Asking ‘what’s the worst that could happen?’ is a helpful exercise. It flags potential risks that emerge only at the extremes. RCP8.5 was a useful way to benchmark climate models over an extended period of time, by keeping future scenarios consistent. Perhaps it is for these reasons that the climate-modelling community suggested RCP8.5 “should be considered the highest priority”12.

We must all — from physical scientists and climate-impact modellers to communicators and policymakers — stop presenting the worst-case scenario as the most likely one. Overstating the likelihood of extreme climate impacts can make mitigation seem harder than it actually is. This could lead to defeatism, because the problem is perceived as being out of control and unsolvable. Pressingly, it might result in poor planning, whereas a more realistic range of baseline scenarios will strengthen the assessment of climate risk.

#### Inflation is already here.

Lorie Konish 21. Personal Finance Reporter. “Inflation is not going away any time soon. Here’s how top financial advisors are handling it” CNBC. 10-19-21. https://www.cnbc.com/2021/10/19/inflation-is-here-for-now-how-top-financial-advisors-are-handling-it.html

One looming question for the U.S. economy is how long inflation is here to stay. Based on recent government data, there is good reason for asking. The Consumer Price Index, which measures the average change over time of prices paid by urban consumers, had a **year-over-year gain of 5.4%** in September, **the fastest pace in decades.** Meanwhile, the Federal Reserve’s preferred measure of inflation, the core personal consumption expenditures price index, **climbed to a 30-year high in August**, when it was up 3.6% over the previous year. Officials at the Fed are taking notice, based on recently released minutes from a September meeting, where some said it could last longer than they had assumed. They’re not the only ones who are worried. More than 7 out of 10 of retirement age investors — 71% — said they believe rising inflation will negatively affect their retirement savings, according to a recent survey from Global Atlantic Financial Group. More from FA 100: Here’s where to invest your money in 2022, CNBC’s top advisors say Here’s how to choose the right financial advisor for you Here’s how top financial advisors are hiring young talent “The big argument right now is how much inflation are we going to get and how permanent will it be,” said James Angel, associate professor of finance at Georgetown University’s McDonough School of Business. Signs of cost push inflation, which is marked by increases in production costs, are cropping up now, just as they did in the 1970s, Angel said. On top of that, there has been both monetary and fiscal stimulus heaped on the economy. That in **itself is going to be inflationary**, Angel said.

# 1AR

## Inequality

## Inflation DA

#### Nuke war causes extinction AND outweighs other existential risks

PND 16. internally citing Zbigniew Brzezinski, Council of Foreign Relations and former national security adviser to President Carter, Toon and Robock’s 2012 study on nuclear winter in the Bulletin of Atomic Scientists, Gareth Evans’ International Commission on Nuclear Non-proliferation and Disarmament Report, Congressional EMP studies, studies on nuclear winter by Seth Baum of the Global Catastrophic Risk Institute and Martin Hellman of Stanford University, and U.S. and Russian former Defense Secretaries and former heads of nuclear missile forces, brief submitted to the United Nations General Assembly, Open-Ended Working Group on nuclear risks. A/AC.286/NGO/13. 05-03-2016. http://www.reachingcriticalwill.org/images/documents/Disarmament-fora/OEWG/2016/Documents/NGO13.pdf

Consequences human survival 12. Even if the 'other' side does NOT launch in response the smoke from 'their' burning cities (incinerated by 'us') will still make 'our' country (and the rest of the world) uninhabitable, potentially inducing global famine lasting up to decades. Toon and Robock note in ‘Self Assured Destruction’, in the Bulletin of Atomic Scientists 68/5, 2012, that: 13. “A nuclear war between Russia and the United States, even after the arsenal reductions planned under New START, could produce a nuclear winter. Hence, an attack by either side could be suicidal, resulting in self assured destruction. Even a 'small' nuclear war between India and Pakistan, with each country detonating 50 Hiroshima-size atom bombs--only about 0.03 percent of the global nuclear arsenal's explosive power--as air bursts in urban areas, could produce so much smoke that temperatures would fall below those of the Little Ice Age of the fourteenth to nineteenth centuries, shortening the growing season around the world and threatening the global food supply. Furthermore, there would be massive ozone depletion, allowing more ultraviolet radiation to reach Earth's surface. Recent studies predict that agricultural production in parts of the United States and China would decline by about 20 percent for four years, and by 10 percent for a decade.” 14. A conflagration involving USA/NATO forces and those of Russian federation would most likely cause the deaths of most/nearly all/all humans (and severely impact/extinguish other species) as well as destroying the delicate interwoven techno-structure on which latter-day 'civilization' has come to depend. Temperatures would drop to below those of the last ice-age for up to 30 years as a result of the lofting of up to 180 million tonnes of very black soot into the stratosphere where it would remain for decades. 15. Though human ingenuity and resilience shouldn't be underestimated, human survival itself is arguably problematic, to put it mildly, under a 2000+ warhead USA/Russian federation scenario. 16. The Joint Statement on Catastrophic Humanitarian Consequences signed October 2013 by 146 governments mentioned 'Human Survival' no less than 5 times. The most recent (December 2014) one gives it a highly prominent place. Gareth Evans’ ICNND (International Commission on Nuclear Non-proliferation and Disarmament) Report made it clear that it saw the threat posed by nuclear weapons use as one that at least threatens what we now call 'civilization' and that potentially threatens human survival with an immediacy that even climate change does not, though we can see the results of climate change here and now and of course the immediate post-nuclear results for Hiroshima and Nagasaki as well.

#### This dude’s only quals is that his name is Ben…screenshot below.

Text

Description automatically generated

#### 1. Worker suppression hurts growth, prices, and causes inflation.

Eric A. Posner 8/13/21. Kirkland & Ellis Distinguished Service Professor at University of Chicago. How Antitrust Failed Workers. Oxford University Press, 2021.

The economic consequences of labor market power are analogous to those of product market power. Product market power has two wellknown effects. It redistributes from consumers to the firm: consumers must pay more for products, and the firm earns greater profits at their expense. And it creates waste or deadweight loss. Some consumers would be willing to pay the efficient, marginal cost price that the firm would have charged in a competitive market but are not willing to pay the higher price the monopolist chooses to charge.

Similarly, monopsony power has two effects. It redistributes from workers to employers by lowering wages. And it creates waste: some workers would have been willing to work for the employer if they had been paid their full marginal revenue product but will quit if they are paid the marked-down wage the monopsonist offers. This leads to increased unemployment or nonemployment as workers find prevailing wages unacceptable and exit the labor force or refuse to take available jobs. Economic output also declines.

Monopsony power creates other negative effects as well. First, to the extent that the degree of monopsony power differs across employers, it will also lead to misemployment: workers may be more productive at employer A, which has a lot of labor market power, than at employer B, which has a little. But B may offer higher wages because of its limited labor market power. The worker may thus choose to work at B, lowering the productivity of the economy. Misallocation may be particularly severe because of the two-sided matching problem. If matches between workers and firms generate specific benefits, monopsony can distort which firms match which workers, which will lower the allocative efficiency of the market.

Second, employers will often cut benefits, rather than cut wages, to take advantage of workers who are locked into the job. The firm has no need to retain these workers and thus may wastefully degrade conditions of work these “stuck” workers particularly value, instead catering only to the workers the firm is worried about losing.26

Third, monopsony raises prices for consumers. This may seem counterintuitive: won’t lower wages to workers be passed through to consumers as reduced prices? That argument is often made as a defense of monopsony power.

In fact, however, this argument is wrong. To see this, note that if firms employ fewer workers, they will produce less output, resulting in higher prices. The labor cost savings accrue to the employer itself (or its shareholders), not to the buyers of its goods. Those buyers will pay a price that is determined by the structure of the product market, not the labor market. So, for example, if the employer is also a monopolist in the product market, it will charge the buyers the monopoly price—which is determined by how much buyers are willing to pay. And if the product market is competitive, the employer will charge prices for its goods that are no higher than the competitive price—with its competitors taking up the slack as the employer itself will produce less given its small workforce. The technical explanation is that while the firm lowers wages to workers, the cost to the firm of hiring workers rises as the firm now considers the fact that, when it hires an additional worker, it also will pay its other workers more. When a monopsonist hires a single worker, it must increase wages for all its workers. (Recall that employers cannot easily wage-discriminate.)27 If this seems paradoxical, note that it is merely the flip side of a well-understood feature of monopolistic control of product markets: that a monopolist produces fewer products and charges a higher price for them than does a competitive firm. Monopoly and monopsony are two sides of the same coin, and both harm labor and product markets.

Fourth, and precisely for this reason, monopsony power reinforces and exacerbates monopoly power. In fact, both can be seen as two alternative ways for the owners of capital to squeeze workers and thus reduce the returns to productive work and the output of the economy. The markdown on wages caused by monopsony and the markup on prices caused by monopoly are akin to taxes: payments that ordinary people must pay in order to go about their daily life as producers and consumers. However, the payments go not to governments to fund programs, but to firms and, ultimately, investors. And the payments do not spur investment and raise economic growth because they depend in the first place on the willingness of managers to leave capital idle to obtain market power, while driving workers out of the workforce and onto taxpayer-financed relief programs.

**Interest rates will be spiked due to labor market shortages which the plan solves, otherwise they’ll be held back until 2023.**

Shrutee Sarkar 21. “Fed to wait until 2023 to raise rates, but there is risk of earlier hike” Reuters. 10-19-21. <https://www.reuters.com/business/fed-wait-until-2023-raise-rates-there-is-risk-earlier-hike-2021-10-20/>

BENGALURU, Oct 20 (Reuters) - The Federal Reserve will wait until 2023 before raising interest rates, according to a majority of economists in a Reuters poll who nonetheless said the greater risk for the U.S. economy was persistently higher inflation over the coming year. While half the members of the U.S. central bank’s policy-setting committee projected last month that the Fed would raise its benchmark overnight lending rate - federal funds rate - next year, most economists surveyed were more cautious. “We continue to expect the Fed to remain patient. We continue to forecast no liftoff for the funds rate until late 2023, but exact timing will depend critically on how the outlook evolves as more data are reported,” said Jim O’Sullivan, chief U.S. macro strategist at TD Securities.Forty of 67 economists said the fed funds rate would rise from its current level of 0-0.25% in 2023 or later, with most clustering around the first quarter of that year. The remaining 27 economists expect a rate hike by the end of next year.Reuters Poll: U.S. economy outlook Reuters Poll: U.S. economy outlook Pent-up consumer demand in a reopening economy is raising price pressures at a time when global supply chains, disrupted by the coronavirus pandemic, are causing widespread inventory shortages.High inflation is a concern for many central banks, some of which have already raised rates or are close to doing so. The Fed, for its part, is expected to announce next month that it will begin reducing the $120 billion in monthly bond purchases it has been making to stem the economic fallout of the pandemic.Report ad Twenty-nine of the 37 economists who responded said the risk for the timing of the Fed’s first interest rate hike was that it could come earlier than they expected.“Unfortunately, we doubt supply-chain issues and labor market shortages will be resolved quickly, so inflation will remain elevated through 2022. Given this situation, we expect interest rate rises in September and December next year,” said James Knightley, chief international economist at ING.Twenty-two of the 40 economists who responded to an additional question said the greater worry for the U.S. economy over the coming year was persistently higher inflation, and 30% of them said it was a bigger-than-expected slowdown in growth.The consensus for the personal consumption expenditures (PCE) price index excluding food and energy, one of the Fed’s key inflation gauges, pointed to above-target inflation through to the end of next year, albeit slowing in the second half of 2022, along with economic growth.“We are raising core inflation estimates a little, reflecting ongoing supply/demand imbalances,” TD Securities’ O’Sullivan said.“Yes, the inflation projections for 2021 keep getting raised, but Fed policy needs to be positioned appropriately for where the economy is heading, not where it has been.”After expanding 6.7% in the second quarter on an annualized basis, U.S. economic growth was expected to have slowed to 3.8% in the third quarter before expanding 5.0% in the current quarter. That compared with the 4.4% and 5.1% predicted in September for the third and fourth quarters, respectively.On average, the economy was expected to grow 4.0% next year, 2.5% in 2023 and 2.2% in 2024. That compared with previous forecasts of 4.2% for 2022 and 2.3% for 2023. The September poll did not ask for forecasts for 2024.The dilemma for Fed policymakers, who are tasked with targeting stable inflation as well as maximum employment, is whether early rate hikes to stop inflation from spiraling higher might potentially sacrifice further job gains.

#### 2. Higher wages

Susan Helper 21. Carlton Professor of Economics at the Weatherhead School of Management, Case Western Reserve University. She is former Chief Economist of the U.S. Department of Commerce, and a member of the EPI board. “Businesses can thrive with a higher minimum wage, and government can help” Economic Policy Institute. 04-01-21. <https://www.epi.org/blog/businesses-can-thrive-with-a-higher-minimum-wage-and-government-can-help/>

A great deal of research shows that higher minimum wages benefit workers by adding to their income while causing little unemployment, as this report and this report show. Employers can adjust to paying higher wages in three ways: (1) increasing prices, (2) accepting reduced profits, or (3) offsetting higher-wage costs with increased ability by adopting “high-road” practices. In this blog post, I argue that insufficient attention has been paid to this third channel, and that government efforts to help firms “take the high road” could ease firms’ transition to higher wages in a way that also benefits workers and consumers. Much research documents the ways that firms can utilize high-road policies or good-jobs strategies to tap the knowledge of all their workers to create innovative products and processes. In retail, for example, firms such as Costco and Trader Joe’s pay far above minimum wage, yet **remain profitable,** as MIT’s Zeynep Ton has shown. The key to their success is **a mix of complementary practices** in marketing (reducing the number of products and promotion so that stores can manage inventory efficiently), human resources (cross-training workers so they can respond to a variety of demands), and operations (avoiding unneeded steps, in part by soliciting feedback from employees). In manufacturing, one successful high-road strategy is “agile production,” in which firms design, set up, and produce a variety of products quickly. Because the product mix changes constantly, a fixed division of labor is not practical. As Helper and Martins show, this strategy is especially effective when firms also consistently perform preventive maintenance (so machines are ready when needed); have employees participate in quality circles (to debug new products and processes quickly); and have a higher percentage of sales from products designed by the firm (to generate a steady stream of products that need such debugging). In sum, many high-road firms **thrive while paying higher wages** than their competitors do because their highly skilled workers help these firms achieve **high rates of innovation and quality** and can enable a **fast response to unexpected situations**. The resulting high productivity allows these firms both to **pay high wages and still make acceptable profits.**

#### 1. Yellen said inflation will occur for the foreseeable future---antitrust isn’t key.

Jeff Cox 21. Finance Editor. “Yellen sees inflation staying higher for the next several months” CNBC. 05-10-21. <https://www.cnbc.com/2021/10/05/yellen-sees-inflation-staying-higher-for-the-next-several-months.html>

Treasury Secretary Janet Yellen cautioned Tuesday that inflationary pressures hitting the U.S. economy **could last for a while.** Coming less than a week after Federal Reserve Chairman Jerome Powell called inflation “frustrating,” Yellen told CNBC that the various issues that have colluded to push up prices likely will pass though she’s not sure how long that will take. “**Supply bottlenecks** have developed that have caused inflation,” she said during a live “Squawk Box” interview. “I believe that they’re transitory, but that **doesn’t mean they’ll go away** over the next several months.” Fed officials often use the word “transitory” to describe the current run that has inflation running at a 3.6% year-over-year rate, a 30-year high, according to their preferred gauge. Other measures of inflation, such as the consumer price index, are registering considerably higher, and some economists believe the **central bank is understating the durability of inflation.**

#### 2. Inflation gains are the highest they’ve been since 2008.

Taylor Tepper 21. An award-winning journalist who has covered a range of personal finance topics in the New York Times, Newsweek, Fortune, Money magazine, Bloomberg, and NPR. “Why Is Inflation Rising Right Now?” Forbes Advisor. 07-13-21. https://www.forbes.com/advisor/investing/why-is-inflation-rising-right-now/

**Inflation is here.** As with the April report, the May CPI inflation report from the Bureau of Labor Statistics (BLS) highlighted that prices rose across the board by a lot. Overall, prices in May **climbed 5% year over year**, the biggest such gain in the headline CPI data **since August 2008**. Even when you strip out volatile food and energy prices—so-called core CPI inflation—prices rose by 3.8% year over year in May. Certain components of the May CPI report saw enormous gains. Used cars and trucks were 7% more expensive in May than in April, which itself saw a historic **10% increase** month over month. Gas prices are slightly down this month compared to last—but still up more than 56% from this time last year. The Federal Reserve, whose job it is to keep price growth stable, has been telling anyone who’ll listen to expect higher inflation in the near term as the economy gets back to normal. The Fed is also saying that near-term inflation increases should give way to more healthy price growth over the longer haul. Still, the May CPI numbers came in slightly **higher than many analysts were predicting**, though these jitters don’t appear to have sizably impacted the stock market’s pre-trading values. Major indexes futures remained slightly in the black following the report dropping.

#### 1. Even if cheap, we won’t use renewables.

Ula Chrobak 10-8. “Solar power got cheap. So why aren’t we using it more?” Popular Science. https://www.popsci.com/story/environment/cheap-renewable-energy-vs-fossil-fuels/

Many of us might assume that the reason so much energy still comes from gas and coal power plants is simple economics: those fuels are cheaper. But though it was once true, that **assumption has actually been obliterated by a recent decline in solar and wind costs over the past decade.** When it comes to the cost of energy from new power plants, onshore wind and solar are now the **cheapest sources**—costing less than gas, geothermal, coal, or nuclear. Solar, in particular, has cheapened at a blistering pace. Just 10 years ago, it was the most expensive option for building a new energy development. Since then, that **cost has dropped by 90 percent**, according to data from the Levelized Cost of Energy Report and as highlighted recently by Our World in Data. Utility-scale solar arrays are now the least costly option to build and operate. Wind power has also shown a dramatic decline—the lifetime costs of new wind farms dropped by 71 percent in the last decade. line graph showing cost of different energy sources changing from 2009 to 2019 Solar got cheaper without you even realizing it. Infographic by Sara Chodosh Natural gas prices decreased over that time, too, though by a lesser amount—32 percent—but that’s due to the recent fracking boom and not a longer term trend like that seen in renewables, the article states. The cost of building coal plants stayed relatively stable over the decade. The story behind low costs Solar became cheap due to **forces called learning curves and virtuous cycles**, the article describes. Harnessing the power of the sun used to be so expensive that it was only used for satellites. In 1956, for instance, the cost of one watt of solar capacity was $1,825. (Now, utility-scale solar can cost as little as $0.70 per watt.) The initial demand for satellites fueled a so-called “virtuous cycle.” The more panels were produced for satellites, the more their price declined, and the more they were adopted for other niche purposes. As the cost further declined due to technology improvements and the rise of economies of scale, solar was able to eventually debut as a viable general-purpose energy source. Since 1976, each doubling of solar capacity has led to a 20.2 percent average decline in the price of solar panels. Fossil fuels, in comparison, can’t keep up with this pace. That’s because fossil power plants have to buy mined fuels to operate. In coal plants, supplying the coal accounts for about 40 percent of total expenses. Sunshine and wind are free, which allows the costs of tapping into their power to decline sharply as technology improves and the industry grows. Mark Paul, an environmental economist at the New College of Florida, adds that this cycle didn’t happen in a business-only vacuum. “The US government invested serious sums of money into developing modern [photovoltaic] technology during early stages of what we think of as the price curve,” he says. “It drastically improved the efficiency of solar modules, both in our ability to produce them and how much energy solar is able to produce.” Today’s energy mix The globe’s energy mix has responded to the bargain prices on renewables. In 2019, 72 percent of new energy capacity came from renewable sources and global renewable power capacity has more than tripled in the last 20 years. In the United States, renewable power has been ramping up, too. In 2007, wind made up less than one percent of energy capacity, and even less for solar, while coal contributed half. While 2020 estimates are still preliminary, it’s likely that the total output from renewables (including solar and wind as well as other sources like hydropower and biomass) surpassed coal, which only contributed about a fifth of power generated. “2020 … will have been the best year ever for new wind installations in the US and the best year ever for new solar installations,” says John Rogers, an energy analyst at the Union of Concerned Scientists. area chart showing how proportion of energy in the US changing from 2001 to 2019 Despite decreases in price, renewables still make up a tiny fraction of our total energy. Infographic by Sara Chodosh But these **changes are still not enough to reduce greenhouse gas** at the rate needed to curb the worst impacts of climate change. While coal plants have been shuttering across the country, **the fracking boom has brought in a glut of cheap fossil gas.** While this abundant and affordable fuel emits up to 60 percent less carbon dioxide when burned compared to coal, it still contributes to climate change, including from the notorious methane leakages from its facilities. . Oil also still accounts for a large share of polluting emissions **due to its use in powering cars and trucks**. In fact, transportation accounts for more emissions than any other sector in the country. Delays to a green transition **Despite a massive drop in costs, renewables haven’t replaced fossil fuels at the rate you might expect. That’s because the investments, policies, and very infrastructure of the energy industry as a whole are very much skewed in favor of fossil fuels.** While it is cheaper to build renewables when considering a new plant, that metric doesn’t necessarily apply to running a fossil fuel plant that **already exists**, explains Ashley Langer, an energy economist at the University of Arizona. Sometimes, she adds, the **regulatory structure** of utilities actually makes it more profitable to keep a coal or natural gas plant running. Langer says this is especially true for the state-regulated monopolies that supply power in about **half of US states**. These investor-owned utilities are guaranteed a certain rate of return on their investments in power facilities, which basically guarantees continued earnings in exchange for running those plants. Even if the actual market costs of their energy sources would make operations costly, these **monopolies are set up so that that’s not really a concern.** “The thing that’s really preventing us from rapidly transitioning is what we call the **lock-in effect**,” says Paul. “We have existing fossil plants where we’ve already paid to build them and the cost of producing one more unit of electricity is **cheaper from using existing infrastructure** than building new infrastructure in most cases. So given that we’ve already paid the upfront cost of this fossil fuel infrastructure, the economics don’t quite line up yet where we’re going to facilitate a rapid phase out of fossil fuel plants prior to the end of their life cycle.”

#### 2. Renewables are already cheap, but can’t solve in time.

Bill McKibben 21. “Renewable Energy Is Suddenly Startlingly Cheap” The New Yorker. 04-28-21. <https://www.newyorker.com/news/annals-of-a-warming-planet/renewable-energy-is-suddenly-startlingly-cheap>

We haven’t yet fully grasped this potential because it’s happened so fast. In 2015, zero per cent of solar’s technical potential was economically viable—the small number of solar panels that existed at that time had to be heavily subsidized. But prices for solar energy have collapsed so fast over the past three years that **sixty per cent of that potential is already economically viable.** And, because costs continue to slide with every quarter, solar energy will be cheaper than fossil fuels almost everywhere on the planet by the decade’s end. (It’s a delicious historical irony that this evolution took place, entirely by coincidence, during the Administration of Donald Trump, even as he ranted about how solar wasn’t “strong enough” and was “very, very expensive.”) The Carbon Tracker report, co-written by Kingsmill Bond, is full of fascinating points, including how renewable energy is the biggest gift of all for some of the poorest nations, including in Africa, where solar potential outweighs current energy use by a factor of more than a thousand. Only a **few countries**—Singapore, Japan, Korea, Taiwan, and a handful of European countries—are “stretched” in their ability to rely on renewables, because they both use a lot of energy and have little unoccupied land. In these terms, Germany is in the third-worst position, and the fact that it is nonetheless one of the world’s leaders in renewable energy should be a powerful signal: “If the Germans can find solutions, then so can everyone else.” Clearly, those few nations are going to be importing some renewable energy—a more farsighted Australian Prime Minister would be figuring out how to send ships full of solar-generated hydrogen to Japan, not how to continue shipping coal to China. (And, in fact, the world’s largest solar farm is set to end up in the Australian outback, connected by at least two thick undersea cables to Singapore.) The numbers in the report are overwhelming—even if the analysts are too optimistic by half, we’ll still be swimming in cheap solar energy. “We have established that technical and economic barriers have been **crossed by falling costs**. It follows that the main remaining barrier to change is the ability of incumbents to manipulate political forces to stop change,” the report reads. Indeed. And the problem is that we need that change to happen right now, because the curves of damage from the climate crisis are as steep as the curves of falling solar prices. Given three or four decades, economics will clearly take care of the problem—the low price of solar power will keep pushing us to replace liquid fuels with electricity generated from the sun, and, eventually, no one will have a gas boiler in the basement or an internal-combustion engine in the car. But, if the transition takes three or four decades, no one will have an ice cap in the Arctic, either, and everyone who lives near a coast will be figuring out where on earth to go. That conundrum was illuminated on Friday, when word came that Governor Gavin Newsom, of California, who has been under pressure from an unrelenting activist campaign, agreed to ban new fracking permits in his state and end fossil-fuel production there altogether. This is a stunning achievement—for the planet and also for the California communities (and you can guess what kinds of communities they are) that currently have oil wells in their schoolyards and next to their hospitals. The environmentalists who banded together in the Last Chance Alliance should be incredibly proud; Newsom (who is now facing a recall election) deserves credit, as well, because this is precisely the step that his famously green predecessor, Jerry Brown, did not take. The fracking ban, though, only **affects a small percentage of California’s oil production**, and won’t take effect **until 2024**. The ban on oil production would not happen until 2045, which in **climate terms is the very distant future**—a decade past the date when California will ban the sale of new gas-powered cars, which are the main use of oil in the state. It’s clear why Newsom is slow-walking the changes. An executive secretary of a building-trades council immediately responded, “We will work to oppose this effort for our membership, their families, our schools, and our future. I have one question for Gavin Newsom: Are our jobs too dirty for you?”

## Horse Trading DA

#### It can’t turn the case---there’s no impact uniqueness for disinformation.

Kristen Ruby 20. CEO of Ruby Media Group, an award-winning social media marketing and public relations agency based in New York – has more than 12 years of experience in the social media industry. "Social Media Misinformation: Stop blaming tech companies and blame CEO's who cut funding for journalists.” LinkedIn Pulse. 04-30-2020. https://www.linkedin.com/pulse/social-media-misinformation-stop-blaming-tech-companies-kristen-ruby-1e

How we can do our part to reduce the spread of social media misinformation during the pandemic The Hill recently ran an article about the increasing distrust on social media surrounding fake news and the media continues to talk about how to stop the spread of misinformation online during the global pandemic. Can we stop blaming the trust (or mistrust) levels of social media on coronavirus? Let’s back up for a second. Distrust in social media has been around long before the pandemic. The notion of “fake news” has also been around for years. Distrust of social media has not become worse during the coronavirus pandemic. Distrust is not the issue. The real issue is the broken news system. We have a system where people are quoting nurses without properly vetting their credentials. We have major media outlets running hospital footage that is later retracted and found to be from another hospital in another country. We have media outlets quoting medical professionals who don't even work at the hospitals they say they work at and media outlets run this as news anyway. We have newsrooms stretched so thin they have one reporter covering numerous beats, including the medical beat, which should be a specific vertical in itself and once used to be. Now, we have reporters handling medical AND entertainment. Covering healthcare isn't remotely the same as covering a new Netflix launch. Do you see how deep this problem really is? Do I blame the newsrooms, reporters, journalists and producers for this? No. The real problem here is at the corporate level of newspapers and broadcast networks when someone made the decision to cut funding for the staffing of producers, bookers, journalists, reporters and on-air talent. Just like there is a healthcare crisis and the hospital system is broken, the media system is broken and it's time we acknowledge it. Stop blaming “fake news” or social media platforms. That is irresponsible and lazy and circumvents who is really to blame for this- the executives who cut funding for journalists and reporters specializing in these areas to cover and report the news on these topics. This is not the fault of Mark Zuckerberg. This is the fault of the CEO who decided he would rather spend funds on a new studio and lighting than invest in journalists. If you want to do your part to reduce the spread of misinformation, stop blaming social media companies and start taking responsibility for your role in the demise of traditional media. Every click you make online leads to the further demise of traditional media. Media will never go back to the pre-COVID-19 era. However, if there is anything we can take away from this crisis, it is that we must invest in fact-checking and traditional ethics of journalism in the same way that we did fifty years ago. It is okay that digital media will replace traditional media with the rise of social media channels. What is not okay is if we collectively replace a system of journalistic integrity and a deep sense of ethics in reporting with new media channels that are not staffed to support the growth of these platforms.

#### 3. Plan doesn’t deal with online platforms.

Brittany Meiling, 7-31-21. San Diego Union-Tribune. "Employers bow to tech workers in hottest job market since the dot-com era". Los Angeles Times. 7-31-2021. https://www.latimes.com/business/story/2021-07-31/employers-bow-down-to-tech-workers-in-hottest-job-market

There’s an air of desperation among tech employers this summer. Software talent, it seems, is in such high demand that companies are morphing how they hire. And workers are the ones with the power. Good and experienced tech workers are being treated like celebrities — hounded by recruiters, courted by managers, and bestowed a bevy of options before choosing their next boss. “It makes you feel like you’re amazing, when really ... you’re just another software engineer that’s looking for a job,” said Henry Chesnutt, who just moved back to San Diego from San Francisco to work at the rapidly growing tech startup Flock Freight. The job outlook for workers like Chesnutt has been good for much of the last decade. But now, a multitude of factors are driving competition for talent to a level not seen in nearly 20 years, some recruiters say. “This is the most competitive market I can remember in my professional career, with many people comparing it to the dot-com market of the late ‘90s,” said Jim Bartolomea, vice president of global talent at tech titan ServiceNow, which employs a huge chunk of the software talent in San Diego. Last month, employers posted more than 365,000 job openings for IT workers, the highest monthly total since September 2019, according to IT trade group CompTIA. The positions highest in demand include software developers, IT support specialists, systems engineers and architects. [There’s no labor shortage — just not enough good jobs](https://www.latimes.com/business/story/2021-07-02/labor-shortage-is-workers-crisis-as-covid-economy-recovers) Employers in California and the U.S. are scrambling to fill jobs as the dust from the pandemic begins to settle. Just don’t call it a labor shortage. The demand has been attributed to all sorts of things. During the pandemic, businesses that had been slow to adopt enterprise software began rapidly catching up. A tidal wave of productivity software, conferencing and collaboration tools, and e-commerce tech flooded the world. The same was true for consumer tech, with video game development, entertainment tech and social platforms booming. Many of these jobs are going unfilled, as competition for new hires ramps up. Simultaneously, remote work became the status quo in the tech industry. Suddenly, software talent could pick and choose from a massive pool of job opportunities. All while existing talent is beginning to stray. Roughly a third of more than 2,800 IT professionals said they plan to look for a new job in the next few months, according to a recent Robert Half International survey. Aaron Bartholomew, a lead backend developer at tech company Trust & Will, just went through a two-month job search in which he held the power in the employer-worker exchange. “I realized pretty quick that I was the one with the upper hand,” Bartholomew said. “All these companies were moving incredibly fast to try and close on me.” Software interviews have a reputation for being slow, painful processes that involve tests of logic, design and computer science knowledge. Years ago, Chesnutt was tested for five straight hours on algorithms during an interview with YouTube. But now, these technical interviews are often being waived, said Chesnutt and Bartholomew, who both experienced this step dropped for the sake of urgency. Recruiters are increasingly using what Chesnutt sees as pressure tactics, such as “exploding offers,” which are job offers that self-detonate at a set date and time if engineers don’t accept them soon enough. “They’ll try to rush you through the process as soon as possible, and get you to sign that day while they’re on the phone with you,” Chesnutt said. Brett Wayne, a tech recruiter and managing director at Cypress, said the competitive pressure is unlike anything he’s seen in his 13-year career in recruiting. He likened it to what’s happening in the real estate market. Just like a hot property with multiple bids, Chesnutt ended his job hunt with four employment offers. To win a bid on a quality engineer, companies are offering things such as flexible hours, sign-on bonuses and permanent remote work, the last of which has become a requirement for much of the workforce. Dice, a website and staffing firm that focuses on tech talent, published [a report in June](https://www.dice.com/media/dice-press-releases/6-15-21-dice-report-shows-technologists-desire-flexible-structure-over-full-time-remote-work.html) that found only 17% of technologists wanted to work in an office full time, while 59% wanted remote and hybrid approaches. [‘Work from anywhere’ is here to stay. How will it change our workplaces?](https://www.latimes.com/business/technology/story/2020-11-12/companies-will-allow-employees-to-work-wherever-they-want) Working from home will become the norm for many employees even after the pandemic ends. But prepare for a pay cut. Wayne said he’s observed companies shoot themselves in the foot by not offering remote options, making an already slim candidate pool even slimmer. “If it was hard to hire talent 18 months ago — and now you cut the group you’re going for in half — it’s going to be really tough for you,” Wayne said. Bartholomew said he’s watched a great migration of developers out of urban areas, riding remote work out of San Diego or other cities. “Literally about 50% of my peer group has moved,” Bartholomew said. “Companies that adapt will get the majority of the talent pool.” It’s not strict remote work, however, that seems to be appealing to the majority of engineers, according to the Dice report. It’s more about flexibility to choose. “While many technologists would still prefer to work 100% remotely, there is an equal desire for a hybrid approach, and we’ve actually seen fewer remote days per week become more desirable over the past year,” Art Zeile, CEO chief executive of Dice, said in a statement. “The companies who succeed in attracting and retaining top talent will be those who take the time to build an agile approach that gives technologists flexibility and control over their work environment.” U.S. tech salaries are also on the rise. A recent [Dice report](https://techhub.dice.com/Dice-2021-Tech-Salary-Report.html) found tech jobs saw an average salary increase of 3.6% between late 2019 and late 2020. That might not sound like much, but it’s a significant jump compared with 2017, 2018 and 2019, when annual increases were less than 1%. U.S. employers across all industries — not just tech — reported their strongest hiring outlook since 2000, according to an [employment outlook survey](https://www2.staffingindustry.com/site/Editorial/Daily-News/US-hiring-plans-in-Q3-highest-since-2000-ManpowerGroup-57966) published by staffing giant ManpowerGroup in June. “It’s a worker’s market, and employees are acting like consumers in how they are consuming work — seeking flexibility, competitive pay and fast decisions,” Becky Frankiewicz, ManpowerGroup president for North America, said in a statement. “Now is the time for employers to get creative to attract talent — and to hold onto the workers they have with both hands.”

#### 2. Texas law thumps.

Jessica Guynn 21. USA TODAY. “Texas is about to pass a new law Republicans say will stop censorship of conservatives on Facebook, Twitter” 09-01-21. https://www.usatoday.com/story/tech/2021/09/01/texas-censorship-conservatives-facebook-twitter-youtube-trump-law/5683621001/

**Texas is on the verge of passing a new law that would crack down on social media companies Republicans say are censoring conservative speech.** The legislature passed the bill. It now heads to the desk of Gov. Greg Abbott, a Republican who has publicly backed it and is **expected to sign it.** The new law, passed in the final days of the second special session called by Abbott, would allow any Texas resident banned from Facebook, Twitter or Google's YouTube for their political views to **sue the companies**. The state attorney general also would be able to sue on behalf of a user or a group of users.