# 1NC

### T Prohibit---1NC

#### Prohibitions are distinct from remedies that only block the anticompetitive elements of a practice, rather than the practice itself.

Jo Seldeslachts et al. ‘7. Professor of Industrial Organization at KU Leuven and a Senior Research Fellow at DIW Berlin, with Joseph A. Clougherty and Pedro Pita Barros. “Remedy for now but prohibit for tomorrow: the deterrence effects of merger policy tools.” https://www.ssoar.info/ssoar/bitstream/handle/document/25862/ssoar-2007-seldeslachts\_et\_al-remedy\_for\_now\_but\_prohibit.pdf;jsessionid=A244005110FDB5816E0347D9F1B75436?sequence=1

Let us now think about the differences between the two antitrust actions of prohibitions and remedies.7 In the case of a prohibition, the penalty for proposing a merger with significant anti-competitive problems involves the full prohibition of the merger: both the pro-competitive and the anti-competitive profits for merging firms are negated by the prohibition. The throwing out of the pro-competitive profits along with the anti-competitive profits is important, as this brings about the punitive measure that Posner (1970) acknowledges as being crucial for deterrence. The big difference between remedies and prohibitions is that remedies attempt to identify and eliminate the anti-competitive elements of a merger. In essence, the merging firms are able to hold on to the pro-competitive elements of the merger—so they keep (ΠPC), but the anti-competitive elements of the merger (ΠAC) are negated by the remedial action. If an antitrust authority imposes remedies, then the disincentive for firms to propose anti-competitive mergers is clearly lower. In short, prohibitions seemingly involve more deterrence than do remedies, as prohibitions represent larger punishments.

#### Business practices are ongoing conduct defined by the behaviors of many market participants

Kerry Lynn Macintosh 97. Associate Professor of Law, Santa Clara University School of Law. B.A. 1978, Pomona College; J.D. 1982, Stanford University, “Liberty, Trade, and the Uniform Commercial Code: When Should Default Rules Be Based On Business Practices?,” 38 Wm. & Mary L. Rev. 1465, Lexis.

These new and revised articles reflect a strong trend toward choosing default rules 4 that codify existing business practices. 5 [FOOTNOTE 5 BEGINS] In this Article, the term "business practices" is used to refer to practices that emerge over time as countless market participants exercise their freedom to engage in profitable transactions. For an account of the evolution of business practices, see infra Part II. As used here, "business practices" is broader and less technical than "trade usage," which the Code narrowly defines as "any practice or method of dealing having such regularity of observance in a place, vocation, or trade as to justify an expectation that it will be observed with respect to the transaction in question." U.C.C. 1-205(2). [FOOTNOTE 5 ENDS] This is particularly true of the recent revisions to Articles 3 (Negotiable Instruments), 4 (Bank Deposits and Collections) and 5 (Letters of Credit).

#### Violation: The plan only increases behavioral remedies that target anticompetitive aspects of the practice---topical affs must increase prohibitions on the practices themselves.

#### Vote neg for limits and ground---infinite behavioral remedies and no link uniqueness for offense.

### Cap K ---1NC

#### Anti-trust is capitalist---competition inevitably replicates market collapse.

Richard Wolff 19 Professor Emeritus of Economics at University of Massachusetts, Amherst. Transcript from YouTube video: “Economic Update: Competition and Monopoly in Capitalism.” Democracy @ Work. December 9th, 2019. https://www.democracyatwork.info/eu\_competition\_monopoly\_in\_capitalism.

Today I'm going to devote the program to something many of you have asked me to present, to talk about, to analyze, and that is the question of monopoly. It has to do with the assertions we hear often these days that somehow our capitalist system, here in the United States and beyond, is being negatively affected because monopolies have replaced or displaced competition. The idea here is if only we can get competition back, recreate a competitive capitalism, why then the problems we face will go away. Today's program is a design to show you how and why that is not the case, to think about these things in a different way from this nice story that capitalism is basically fine; it's just the monopoly form we have to get rid of so we get back to the competition which we're all supposed to believe is wonderful and presents us with no problems to solve. So let's go, and let's do it in a systematic way.

First, it is of course easier, faced with a declining capitalism, a capitalism that's all around us with its extreme inequalities, with its instabilities – here we are, trying to cope with the effects of the Great Crash of 2008, even while we anticipate the next downturn coming down the road soon – an economic system that has shown (that is, capitalism) that it is not respectful of the natural environment; it is not, as the words now go, sustainable in a reasonable way. Yeah, we're surrounded by problems of capitalism. So it's comforting in that situation to get the idea from somewhere that this really isn't a problem of capitalism as a system but rather the problem brought in somehow from the outside – monopoly – a situation in which competition among many companies gives way in some way we're not quite sure about to a domination by one or a small handful of companies. And so the argument goes, we don't have to be critical of capitalism; we don't have to think about an alternative system. No, no, we just have to deal with this little detail, the monopoly problem. And if we can deal with that, well, we'll get back to a competition, to a competitive capitalism that is good.

There are three big mistakes involved in this way of thinking, which is nonetheless very widespread and very popular, more so now than in quite some years. First mistake: Capitalism has been wrestling with the problem of monopoly from day one. We have had repeated periods of monopoly. They have eventually led to movements, often of many people, to destroy or remove monopoly. We used to call that in America trust-busting, or antitrust. We even have a department within the Department of Justice in Washington devoted to antitrust activities. Yeah, we've been waging battles against monopoly over and over again, and you know why? Because we keep having monopolies over and over again. Google is a monopoly. Amazon is a monopoly. They're all around us: companies that have effectively no real competition. This is a problem that capitalism has always displayed. And that ought to lead you to wonder whether thinking about it as something we can do away with isn't maybe the best possible example of wishful thinking.

The second big mistake is to imagine that competition is some unmixed blessing. It never was, and it isn't today. A competitive market is a human institution. Like every other human institution, it has strengths, and flaws, and weaknesses. To think of competition as some magical perfection is a silly abnegation of your own rational capability to evaluate something. It's sort of advertising thinking. By that, I mean the advertiser tells you what's good about the product they've been told to advertise; they don't tell you what's bad about it. If you want to evaluate it, you don't talk to an advertiser because they only give you one side. The people who promote competition use advertising logic. We're not going to do that here. Competition is no unmixed blessing.

And finally, I'm going to show you that competition is itself the major cause of monopoly. So that even if we ever got back to a competitive capitalism, all that would mean is we're back in the process that produces monopoly – as it always has.

All right, so let's begin. I'm going to start with explaining how competition has all kinds of consequences that most of you, like me, don't like, don't want. It's a discussion, if you like, of competition's other side: you know, the part that the advertiser doesn't tell you about. The used-car salesman who wants you to buy that junk doesn't tell you about what happened last week in the car crash that that was part of, etc., etc.

All right, let's begin. One of the major reasons that American corporations shut down their operations in the United States and moved them to China, among other places, is because of – you guessed it – competition. They wanted to make more money than they had been before. They were afraid of other companies beating them in the competitive game, so they said wow, let's go to China, because there you can pay workers a lot less. There you don't have the same rules to obey. There they don't care that much about pollution as they do here. So we can save on all kinds of costs, and that will allow us to undercut our competitors. Yeah, one of the consequences of competition was the exodus of American companies to other parts of the world, and the enormous unemployment that resulted from it. Yeah, that was a result, among other things, of competition.

Here's another one: Capitalists, employers, seeking to compete with one another, often engage in what we call automation. They bring in machines that are cheaper to use than human laborers, and that gets them a step ahead of their competitors. Okay, if we replace people with machines, we throw those people out of work. That has an impact on them, their self-esteem, their relationship to their spouse, their relationship to their children, their relationship to alcohol – should I continue? What are the social costs of automation? They're huge. They've been documented over and over again. Competition provokes and produces automation.

Let me give you another example: Companies are competing, say, in the food business – you know, trying to get a customer like you or me to buy this kind of cereal rather than another. So they get their labs to go to work, and they discover we can replace wheat, which we used to put in our little flakes, with – Lord help us – some chemical that is cheaper than wheat. We're not going to worry about what that chemical does to your chemistry in your body because we can now lower the price of our cereal, because we're saving on wheat, and undercut the competitor. The human beings who eat this stuff will suffer, now and in the future, but competition left our producer of cereal no choice.

And in case you think I'm making some up, let me give you some concrete ones. The Boeing Corporation, the major producer of airplanes in this country, is in a crisis as a corporation. You know why? Because the 737 Max crashed a couple of times, killing hundreds of people. And you know why? It turns out they economized on safety measures, and training measures. And you know why they did that? Because they're in a very tight competition with European and other airplane manufacturers, and that leads them – as it usually does – to look to cut corners: that race for, quote, "efficiency." Yeah, it was competition that contributed to those deaths and to that problem. That's competition too. You can't whitewash this story; they're real. One of the ways Amazon beats its competition is it speeds up the work process. It has figured out ways to make people work much more intensely, using up their brains, their muscles, their nerves, in ways that cause real long-term physical damage to working people. That, too, is a result of the competitive effort.

And you know, it wasn't so long ago that children were part of the labor force. That's right, kids as young as five and six years of age. We were told they have little fingers, you see. They can be more productive than people who are adults with big fat fingers, you know – that doesn't work. And by the way, you should be grateful because poor kids are the ones we hire, and that gives their poor families more income than they would otherwise have. We heard those arguments. Competition, the companies said, required them to use the more productive, and the lower-wage, children rather than adults. So child labor was also a result of competition. It was so ugly and so troubling to so many people that finally there were movements in the United States and many other countries simply to outlaw child labor. So it became a crime for any employer to use a worker who was under 16 or 18 years of age. That was a way in which people said we are not going to allow competition among capitalists to destroy our children. They were recognizing that competition has an awful effect in what it does to children.

Well, it has many awful effects. So let's be clear: In the history of capitalism, the monopoly problem (which we're going to get to in the second half of today's program) is no worse, it's just different, from the competition problems. Capitalism goes through phases of competition and monopoly, going from one to the other, as I will explain. But we shouldn't bemoan the one in favor of the other, any more than vice-versa. These are neither of them solutions; they are both phases of the problem. And the problem is capitalism, which does its number on us both in the period when it's competitive and in the period when it's monopoly. People who want us to engage one more time in an anti-monopoly crusade are doing something that in the end evades the problem, which is the system – capitalism – not this or that form of that system, such as competition and monopoly.

We've come to the end of the first half of today's Economic Update. This gives me an opportunity to remind you, please, to sign up if you haven't already, to subscribe to our YouTube channel. It's a way easily for you to support us, doesn't cost any money, and it is a big help to us in terms of our reputation and what we can accomplish. Likewise, please make use of our websites. They are there for your communication with us. They are there for you to be able to, with a click of a mouse, to follow us on Facebook, Twitter, and Instagram. And finally, a special thanks goes, as always, to our Patreon community for their ongoing enthusiastic support. It means the world to us. My final, very final for this first half, is about a new book that we have just produced and released. It's a follow-up to an earlier volume I have spoken to you about that was called Understanding Marxism. For the same reason, we have now produced a brand-new book, just out, called Understanding Socialism. It is a response, as this program is, to issues, questions, comments you have sent to us in large numbers. It's an attempt to give an overview of the different interpretations of what socialism means, of what happened in countries like Russia and China that tried to create this – the strengths, the weaknesses, the lessons to be learned, what to do, and what not to do. Please, if you're interested and want to follow up, check us out, check the book out: lulu.com is how you find both books. And I will be right back; stay with us.

Welcome back, friends, to the second half of today's Economic Update. This program, as I explained, is devoted to the analysis of competition and monopoly as two interactive, sequential phases of capitalism as a system. The first part of the program was devoted mostly to competition, so let's turn now to monopoly. What is the basic definition and criticism of monopoly? Strictly speaking, monopoly is defined simply as a situation in which the producers of a particular commodity – shoes, software programs, haircuts, it doesn't matter – have been reduced to only one. Literally one seller – a monopolist. But in general language, it includes also situations where many producers who once competed with one another have been reduced to only a handful. The strict term for only a handful is "oligopoly," but we don't have to split hairs about this. "Monopoly" will be the word we use for either one or a very small number.

For example, there were once dozens of automobile companies, but very quickly their competition reduced them to basically three for much of the post-World War II period, and you know their names: Ford, General Motors, and Chrysler. And likewise there were once many cigarette producers, there were once many television-set producers, and they became very few, whose names, therefore, we all know.

What's the criticism of a monopoly or oligopoly situation? Again, very simple: The idea is, if there's only one seller of something, that seller can jack up the price way above what he might have otherwise because he doesn't have any competitor. If he had a competitor, if he raised the price, the competitor would get all the business because we'd all go to the competitor who hadn't raised the price rather than buy it at a higher price from the monopolist. So we don't like monopolies, because they can jack up their prices and their profits because they don't have a competitor. And if it's a few, a handful, well then we talk about things like cartels: arrangements when a few get together over dinner, or out on the golf course, and tell us what the price is. If you ever wondered why the prices of different cars, different cigarettes, and so on, are so close to one another – mm-hmm – that's because there are few sellers, and somehow they worked it all out. But the basic criticism is that a monopoly is a situation in which the seller of something jacks the price up way beyond what they could otherwise get because there are no more competitors.

So let's talk about this monopoly problem and where the monopolies come from. Well, the first and most important lesson is this: Competition produces monopoly. It's not something external, imposed on competition. It has nothing to do with human greed or anything else. Are people greedy? You betcha – some more, some less – but that's really a separate matter. It's competition that produces monopoly, and let me show you how that works. In competition, we have, by definition, a whole bunch of producers. They all produce the same thing. They compete with one another, hoping we, the consumer, will buy from one rather than the other. They compete in the quality of what they produce and in the price of what they produce. And we are supposed, as consumers, to go look for the best quality at the lowest price, and to patronize that one who offers that to us better than the others that we could buy from but choose not to.

Okay, that's a fair definition. Now let's follow the logic. Company A produces – however it manages it – a better quality and/or a lower price than Company B. So we all go to Company A. Company B can't find any buyers because it's not competitive. Or to say the same thing in other words, Company A outcompetes Company B. Here's what happens: Company B collapses. Because it can't sell its goods, we're all going to Company A. So Company B sooner or later declares bankruptcy. It can't continue. It lays off its employees, it stops buying inputs, because it can't compete. Good. Now what happens in Company A? Company A says hey, there's a whole bunch of workers that have just lost their job at Company B; they're trained in producing what we produce; let's go hire some of them. And likewise, Company A says, they're not using their computers, or their trucks, or their other inputs. They're going to have to sell them on the secondhand market. We can get some important inputs we need at a lower price than we would have to pay if we bought them new. So what begins to happen is, where before there were two companies, A and B, there's now one larger A, and B has disappeared. Or to say the same thing in simple English, A – the winner in the competitive struggle – eats, absorbs into itself, what's left of Company B.

And this process is repeated over and over, until 30, or 300, companies have become one, or two, or three. That's the result of competition. That's how competition is supposed to work. That's how competition does work. It's important to understand: Monopoly is where competition leads. And as if that weren't enough, let me make sure you understand this from the business point of view: It is the great dream of every entrepreneur to become the last one standing in the competition, to win the competition, not just because it makes you feel good you outmaneuvered your competitors, but because if you're the last one standing, you're the monopolist. The reward for having outcompeted the others is that you're now in a position to jack up the profits, and the prices, way beyond what you could have done before.

So we have a system that produces monopoly, and all the incentives for every entrepreneur in competition to work as hard as possible to become the monopolist. So why is anyone surprised that monopolies keep happening, because they're the whole point and purpose of capitalist competition. If you ever were – and we never have, but if you ever were – able to get rid of all the monopolies and re-establish competition, all you would be doing is setting this same process in motion again for the umpteenth historical time. In other words, fighting against monopoly is pointless as long as you have capitalism, because it is the endless reproducer of this problem – as it always has been.

Now, how do monopolies maintain themselves? If you're the only one standing, you're a monopolist. Or you're an oligopoly, you're a few, and you get together and jack up your prices together. The question becomes look, a monopolist makes very high profits – much higher than a competitor can achieve – and isn't that an enormous incentive for other capitalists to get in on that business? Because look at the profits they're earning, because they're the only one. Apple, Amazon, Google – the profits are staggering. Everybody wants to get in. So the way a monopolist has to think is, I've got to create obstacles that block other people from coming in to get a piece of the enormous profits my monopoly allows me to get. We call that in economics "barriers to entry." Monopolists need to create barriers. Let me give you a couple of examples.

The major soft drink makers in the United States – basically Coca-Cola and Pepsi Cola – they produce a drink that has sugar and coloring in it, and lots and lots of water. Let me assure you, there is nothing difficult or complicated about producing a mixture of sugar, color, and water. It doesn't take a genius; it never did. Pepsi and Coca-Cola make a fortune off of their product, as we know, and they have for decades. They have a virtual monopoly. Now, lots of other people could produce water, sugar, and color close to, if not identical with, whatever they produce, but they can't break through. They can't really get to that status. And you know why? Because Coca-Cola and Pepsi erected a barrier to entry. And the way they did that was with advertising. Every billboard, every magazine cover, every doorway of every institution you've ever been to has a picture of smiling, happy people drinking one or the other. You've learned: that's the drink, that's the drink. Another company might make a perfect substitute, but they can't afford the enormous cost of advertising. The advertising costs more than the water, and the sugar, and the color. What you pay for when you buy Pepsi and Coke is the advertising that got you to buy it. You're paying for being hustled. But it works, because it means other companies know that they can't get in there by cheaply producing an alternative, because you have to produce the advertising that goes with it, or else you can't do it. And so their monopoly is maintained.

Here's another way to maintain a monopoly: Get the government to step in. Here the famous example is the milk producers. Some years ago, there was a crisis with milk. There was contamination; people were getting sick. So the clever milk monopolies came in and said, we're going to support the enormously expensive, special equipment to guarantee pasteurization, and so on, of milk. Why did they support it? Because your small farmer, your small dairy producer, can't afford it, so they go out of business. Only the big, rich few that are left can afford the enormous equipment. They used governmental rules to create a barrier to entry.

Here's another way: corrupt public officials. President Trump denounces Huawei corporation because it compromises our national security. It denounces European car producers because somehow their shipping cars here compromises our security. Who cares? As long as the president blocks other companies from getting into the business that might compete with an American, a barrier to entry exists. Monopolists have been very creative in coming up with ways to preserve their monopolies.

I don't want to lose the basic point. The basic point is: Capitalism oscillates, back and forth between competition and monopoly – first this industry, then that one. For a while, Ford, General Motors, and Chrysler were the monopolies – or the oligopoly, if you like – in automobiles. But eventually, Toyota, and Nissan, and Peugeot, and Fiat broke the monopoly. In that case, it was foreigners who did it. And then we had some competition, and that, then, is now shrinking. The French – the last two producers in France – have just agreed to merge. You get the picture. Industry by industry, first this one, then that one, go through one phase or another.

The important point is: The phases are not our problem. They merge into, and incentivize, each other. Each provokes movement in the other direction. The point to understand is that the problems of a capitalist system are not about this oscillation of phases. We're not going to solve the problem of monopoly by getting rid of them and re-establishing competition. We've been there; we've done that; it reproduces monopoly; and it doesn't change the basic inequality, unsustainability, instability of capitalism. We need to get beyond that stale, old debate – competition versus monopoly – and face the underlying reality: Capitalism is the problem, and getting beyond it is the solution.

#### Capitalism drives extinction and structural violence.

Jamie Allinson et al 21. Senior Lecturer in Politics and International Relations at Edinburgh University and author of The Age of Counter-revolution. China Miéville is the author of a number of highly acclaimed and prize-winning novels including October: The History of the Russian Revolution. Richard Seymour is the author of numerous works of non-fiction, His writing appears in the New York Times, London Review of Books, Guardian, Prospect, Jacobin. Rosie Warren is an Editor at Verso and the Editor-in-Chief of Salvage. All are writing for the Salvage Collective. “The Tragedy of the Worker: Toward the Proletarocene.” Introduction. July 2021. Verso EBook. ISBN: 9781839762963 //shree

This is the question that vexed us as we set out to write The Tragedy of the Worker. From the vantage point of the present, the history of capitalist development is, as Marx expected, the history of the development of a global working class, the proletarianisation of the majority of the world’s population. But the very same process of that development has brought us to the precipice of climate disaster. Our position, to recall Trotsky’s rationalisation of War Communism in 1920, is in the highest degree tragic.

It is now clear that we will pass what scientists have long warned will be a tipping point of global warming, accelerating the already catastrophic consequences of capitalist emissions. How do we imagine emancipation on an at best partially habitable planet? Where once communists imagined seizing the means of production, taking the unprecedented capacities of capitalist infrastructures and using them to build a world of plenty, what must we imagine after the apocalypse has befallen us? What does it mean that as capitalism has become truly global, the gravediggers it has created dig not only capitalism’s grave, but also that of much organic life on earth?

Our answers to these questions remain rooted in the politics of revolutionary communism. Our stance is not based on the fantasy of a homeostatic nature that must be defended but on the critique of the capitalist metabolism – the Stoffwechsel- that must be overthrown. Earth scientists are accustomed to speak in terms of ‘cycles’ by which substances circulate in different forms: the water cycle, the rock cycle, the nitrogen cycle, the glacial-interglacial cycle, the carbon cycle, and others. One way of registering the catastrophe of climate change is to see these cycles – most of all, but not solely, the carbon cycle – as disordered, under- or over-accumulating. But this is to ignore the more fundamental circuit of which these now form epicycles, like Ptolemy’s sub-orbits of the heavenly bodies: the circuit of capital accumulation, M-C-M′.

This circuit accumulates profit and produces death. Neither is accidental. It is for this reason that the debates that capitalist ruling classes permit among themselves on ‘adaptation’ versus ‘mitigation’ take place on false premises. What is to be mitigated is the impact of climate change on accumulation, rendered through the ideology of ‘growth’ as something that benefits everyone. What we are to adapt to are the parameters of accumulation, sacrificing just enough islands, eco-systems, indigenous – and non-indigenous – cultures to maintain its imperatives for a period of time until new thresholds must be crossed, and new life sacrificed to the pagan idol of capital. Already, capitalist petro-modernity builds a certain quantum of acceptable death into its predicates: at the very least, the 8.7 million killed by fossil fuels each year according to Harvard University are considered a price worth paying for the stupendous advantages of fossil capital. And the sky can only keep going up, as deforestation, polar melt, ocean acidification, soil de-fertilisation and more intense wildfires and storms tear the web of life into patches. If the necropolitical calculus of the Covid-19 pandemic appears crass, just wait until its premises are applied to climate catastrophe.

#### Vote neg for global syndicalism---pressures towards socialist state action are building, forces the hand of monopolies.

Cecilia Rikap 21. Professor of Economics and Coordinator of YSI States and Markets Working Group, Institute for New Economic Thinking. “Tilting the Scale Against Intellectual Monopoly Capitalism.” *Capitalism, Power and Innovation Intellectual Monopoly Capitalism Uncovered*. Routledge. 2021. 287-289

Capitalism is a system based on asymmetries and inequalities (of income, wealth, between classes, genders, races, countries and more). Quite striking for a system born from the motto “Liberté, égalité, fraternité”. As time passes by, this broken promise of modernity becomes all the more apparent. Inequalities deepen as knowledge is monopolized, digital surveillance reinforces firms and states control capacities over workers and citizens, and political conflicts never cease – with the US-China tech cold war at the current epicentre.

Social disrupts are an expected recurring outcome, and we have seen them everywhere in the 21st century. The specific motives differed, but there is a common root: people are fed up with capitalism’s growing inequalities, with a stagnant or even declining “middle class” in developed countries for several decades already and the highest gains accumulating at the global level for those in the richest 5% (Milanovic, 2016).

There is another shared feature; demonstrations are increasingly being organized online. The same technology that is used for surveillance, for broadcasting extreme right and even fascist ideas, and that drives the USChina world hegemony conflict, is also being used as a counterbalancing weapon. Internet, particularly social networks, is a powerful tool for the organization of grassroots movements. Workers’ unions can also learn from each other’s experiences online.

The absence or weakness of unions and social movements in some parts of the world has benefited intellectual monopolies rentiership and predation. For instance, hiring workers with a vendor contract not only hides the working relation (see Chapter 10) but also impedes unionization as it currently stands. Still, unions are adapting and workers organizing. In 2018, Google employees managed to stop the company from renewing an artificial intelligence contract with the Pentagon and to cancel its plans for a censored search engine for China. And, in 2020, 2,000 employees urged the company to cease selling technology to the US police after George Floyd’s killing. These initiatives should be taken by workers in other companies and contribute to unionization. Unions should be reconceived as a political actor capable of exercising their influence beyond wage claims. Workers’ organization is indispensable to counterbalance the power of intellectual monopolies, given both their global reach and states’ internal contradictions and limitations.

Peripheral countries should cease competing to attract outsourcing and offshoring by allowing worse wages and working conditions. As mentioned above in this chapter, world cooperation agreements to establish minimum labour regulations, forbidding new and old forms of informality and granting minimum working conditions are urgent. However, these agreements require great social pressures to take place. When it comes to transforming capitalism, social disrupts, grassroots social movements and unions play a crucial role.

To illustrate their paramount importance, let us briefly consider taxes. It is crystal clear that the global taxing system has failed. As pointed out in Chapters 7 and 10, global intellectual monopolies declare profits and IPRs in tax havens and use tax loopholes to minimize paid taxes. Global tax reform should consider the separation between ownership and control. Intellectual monopolies control production and innovation networks beyond their legal ownership and have the capacity to trickle down the burden of taxes. However, the intertwined relationship between global intellectual monopolies and their home (core) states renders highly unlikely to accomplish such global tax reform without intense social pressure. Even the recent US corporate tax reform was not – at least so far – successful in this respect (Clausing, 2020). Then, as far as tax havens are not eliminated, there will still be room for tax avoidance and evasion (Zucman, 2015). Countries acting as tax havens will not comply with a global reform unless huge social disrupt forces them to do so.

Additionally, workers’ protests must be coordinated at the level of the global production network because the production unit is no longer the factory but the network. The same applies to global innovation networks. Intellectual monopolies’ recognized employees have greater bargaining power than workers in subordinate firms, which are precisely those that generally need a more urgent improvement in their salaries and working conditions. “Workers of the world unite, you have nothing to lose but your chains” (Marx & Engels, 1848) can and must become an everyday reality for the French Revolution motto to be more than aspirational.

### Prohibit Pic---1NC

#### The United States should only allow the continuation of private sector conduct that is more restrictive of competition than reasonably necessary to enable creation of information technology standards under antitrust law when the president determines it is necessary to prevent condition which may pose a direct threat to the national defense or its preparedness programs.

#### It competes---the counterplan is a regulation not prohibition.

James Broaddus 50. February 6; Judge on the Kansas City Court of Appeals, Missouri; Westlaw, “City of Meadville v. Caselman,” 240 Mo. App. 1220. https://casetext.com/case/city-of-meadville-v-caselman-1

"Under power conferred on cities of the fourth class `to regulate and license' dramshops, there is no authority to wholly prohibit or suppress. Where there is mere power in a municipality to regulate in a state, with a general policy of conducting licensed saloons, authority to prohibit is excluded. The difference between regulation and prohibition is clear and well marked. The former contemplates the continuance of the subject-matter in existence or in activity. The latter implies its entire destruction or cessation.'" (Citing text writers and cases.)

#### The counterplan maintains DPA authority---the plan eliminates it.

Michael H. Cecire and Heidi M. Peters 20. Michael H. Cecire, Analyst in Intergovernmental Relations and Economic Development Policy. Heidi M. Peters, Analyst in U.S. Defense Acquisition Policy. “The Defense Production Act of 1950: History, Authorities, and Considerations for Congress” Updated March 2, 2020. https://www.everycrsreport.com/reports/R43767.html

Authorities Under Title VII of the DPA

Title VII of the DPA contains various provisions that clarify how DPA authorities should and can be used, as well as additional presidential authorities. Some significant provisions of Title VII are summarized below.

Special Preference for Small Businesses

Two provisions in the DPA direct the President to accord special preference to small businesses when issuing contracts under DPA authorities. Section 701 reiterates89 and expands upon a requirement in Section 108 of Title I directing the President to "accord a strong preference for small business concerns which are subcontractors or suppliers, and, to the maximum extent practicable, to such small business concerns located in areas of high unemployment or areas that have demonstrated a continuing pattern of economic decline, as identified by the Secretary of Labor."90

Definitions of Key Terms in the DPA

The DPA statute historically has included a section of definitions.91 Though national defense is perhaps the most important term, there are additional definitions provided both in current law and in E.O. 13603.92 Over time, the list of definitions provided in both the law and implementing executive orders has been added to and edited, most recently in 2009, when Congress added a definition for homeland security93 to place it within the context of national defense.94

Industrial Base Assessments

To appropriately use numerous authorities of the DPA, especially Title III authorities, the President may require a detailed understanding of current domestic industrial capabilities and therefore need to obtain extensive information from private industries. Under Section 705 of the DPA, the President may "by regulation, subpoena, or otherwise obtain such information from ... any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this Act [the DPA]."95 This authority is delegated to the Secretary of Commerce in E.O. 13603.96 Though this authority has many potential implications and uses, it is most commonly associated with what the DOC's Bureau of Industry and Security calls "industrial base assessments."97 These assessments are often conducted in coordination with other federal agencies and the private sector to "monitor trends, benchmark industry performance, and raise awareness of diminishing manufacturing capabilities."98 The statute requires the President to issue regulations to insure that the authority is used only after "the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority, and it is assured that no adequate and authoritative data are available from any Federal or other responsible agency."99 This regulation has been issued by DOC.100

Voluntary Agreements

Normally, voluntary agreements or plans of action between competing private industry interests could be subject to legal sanction under anti-trust statutes or contract law. Title VII of the DPA authorizes the President to "consult with representatives of industry, business, financing, agriculture, labor, and other interests in order to provide for the making by such persons, with the approval of the President, of voluntary agreements and plans of action to help provide for the national defense."101 The President must determine that a "condition exists which may pose a direct threat to the national defense or its preparedness programs"102 prior to engaging in the consultation process. Following the consultation process, the President or presidential delegate may approve and implement the agreement or plan of action.103 Parties entering into such voluntary agreements are afforded a special legal defense if their actions within that agreement would otherwise violate antitrust or contract laws.104 Historically, the National Infrastructure Advisory Council noted that the voluntary agreement authority has been used to "enable companies to cooperate in weapons manufacture, solving production problems and standardizing designs, specifications and processes," among other examples.105 It could also be used, for example, to develop a plan of action with private industry for the repair and reconstruction of major critical infrastructure systems following a domestic disaster.

The authority to establish a voluntary agreement has been delegated to the head of any federal department or agency otherwise delegated authority under any other part of E.O. 13603.106 Thus, the authority could be potentially used by a large group of federal departments and agencies. Use of these voluntary agreements is tracked by the Secretary of Homeland Security,107 who is tasked under E.O. 13603 with issuing regulations that are required by law on the "standards and procedures by which voluntary agreements and plans of action may be developed and carried out."108 The Federal Emergency Management Agency (FEMA), which at the time was an independent agency and tasked with these responsibilities under the DPA, issued regulations in 1981 to fulfill this requirement.109 FEMA is now a part of DHS, and those regulations remain in effect.

The Maritime Administration (MARAD) of the U.S. Department of Transportation manages the only currently established voluntary agreements in the federal government, the Voluntary Intermodal Sealift Agreement (commonly referred to as "VISA") and the Voluntary Tanker Agreement. These programs are maintained in partnership with the U.S. Transportation Command of DOD, and have been established to ensure that the maritime industry can respond to the rapid mobilization, deployment, and transportation requirements of DOD. Voluntary participants from the maritime industry are solicited to join the agreements annually.110

Nucleus Executive Reserve

Title VII of the DPA authorizes the President to establish a volunteer body of industry executives, the "Nucleus Executive Reserve," or more frequently called the National Defense Executive Reserve (NDER).111 The NDER would be a pool of individuals with recognized expertise from various segments of the private sector and from government (except full-time federal employees). These individuals would be brought together for training in executive positions within the federal government in the event of an emergency that requires their employment. The historic concept of the NDER has been used as a means of improving the war mobilization and productivity of industries.112

The head of any governmental department or agency may establish a unit of the NDER and train its members.113 No NDER unit is currently active, though the statute and E.O. 13603 still provide for this possibility. Units may be activated only when the Secretary of Homeland Security declares in writing that "an emergency affecting the national defense exists and that the activation of the unit is necessary to carry out the emergency program functions of the agency."114

Authorization of Appropriations, as amended by P.L. 113-72

Appropriations for the purpose of the DPA are authorized by Section 711 of Title VII.115 Prior to the P.L. 113-172, "such sums as necessary" were authorized to be appropriated. This has been replaced by a specific authorization for an appropriation of $133 million per fiscal year and each fiscal year thereafter, starting in FY2015, to carry out the provisions and purposes of the Defense Production Act.116

Table 1 shows that the annual average appropriation to the DPA Fund between FY2010 and FY2019 was $109.1 million,117 with a high of $223.5 million in FY2013 and a low of $34.3 million in FY2011. Monies in the DPA Fund are available until expended, so annual appropriations may carry over from year to year if not expended. Recently, the only regular annual appropriation for the purposes of the DPA has been made in the DOD appropriations bill, though appropriations could be made in other bills directly to the DPA Fund (or transferred from other appropriations).

Committee on Foreign Investment in the United States118

The Committee on Foreign Investment in the United States (CFIUS) is an interagency committee that serves the President in overseeing the national security implications of foreign investment in the economy. It reviews foreign investment transactions to determine if (1) they threaten to impair U.S. national security; (2) the foreign investor is controlled by a foreign government; or (3) the transaction could affect homeland security or would result in control of any critical infrastructure that could impair the national security. The President has the authority to block proposed or pending foreign investment transactions that threaten to impair the national security.

CFIUS initially was created and operated through a series of Executive Orders.119 In 1988, Congress passed the "Exon-Florio" amendment to the DPA, granting the President authority to review certain corporate mergers, acquisitions, and takeovers, and to investigate the potential impact on national security of such actions.120 This amendment codified the CFIUS review process due in large part to concerns over acquisitions of U.S. defense-related firms by Japanese investors. In 2007, amid growing concerns over the proposed foreign purchase of commercial operations of six U.S. ports, Congress passed the Foreign Investment and National Security Act of 2007 (P.L. 110-49) to create CFIUS in statute.

On August 13, 2018, President Trump signed into law new rules governing national security reviews of foreign investment, known as the Foreign Investment Risk Review Modernization Act (FIRRMA, Title XVII, P.L. 115-235).121 FIRRMA amends several aspects of the CFIUS review process under Section 721 of the DPA.122 Notably, it expands the scope of transactions that fall under CFIUS' jurisdiction. It maintains core components of the current CFIUS process for evaluating proposed or pending investments in U.S. firms, but increases the allowable time for reviews and investigations. Upon receiving written notification of a proposed acquisition, merger, or takeover of a U.S. firm by a foreign investor, the CFIUS process can proceed potentially through three steps: (1) a 45-day national security review; (2) a 45-day maximum national security investigation (with an option for a 15-day extension for "extraordinary circumstances"); and (3) a 15-day maximum Presidential determination. The President can exercise his authority to suspend or prohibit a foreign investment, subject to a CFIUS review, if he finds that (1) "credible evidence" exists that the foreign investor might take action that threatens to impair the national security; and (2) no other laws provide adequate and appropriate authority for the President to protect national security. FIRRMA shifts the filing requirement for foreign investors from voluntary to mandatory in certain cases, and provides a two-track method for reviewing certain investment transactions. Other changes mandated by FIRRMA would provide more resources for CFIUS, add new reporting requirements, and reform export controls.

Termination of the Act

Title VII of the DPA also includes a "sunset" clause for the majority of the DPA authorities. All DPA authorities in Titles I, III, and VII have a termination date, with the exception of four sections.123 As explained in Section 717 of the DPA, the sections that are exempt from termination are

* 50 U.S.C. §4514, Section 104 of the DPA that prohibits both the imposition of wage or price controls without prior congressional authorization and the mandatory compliance of any private person to assist in the production of chemical or biological warfare capabilities;
* 50 U.S.C. §4557, Section 707 of the DPA that grants persons limited immunity from liability for complying with DPA-authorized regulations;
* 50 U.S.C. §4558, Section 708 of the DPA that provides for the establishment of voluntary agreements; and
* 50 U.S.C. §4565, Section 721 of the DPA, the so-called Exon-Florio Amendment, that gives the President and CFIUS review authority over certain corporate acquisition activities.

P.L. 115-232 extended the termination date of Section 717 from September 30, 2019, to September 30, 2025. In addition, Section 717(c) provides that any termination of sections of the DPA "shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act" prior to its termination. This means, for instance, that prioritized contracts or Section 303 projects created with DPA authorities prior to September 30, 2025, would still be executed until completion even if the DPA is not reauthorized. Similarly, the statute specifies that the authority to investigate, subpoena, and otherwise collect information necessary to administer the provisions of the act, as provided by Section 705 of the DPA, will not expire until two years after the termination of the DPA.124 For a chronology of all laws reauthorizing the DPA since inception, see Table A-4.

Defense Production Act Committee

The Defense Production Act Committee (DPAC) is an interagency body originally established by the 2009 reauthorization of the DPA.125 Originally, the DPAC was created to advise the President on the effective use of the full scope of authorities of the DPA. Now, the law requires DPAC to be centrally focused on the priorities and allocations authorities of Title I of the DPA.

The statute assigns membership in the DPAC to the head of each federal agency delegated DPA authorities, as well as the Chairperson of the Council of Economic Advisors. A full list of the members of the DPAC is included in E.O. 13603.126 As stipulated in law, the Chairperson of the DPAC is to be the "head of the agency to which the President has delegated primary responsibility for government-wide coordination of the authorities in this Act."127 As currently established in E.O. 13603 delegations, the Secretary of Homeland Security is the chair-designate, but the language of the law could allow the President to appoint another Secretary with revision to the E.O.128 The Chairperson of the DPAC is also required to appoint one full-time employee of the federal government to coordinate all the activities of the DPAC. Congress has exempted the DPAC from the requirements of the Federal Advisory Committee Act.129

The DPAC has annual reporting requirements relating to the Title I priority and allocation authority, and is also required to include updated copies of Title I-related rules in its report. The annual report also contains, among other items, a "description of the contingency planning ... for events that might require the use of the priorities and allocations authorities" and "recommendations for legislative actions, as appropriate, to support the effective use" of the Title I authorities.130 The DPAC report is provided to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services.

Impact of Offsets Report

Offsets are industrial compensation practices that foreign governments or companies require of U.S. firms as a condition of purchase in either government-to-government or commercial sales of defense articles and/or defense services as defined by the Arms Export Control Act (22 U.S.C. §2751, et seq.) and the International Traffic in Arms Regulations (22 C.F.R. §§120-130). In the defense trade, such industrial compensation can include mandatory co-production, licensed production, subcontractor production, technology transfer, and foreign investment.

The Secretary of Commerce is required by law to prepare and to transmit to the appropriate congressional committees an annual report on the impact of offsets on defense preparedness, industrial competitiveness, employment, and trade. Specifically, the report discusses "offsets" in the government or commercial sales of defense materials.131

Considerations for Congress

Enhance Oversight

Expand Reporting or Notification Requirements

Congress may consider whether to add more extensive notification and reporting requirements on the use of all or specific authorities in the DPA. These reporting or notification requirements could be added to the existing law, or could be included in conference or committee reports accompanying germane legislation, such as appropriations bills or the National Defense Authorization Act. Additional reporting or notification requirements could involve formal notification of Congress prior to or after the use of certain authorities under specific circumstances. For example, Congress may consider whether to require the President to notify Congress (or the oversight committees) when the priorities and allocations authority is used on a contract valued above a threshold dollar amount.132 Congress might also consider expanding the existing reporting requirements of the DPAC, to include semi-annual updates on the recent use of authorities or explanations about controversial determinations made by the President. Existing requirements could also be expanded from notifying/reporting to the committees of jurisdiction to the Congress as a whole, or to include other interested committees, such as the House and Senate Armed Services Committees.

Enforce and Revise Rulemaking Requirements

Congress may consider reviewing the agencies' compliance with existing rulemaking requirements. A rulemaking requirement exists for the voluntary agreement authority in Title VII that has been completed by DHS, but it has not been updated since 1981 and may be in need of an update given changes to the authority and government reorganizations since that date.133 One of the agencies responsible for issuing a rulemaking on the use of Title I authorities has yet to do so. Congress may also consider potentially expanding regulatory requirements for other authorities included in the DPA. For example, Congress may consider whether the President should promulgate rules establishing standards and procedures for the use of all or certain Title III authorities. In addition to formalizing the executive branch's policies and procedures for using DPA authorities, these regulations could also serve an important function by offering an opportunity for private citizens and industry to comment on and understand the impact of DPA authorities on their personal interests.

Broaden Committee Oversight Jurisdiction

Since its enactment, the House Committee on Financial Services, the Senate Committee on Banking, Housing, and Urban Affairs, and their predecessors have exercised legislative oversight of the Defense Production Act. The statutory authorities granted in the various titles have been vested in the President, who has delegated some of these authorities to various agency officials through E.O. 13603. As an example of the scope of delegations, the membership of the Defense Production Act Committee (DPAC), created in 2009 and amended in 2014, includes the Secretaries of Agriculture, Commerce, Defense, Energy, Labor, Health and Human Services, Homeland Security, the Interior, Transportation, the Treasury, and State; the Attorney General; the Administrators of the National Aeronautics and Space Administration and of General Services, the Chair of the Council of Economic Advisers; and the Directors of the Central Intelligence Agency and National Intelligence.

In order to complement existing oversight, given the number of agencies that currently use or could potentially use the array of DPA authorities to support national defense missions, Congress may consider reestablishing a select committee with a purpose similar to the former Joint Committee on Defense Production.134 As an alternative to the creation of a new committee, Congress may consider formally broadening DPA oversight responsibilities to include all relevant standing committees when developing its committee oversight plan.

Should DPA oversight be broadened, Congress might consider ways to enhance inter-committee communication and coordination of its related activities. This coordination could include periodic meetings to prepare for oversight hearings or ensuring that DPA-related communications from agencies are shared appropriately. Finally, because the DPA was enacted at a time when the organization and rules of both chambers were markedly different to current practice, Congress may consider the joint referral of proposed DPA-related legislation to the appropriate oversight committees.

Amending the Defense Production Act of 1950

While the act in its current form may remain in force until September 30, 2025, the legislature could amend the DPA at any time to extend, expand, restrict, or otherwise clarify the powers it grants to the President. For example, Congress could eliminate certain authorities altogether. Likewise, Congress could expand the DPA to include new authorities to address novel threats to the national defense. For example, Congress may consider creating new authorities to address specific concerns relating to production and security of emerging technologies necessary for the national defense.

#### Key to pandemic response.

J. Mark Gidley et al. 20. J. Mark Gidley chairs the White & Case Global Antitrust/Competition practice. Martin M. Toto and Sean Sigillito. “A Novel Antitrust Defense for COVID-19 Agreements: Section 708 of the Defense Production Act” <https://www.whitecase.com/sites/default/files/2020-04/novel-antitrust-defense-covid-19-agreements-section-708-defense-production-act.pdf>

There is a dire need for the assistance of private industry in developing vaccines and treatments for the SARS-CoV-2 virus, and for the manufacture and distribution of medical and other supplies to aid in the United States’ response to the COVID-19 health emergency. The Government’s recent actions indicate a desire to allow private sector companies to work together to do so quickly.

While many of the needs arising from the ongoing emergency focus specifically on medical supplies, the President’s delegation of Section 708 authority to the DHS as well as HHS potentially opens the door to voluntary agreements within broader sectors of the US economy. Under the right circumstances, and if the business combination could garner the governmental sponsor needed for the voluntary agreement, invoking the Defense Production Act’s antitrust relief provision through the enactment of voluntary agreements could allow for a more robust response to the COVID-19 pandemic.

#### Extinction.

Dennis Pamlin & Stuart Armstrong 15. \*Executive Project Manager Global Risks, Global Challenges Foundation. \*\*James Martin Research Fellow, Future of Humanity Institute, Oxford Martin School, University of Oxford. February 2015, “Global Challenges: 12 Risks that threaten human civilization: The case for a new risk category,” Global Challenges Foundation, p.30-93. https://api.globalchallenges.org/static/wp-content/uploads/12-Risks-with-infinite-impact.pdf

A pandemic (from Greek πᾶν, pan, “all”, and δῆμος demos, “people”) is an epidemic of infectious disease that has spread through human populations across a large region; for instance several continents, or even worldwide. Here only worldwide events are included. A widespread endemic disease that is stable in terms of how many people become sick from it is not a pandemic. 260 84 Global Challenges – Twelve risks that threaten human civilisation – The case for a new category of risks 3.1 Current risks 3.1.4.1 Expected impact disaggregation 3.1.4.2 Probability Influenza subtypes266 Infectious diseases have been one of the greatest causes of mortality in history. Unlike many other global challenges pandemics have happened recently, as we can see where reasonably good data exist. Plotting historic epidemic fatalities on a log scale reveals that these tend to follow a power law with a small exponent: many plagues have been found to follow a power law with exponent 0.26.261 These kinds of power laws are heavy-tailed262 to a significant degree.263 In consequence most of the fatalities are accounted for by the top few events.264 If this law holds for future pandemics as well,265 then the majority of people who will die from epidemics will likely die from the single largest pandemic. Most epidemic fatalities follow a power law, with some extreme events – such as the Black Death and Spanish Flu – being even more deadly.267 There are other grounds for suspecting that such a highimpact epidemic will have a greater probability than usually assumed. All the features of an extremely devastating disease already exist in nature: essentially incurable (Ebola268), nearly always fatal (rabies269), extremely infectious (common cold270), and long incubation periods (HIV271). If a pathogen were to emerge that somehow combined these features (and influenza has demonstrated antigenic shift, the ability to combine features from different viruses272), its death toll would be extreme. Many relevant features of the world have changed considerably, making past comparisons problematic. The modern world has better sanitation and medical research, as well as national and supra-national institutions dedicated to combating diseases. Private insurers are also interested in modelling pandemic risks.273 Set against this is the fact that modern transport and dense human population allow infections to spread much more rapidly274, and there is the potential for urban slums to serve as breeding grounds for disease.275 Unlike events such as nuclear wars, pandemics would not damage the world’s infrastructure, and initial survivors would likely be resistant to the infection. And there would probably be survivors, if only in isolated locations. Hence the risk of a civilisation collapse would come from the ripple effect of the fatalities and the policy responses. These would include political and agricultural disruption as well as economic dislocation and damage to the world’s trade network (including the food trade). Extinction risk is only possible if the aftermath of the epidemic fragments and diminishes human society to the extent that recovery becomes impossible277 before humanity succumbs to other risks (such as climate change or further pandemics). Five important factors in estimating the probabilities and impacts of the challenge: 1. What the true probability distribution for pandemics is, especially at the tail. 2. The capacity of modern international health systems to deal with an extreme pandemic. 3. How fast medical research can proceed in an emergency. 4. How mobility of goods and people, as well as population density, will affect pandemic transmission. 5. Whether humans can develop novel and effective anti-pandemic solutions.

### States CP---1NC

#### The 50 states and territories should uniformly increase prohibitions on private sector conduct that is more restrictive of competition than reasonably necessary to enable creation of information technology standards.

#### State antitrust law that imposes greater penalties than federal law solves and doesn’t get preempted.

Richard A. Samp 14. Chief Counsel, Washington Legal Foundation. The Role of State Antitrust Law in the Aftermath of Actavis. Minnesota Journal of Law, Science, and Technology. 2014. 15(1): 165

There is little reason to believe, however, that the Court would prevent application of state antitrust law to patent settlement agreements where state law is fully consistent with federal antitrust law. Even in areas subject to extensive federal regulation, the Supreme Court has upheld the authority of states to engage in parallel regulation that is not inconsistent with the federal regulation.79 Unless the Court were to determine, as in Connell,80 that states could not be trusted to properly accommodate the objectives of the federal statute at issue (here, federal patent law), there is no reason to conclude that Congress would not have wanted states to be permitted to police the same sorts of anticompetitive conduct that is policed by federal antitrust law. Moreover, states are likely free to impose greater penalties on the proscribed conduct than is available under federal law. As the Court explained in California v. ARC America Corp., state antitrust law is not required to adhere to the same set of sanctions imposed by federal antitrust law.81

### Japan DA---1NC

#### New antitrust is applied globally---offends allies---regs counterplan avoids it.

Herbert Hovenkamp 03. Ben V. & Dorothy Willie Professor of Law and History, University of Iowa. “Antitrust as Extraterritorial Regulatory Policy,” 48 Antitrust BULL. 629 (2003).

Today few of us are sympathetic with the view that the common law exists apart from and somehow transcends the jurisdiction of the courts that make it. Nevertheless, there is a powerful sense in which the rules of antitrust law are regarded as "natural," while explicitly regulatory rules are considered to be purely local, territorial, or political. This view is given considerable support by a powerful neoclassical economic model that views markets as natural, in the sense that they exist separate and apart from state policy making. 32

Within this model antitrust law is a kind of background umpire that does not make first instance choices about price, quantity, quality, new entry and the like, but that does limit the anticompetitive exercise of market power. Antitrust operates as a kind of "macro" version of contract law. The common law of contracts is designed to facilitate and protect the utility of individual private bargains; antitrust is designed to do much the same thing, but for markets as a whole. Under this conception a well defined set of antitrust principles always operates in the background, so to speak, permitting private bargaining to proceed without interference in the great majority of instances, but intervening when competitive processes go awry. Further, widespread agreement exists both inside and outside the United States on a set of core principles pertaining to such things as naked price fixing, market division agreements, and the like. Within this core, problems of extraterritoriality have largely been limited to the technical ones of devising appropriate jurisdictional rules and remedies.

In contrast, the power to regulate is different. Under the traditional view of regulation the power to set price, quantity, quality, or the right to enter a market emanates in the first instance from the government. Further, although there is widespread economic agreement on fundamental principles, regulatory design is much more specific to the sovereign-more likely to reflect the demographics, industrial or employment base, or politics of the particular state imposing the regulation.

For example, nearly all of the 50 states of the United States have an antitrust law. With relatively few exceptions, however, the substantive coverage of these antitrust laws is the same, and mimics federal law. Many states have court decisions or even legislative enactments stating that federal antitrust law should govern the interpretation of that particular state's antitrust law as well. 33 The result is that the coverage of state antitrust law is remarkably similar from one state to the next. But one can hardly say the same thing about each state's regulation of land use, power generation and distribution, taxicabs, liquor pricing, and the like. Whatever homogeneity regulatory theory might produce, the politics of regulation virtually guarantees jurisdiction-specific outcomes.

But homogeneity in antitrust policy also begins to break down when antitrust law moves beyond its fundamental neoclassical concern with cartels or well-defined exclusionary practices, and into areas where its role is more controversial or marginal. This is often the case when the antitrust laws are applied in recently deregulated markets. For example, a common antitrust problem that arises in deregulated industries falls under the general rubric of unilateral refusals to deal. In order to encourage competition, newly deregulated firms may be forced to share their facilities, information, intellectual property, or other assets with new rivals. Devising reasonable "nonregulatory" rules governing refusals to deal in such markets has always extended the antitrust laws to the margin of their competence.

Increasingly, American courts seem willing to apply antitrust law to markets regulated by foreign nations under circumstances where regulatory laws themselves would never reach. For example, neither Congress nor a state legislature would very likely attempt to regulate the customer service or information provision practices of a foreign national's telephone company. But both federal and state courts have done precisely that under the guise of antitrust enforcement.3 4

Antitrust policy makes this thinkable as a result of the confluence of two sets of doctrines. First is the expansive reach of our antitrust laws to practices that have a substantial effect on United States commerce. Second is the very narrow conception of comity that applies in antitrust cases.

As a general matter, comity concerns in the international conflict of laws requires the court to consider the competing interests of domestic and foreign sovereigns. 35 After a half century of debate over the meaning of comity in international Sherman Act adjudication, the Supreme Court gave the doctrine an extraordinarily narrow meaning in the Hartford Fire case.36 That case involved an alleged insurance boycott in which Lloyd's of London participated as reinsurer. Lloyd's conduct-agreeing with some United States insurers not to write reinsurance policies for other United States insurers who wanted to write policies with broader coverage-was neither forbidden nor compelled by British law. To the defendant's claim of comity the Supreme Court replied that the provisions of the Sherman Act governing jurisdiction over transactions in foreign commerce were mandatory. As a result, a federal court could not simply decline jurisdiction on the basis of some general balancing of interests. 37 Rather, "comity" permits a federal court to decline jurisdiction only when there was a "conflict" between the law of the foreign sovereign and United States law. Further, "conflict" was defined not under choice of law principles, but more absolutely, as occurring only when the foreign law compelled the conduct at issue. 38

Perhaps significantly, the activity of the London reinsurers was very likely reachable under United States antitrust law even under ordinary interest analysis principles. British law was found by the Supreme Court to be indifferent to what the London reinsurers were doing. Further, what they were doing was agreeing not to insure against liability for particular toxic pollution risks in the United States, and risk of liability is of course measured in relation to the physical environment and legal regime in which the injury occurs. 39 As a result, the London reinsurers were selling a product especially targeted for United States markets and allegedly participating in a boycott designed to keep broader coverage insurance policies out of that market.

But Hartford Fire's definition of comity is significantly problematic under deregulation. To the extent a foreign sovereign deregulates a public utility or common carrier, that firm enjoys greater discretion to make its own decisions. As a result, considerations of comity may no longer preclude a Sherman Act suit. What makes this especially problematic is the way that the Sherman Act has been used in the United States as a kind of replacement for the regulatory agency. Under comprehensive agency regulation a filed tariff plus regulatory oversight would have governed numerous acts by regulated firms, including pricing, entry into new markets, interconnection obligations and other duties to deal.40 Government relaxation of regulatory restrictions has given firms some discretion over these things but in the process has substituted the antitrust courts as governmental supervisor. In some situations this causes little difficulty because regulation may have been misapplied to a competitively structured industry to begin with.41 In other situations, such as long-distance telecommunication, a competitive environment has developed because of changes in technology, and topto-bottom price and product regulation is no longer necessary.42

But in a third class of situations the application of the antitrust laws is much more "regulatory" and more difficult to defend. These are the cases where unilateral conduct of the kind that was historically supervised by the regulatory agency now comes under antitrust jurisdiction. For example, under the essential facility doctrine a federal court of general jurisdiction may be asked to apply antitrust law to determine the scope of a formerly regulated firm's duty to interconnect with rivals. The circuit courts have applied the doctrine frequently in the telecommunications industry,43 but also to railroads" and natural gas pipelines.4 5 Problematically, supervising interconnection requirements involves the court in highly technical questions about the scope of the duty to deal and perhaps even about the price at which the deal must be made. In these cases we have not really "deregulated" at all; rather, we have simply substituted regulation by a government agency for regulation by a court, often through the highly inefficient and uncertain process of a jury trial. To do that in a purely domestic situation is ill-advised enough, but to do it abroad by taking advantage of the expansive jurisdictional reach of the Sherman Act is completely unjustified.

IV. Extraterritorial antitrust and foreign deregulation

As expansive as the regulatory power asserted by the United States sometimes becomes, it does not generally interfere directly into foreign governments' regulation of their own highly regulated industries. But to a large extent modem antitrust has inherited the regulatory attitude expressed by the Western Union decision discussed above. For several reasons, the idea that the United States Antitrust laws are jurisdictionally exceptional can produce overreaching that is offensive to foreign prerogatives. First, the United States antitrust laws are extremely general and make no distinction between ordinary competitive firms and public utilities or common carriers; the same rules purport to apply to all business firms. Second, the jurisdictional language of the antitrust laws is both mandatory and general to the same extent-that is, the "affecting foreign commerce" language of the basic Sherman Act and the export commerce language of the Foreign Trade Antitrust Improvement Act 6 do not distinguish between regulated and ordinary competitive firms. And third, the limiting doctrines of international law-namely Act of State, foreign sovereign compulsion, foreign sovereign immunity, and comity-do not distinguish among types of firms or types of antitrust complaints. They apply equally to both price fixing, which is at the core of antitrust concern, and to the essential facility doctrine, which lies at or outside its margin.

#### Ends the Japan economic alliance---they respond with diplomatic protest to new extraterritorial antitrust.

Takaaki Kojima 02. Fellow, Weatherhead Center for International Affairs, 2001-2002. “International Conflicts over the Extraterritorial Application of Competition Law in a Borderless Economy”. https://datascience.iq.harvard.edu/files/fellows/files/kojima.pdf

We are witnessing increasingly widespread and penetrating economic globalization today. As a result of trade liberalization, import restrictions or regulations on trade and investment have decreased substantially, and trans-border business activities face less barrier. At the same time, the role of trans-border business activities, especially those by so-called multinational or global enterprises, have become increasingly important and even dominant in some sectors.

As far as the territorial scope of business activities are concerned, state borders are more or less diminishing to become almost borderless; as for legal regimes, however, sovereign states retain in principle exclusive jurisdiction over their territories and nationals under international law. Business activities are regulated by the domestic laws of sovereign states or by international agreements concluded among sovereign states. The pertinent question is how to coordinate “borderless” business activities within the existing legal regimes governed by sovereign states. In the field of trade law, the measures of each state are restricted by international agreements, in particular under the GATT/WTO regime. In the field of competition law, such an international regime is lacking and the domestic laws of each state regulate private restraints of trade in the relevant markets.

Serious jurisdictional conflicts have transpired in the last several decades between the United States and other states over the so-called extraterritorial application of U.S. antitrust laws on anticompetitive conducts abroad. This problem has also caused diplomatic frictions between the United States and other states, as it concerns state sovereignty. In this essay, the author will review the historical development of international conflicts caused by the extraterritorial application of competition law and attempt to examine the options available to circumvent or solve these conflicts. The main focus will be U.S. antitrust law and its relation with other jurisdictions, mainly the European Union and Japan, considering the grave implications to competition law and policy as well as to the world economy. 2

II. Extraterritorial Application of U.S. Antitrust Laws

Problems concerning the extraterritorial application of U.S. antitrust laws have been discussed in many publications. Of the U.S. antitrust laws, the Sherman Act applies to “commerce … with foreign nations ” (Section 1) without qualifying provisions concerning its territorial scope as “within the United States” (Section 2) or “in any section of the country” (Section 3) as specified in the Clayton Act. In the past, U.S. courts interpreting the Sherman Act of 1890 and other antitrust laws commonly followed the traditional territorial principle with regard to its jurisdictional reach. In the American Banana case (213 U.S. 347 (1909)), where all the acts complained of were committed outside the territory of the United States, including the defendant’s alleged inducements of the Costa Rican government to monopolize the banana trade, the U.S. Supreme Court dismissed the complaint on the ground, inter alia, that acts committed outside of the United States are not governed by the Sherman Act. In this case, the territorial principle in the classic sense was applied.

In later decisions such as the American Tobacco case (221 U.S. 106 (1911)) and the Sisal case (274 U.S. 268 (1927)), jurisdiction was exercised over the defendants on the ground that although the agreements in question were concluded by foreigners outside the United States, jurisdiction was limited to what was performed and intended to be performed within the territory of the United States. In these cases, the territorial principle was applied more flexibly, but it has been observed that this application cannot be argued other than as a sensible and reasonable deployment of the objective territorial theory. 3

An entirely different approach was taken in the Alcoa case (148 F.2d. 416 (1944)), in which foreign companies outside the United States had concluded the agreements. The Court of Appeal for the Second Circuit held it settled law that any State may impose liabilities, even upon persons not within its allegiance, for conduct outside its borders that has consequences within its borders. It went on further to state that the agreements, although made abroad, were unlawful if they were intended to affect imports and did affect them.

This theory of the intended effect (the effects doctrine) elaborated in the Alcoa case was criticized by many as an excess of jurisdiction under public international law. For instance, R.Y. Jennings noted that “in this new guise it apparently comprehends the exercise of jurisdiction over agreements made abroad, by foreigners with foreigners provided only that the agreement was intended to have repercussions upon American imports or exports,” 4 while F.A. Mann argued that “the type of effect within the meaning of the Alcoa ruling has nothing in common with the effect which by virtue of established principles of international jurisdiction confers that right of regulation.” 5 Neverthele ss, since the Alcoa case, U.S. courts have continued to follow the new jurisdictional formula of the effects doctrine.

In response to excessive application of U.S. antitrust laws, especially with respect to courts’ orders to produce documents such as subpoena duces tecum located abroad, a considerable number of states have issued diplomatic protests. Australia, France, the United Kingdom, the Netherlands, and New Zealand have even enacted blocking legislation. 6 The protesting states maintain that taking evidence abroad, including an order to produce documents, is an exercise of extraterritorial enforcement of jurisdiction that, under international law, requires the consent of the state where the evidence is located. The United Kingdom has been one of the strongest opponents to U.S. claims of extraterritorial jurisdiction. The U.K. government stated for instance that “HM Government considers that in the present state of international law there is no basis for the extension of one country’s antitrust jurisdiction to activities outside of that country of the foreign national.” 7 The Protection of Trading Interest law was enacted in 1980, which provides to extensively thwart the extraterritorial application of U.S. antitrust laws. The U.K. government invoked the provisions in the Laker Airways case (1983 W.L.R. 413) in 1983.

Having faced the antagonistic reactions of other states, U.S. courts began to show some restraint in assuming extraterritorial jurisdiction. In the Timberlane case (549 F.2d. 9 th Cir. (1976)), the court concluded that it had jurisdiction over alleged anticompetitive conducts in Honduras but refrained from asserting extraterritorial jurisdiction after having applied three tests: first, whether the challenged conduct had had some effect on the commerce of the United States; second, whether the conduct in question imposed a burden on U.S. commerce; and third, whether the complaint’s interests of and links to the United States were sufficiently strong vis-à-vis those of other nations to justify an assertion of extraterritorial authority. The Foreign Trade Antitrust Improvements Act enacted in 1976 applies to foreign conduct that has a direct, substantial and reasonably foreseeable effect on U.S. commerce, The U.S. enforcement agencies, the Department of Justice (DOJ) and the Federal Trade Commission (FTC), have adopted this jurisdictional rule of reason formula since the Enforcement Guidelines for International Operations of 1988. However, divergent views exist as to whether the third test of balancing the interests of other states is a rule of international law or just a comity. 8 Furthermore, not all U.S. courts have consistently applied the test of balancing interests. 9

In 1993, the Supreme Court decision in the Hartford Fire Insurance case (113 S. Ct. 2891 (1993)) reaffirmed the effects doctrine, stating that the Sherman Act applies to foreign conduct that was meant to produce and did in fact produce some substantial effect in the United States. The Court then took a restrictive view on the test of balancing interests, stating that the only substantial question is whether there is a true conflict between domestic and foreign law, and held that no such conflict seemed to exist because British law did not require defendants to act in a manner prohibited by U.S. law. 10

Japan maintains the territorial principle and rejects the effects doctrine, stating that the effects doctrine cannot be regarded as an established rule of international law. In the view of the Government of Japan, the extraterritorial application of U.S. domestic laws (including U.S. antitrust laws) based on the effects doctrine is not allowed under general international law. 11 In the Nippon Paper case, where a Japanese company was prosecuted under the Sherman Act, the Japanese government submitted a brief of amicus curiae where it stated, inter alia, that the extraterritorial application of the Sherman Act to a conduct of a Japanese company engaged in business in Japan is unlawful under international law. 12 Nonetheless, the U.S. Supreme Court affirmed the Court of Appeal decision, which assumed the extraterritorial application of the Sherman Act to a criminal case for the first time (118 S. Ct. 685 (1998)).

#### Economic alliance is key to Indo-Pacific cyber security---only coop allows them to leverage technology.

Patrick M. Cronin 4/15/21. Asia-Pacific Security Chair @ Hudson. "U.S.-Japan Alliance in Full Bloom". https://www.hudson.org/research/16835-u-s-japan-alliance-in-full-bloom

Even if seldom mentioned by name, China is the unmistakable fulcrum around which alliance policy on all issues turns. Competition with China is primarily economic and technological, but these issues often spill over into security and human rights.

Economically, a rebounding U.S. economy and Japan will collaborate to strengthen the resilience of vital supply chains. Semiconductor chips are essential for all electronics, and Suga and Biden are determined to ensure their availability. Equally, the U.S. and Japan have an opportunity to leverage their two-year-old digital trade agreement to help negotiate a multilateral accord and establish high international standards for finance and commerce in the cyber age.

As a dominant player in semiconductor manufacturing and a member of APEC and the World Trade Organization, Taiwanshould play a part in both supply chain security and digital trading standards. Indeed, bolstering Taiwan’s place in the global economy of other democracies is a far better means of thwarting Beijing’s intimidation strategy against Taiwan than just sailing near the Taiwan Strait with an aircraft carrier.

The commanding heights of the 21st century economy center on technology. So, while the United States and Japan retain a strong interest in economic cooperation with China, those relations become considerably sharper over leading-edge technologies such as 5G telecommunications, artificial intelligence and quantum computing. Biden and Suga should showcase their commitment, not against China, but in favor of technological innovation and secure connectivity.

An excellent way for the alliance to demonstrate a commitment to practical technology cooperation would be to work together to expand investment in 5G Open Radio Access Networks (ORAN). Given the concerns surrounding allowing China to dominate fifth-generation telecommunications infrastructure, the United States and Japan need to scale up a cloud-based software alternative. The good news is that Japan’s Rakuten is already a leader in demonstrating ORAN’s feasibility, and there is bipartisan support in Congress for increasing U.S. investment in modular 5G.

The alliance also requires deeper cooperation on cybersecurity. Of five issues highlighted at the recent 2 + 2 meeting between U.S. and Japan defense and foreign ministers, cyberspace was the most traditional national security issue. Japan is inching closer toward becoming a de facto sixth member of the Five Eyes intelligence-sharing arrangement, and the Biden administration should encourage that trajectory. A stronger digital alliance can, in turn, advance cyber resilience throughout the Indo-Pacific region.

#### Extinction---Indo-Pak nuclear war.

Ahyousha Khan 20. "Research Associate" at Islamabad Based Think-tank "Strategic Vision Institute". "Artificial Intelligence without Cyber Resilience in South Asia". South Asia Journal. 7-16-2020. http://southasiajournal.net/artificial-intelligence-without-cyber-resilience-in-south-asia/

With increased dependence on information technology and rapid digitization of systems, term cybersecurity gained momentum. However, these systems not only need to be securitized but they should be resilient against the threats. Cyber resilience is the ability of the system to operate during an attack and achieve a minimum level of operationalization while responding to an attack. It also enables the system to develop a back-up system that works in case of attack. Cyber resilience is a step forward from cybersecurity because it not only ensures the security of the system, but also identifies the threats to it and then proposes the system that could work amidst such attacks. Most military systems are resilient against kinetic attacks because resilience and survivability go hand in hand. But, with modernizations in the military, it is necessary that the state’s cyber networks which are working on artificial intelligence must be resilient against kinetic and non-kinetic attack.

Today states are in a race to use the AI in their military systems to achieve maximum military gains and denying their adversary the same. The situation is not so different in South Asia where two nuclear rivals of the region are paving the way towards the use of artificial intelligence for military purposes. India has developed the Center for Artificial Intelligence and Robotics (CAIR) in DRDO, with the aim to develop AI within the military systems to improve geographical information system technology, decision support systems, and object detection and mapping. Moreover, companies like Bharat Electronics Limited (BEL) are already in the process of developing and incorporating AI into military equipment. This includes an AI-enabled patrol robot developed by BEL built in the hope to be utilized by the Indian military. Moreover, in 2019 India’s Gen. Bipin Rawat said adversary in the north is spending a huge amount on AI and cyber warfare, so we cannot be left behind in this race. It is mostly projected by the Indian policymakers and many international scholars that India is facing adversaries at two fronts (China-Pakistan), to justify India’s military expenditure and modernization. However, recently, events like Galwan Valley clash evidently exposed that India’s military capabilities are mostly against Pakistan. Moreover, South Asia’s security dynamics are heavily characterized by the action-reaction chain. To avoid the security dilemma vis-à-vis India, Pakistan would also invest in AI. At the moment Pakistan has also started working towards achieving expertise in AI. In 2019 President of Pakistan launched PIAIC with a focus on the development of skills in AI to strengthen economy and defence systems. Moreover, there are centers like the National Center of Artificial Intelligence and the Department of Robotics and Intelligent Machine Learning in NUST, which are working to improve AI-based knowledge in Pakistan. Besides that Pakistan recently launched a program named “Digital Pakistan” to increase access and connectivity, digital infrastructure, e-government, digital killing, and training and introduce innovation and entrepreneurship.

There are many studies done on the implications of AI on nuclear deterrence and strategic stability in South Asia. These studies highlight that due to prevalent asymmetry in the conventional military build-up, the introduction of AI into military technology would worsen the already fragile deterrence stability of the region. This assumption is based on the argument that due to AI in reconnaissance systems, high-level intelligence collection would affect the survivability of nuclear weapons, which is based on diversification and concealment. However, AI would also enable both states to have more response options in a short time with the help of decision-making tools in case of a crisis, especially in aerial battles.

Moreover, both states are moving towards the massive digitalization of their military systems and society without building cyber-resilient systems. Resilience can be built against vulnerabilities like human factors, massive speed of the systems, protection, and storage of data and advanced persistent threats (ATPs). Artificial intelligence-based systems must be incorporated in societies and militaries along with mechanisms to strengthen the cybersecurity systems. A front runner in AI like the US has also expressed concerns over the need for modern equipment to operate on “internet-like networks” and subsequently increased vulnerabilities due to their applicability. Therefore, military modernization can happen effectively through cyber resiliency in military systems, network processes, and cyber architecture. A cyber-resilient system would enable the state to develop a system that would remain functional during a phishing attack. Steps like cyber deception, agility, and clone defense could increase resilience in the existing systems. This is important to understand in already lacking strategic stability, military systems based on artificial intelligence would be an ideal target of AI advanced persistent threats in South Asia.

Therefore, as the process of digitalization is increasing in the Pakistan-India equation, it is also becoming very important that both states should develop resilience in their cyber systems so that the technologies could give them an advantage rather than becoming a security peril for them.

### Regs CP---1NC

#### The United States federal government should substantially increase prohibitions on private sector conduct that is more restrictive of competition than reasonably necessary to enable creation of information technology standards under Patent and Contract law and establish treble damages for violation.

#### The counterplan PICs out of anti-trust legislation and the FTC and DOJ as enforcers---other agencies’ regulations solve.

Lawrence Fullerton et al. 08. Joel M Mitnick, William V Reiss, George C Karamanos and Owen H Smith. Sidley Austin LLP. Vertical Agreements The regulation of distribution practices in 34 jurisdictions worldwide. “United States.” https://www.sidley.com/-/media/files/publications/2008/03/getting-the-deal-through--vertical-agreements-2008/files/view-united-states-chapter/fileattachment/united-states-21.pdf

5 What entity or agency is responsible for enforcing prohibitions on anticompetitive vertical restraints? Do governments or ministers have a role?

The Federal Trade Commission (FTC) and the Antitrust Division of the Department of Justice (DoJ) are the two federal agencies responsible for the enforcement of federal antitrust laws. The FTC and the DoJ have jurisdiction to investigate many of the same types of conduct, and therefore have adopted a clearance procedure pursuant to which matters are handled by whichever agency has the most expertise in a particular area.

Additionally, other agencies, such as the Securities and Exchange Commission and Federal Communications Commission, maintain oversight authority over regulated industries pursuant to various federal statutes, and therefore may review vertical restraints for anti-competitive effects.

### FTC Trade Off---1NC

#### FTC’s increasing enforcement in privacy now---it’s focused on algorithmic bias.

James V. Fazio 21. Special counsel in the Intellectual Property Practice Group at Sheppard, Mullin, Richter & Hampton LLP, with Liisa M. Thomas, 3/11. “What Is FTC’s Course Under Biden?” https://www.natlawreview.com/article/what-ftc-s-course-under-biden

The new acting FTC chair, Rebecca Kelly Slaughter, recently signaled that the FTC may increase enforcement and penalties in the privacy and data security realm. Slaughter pointed to several areas of focus for the FTC this year, which companies will want to keep in mind: Notifying Consumers About FTC Allegations: Slaughter referred favorably to two recent cases: (1) the Everalbum biometric settlement from earlier this year (which we wrote about at the time); and (2) the Flo Health settlement over alleged deceptive data sharing practices (which we also wrote about at the time). In drawing on these two cases, Slaughter indicated that in future cases the FTC intends to include as part of any settlement a requirement to notify customers of any FTC allegations. This, she said, would allow consumers to “vote with their feet” and help them decide whether to recommend their services to others. FTC Intent to Plead All Relevant Violations: According to Slaughter, another lesson the FTC is taking from the Flo case is to include in the cases it brings all potentially applicable violations of all relevant privacy-related laws. In the Flo case, Slaughter said the FTC should have pleaded a violation of the Health Breach Notification Rule, which requires that vendors of personal health records notify consumers of data breaches. Focus on Ed Tech and COPPA: Given the explosive growth of education technology during COVID-19, the FTC is conducting an industry sweep of the industry. Related to this, the FTC is reviewing its Children’s Online Privacy Protection Act Rule. This goes beyond the refresh the agency did of their FAQs earlier in the pandemic (which we wrote about at the time). For now, Slaughter reminds companies that parental consent is needed before collecting information online from children under the age of 13. Examination of Health Apps: The FTC will take a closer look at health apps, including telehealth and contact tracing apps, as more and more consumers are relying on such apps to manage their health during the pandemic. Overlap Between Competition and Privacy: Slaughter also indicated that it is worth looking at situations where there may be not only privacy concerns, but antitrust as well. Because the FTC has a dual mission (consumer protection and competition) she notes that it has a “structural advantage” over other regulators in that it can look at these issues, especially since -she states- “many of the largest players in digital markets are as powerful as they are because of the breadth of their access to and control over consumer data.” Racial Equality and AI/Biometrics/Geotracking: Slaughter noted that COVID-19 is exacerbating racial inequities. She pointed to the unequal access to technology, as well as algorithmic discrimination (the idea that discrimination offline becomes embedded into algorithmic system logic). The FTC intends to focus on algorithmic discrimination, as well as on the discrimination potentially embedded into facial recognition technologies. (This mirrors concerns that gave rise to the recent Portland facial recognition law, which we recently wrote about). Finally, Slaughter commented on the use of location data to identify characteristics of Black Lives Matter protesters, and said she is concerned about the misuse of location data to track Americans engaged in constitutionally protected speech. Putting it Into Practice: Companies that operate health apps, that are in the education technology space, or that use algorithms or facial recognition tools will want to keep in mind that these are areas of focus for the FTC. And for everyone, keep in mind that the FTC has indicated it will beef up privacy law penalties and will ask for more notification to injured consumers.

#### Antitrust enforcement saps up FTC resources and personnel, which are finite.

Tara L. Reinhart, et al. 21. \*\*Head of Skadden, Arps, Slate, Meagher & Flom LLP’s Antitrust/Competition Group. \*\*Steven C. Sunshine, Co-head of Skadden, Arps, Slat, Meagher & Flom LLP’s Antitrust/Competition Group. \*\*David P. Whales, antitrust lawyer with over 25 years of experience in both private and public sectors. \*\*Julia Y. York, partner at Skadden, Arps, Slat, Meagher & Flom LLP. \*\*Bre Jordan, associate at Skadden, Arps, Slat, Meagher & Flom LLP focusing on antitrust law. “Lina Khan’s Appointment as FTC Chair Reflects Biden Administration’s Aggressive Stance on Antitrust Enforcement.” 6/18/21. https://www.skadden.com/insights/publications/2021/06/lina-khans-appointment-as-ftc-chair

Second, like all antitrust enforcers, Ms. Khan and the FTC will face resource constraints. Bringing antitrust litigation is an expensive and laborious process, often requiring millions of dollars for expert fees and a large army of FTC staff attorneys and taking many months or even years to accomplish. Typically, the FTC can only litigate a handful of antitrust matters at a time. It seems likely that Congress will provide more funding to the FTC in the current environment, but even with these extra resources, the FTC will still have to pick its cases carefully and cannot challenge every deal or every instance of alleged unlawful conduct.

#### That trades off with the necessary resources for privacy enforcement.

John O. McGinnis\* and Linda Sun\*\* 20. \*George C. Dix Professor, Northwestern University, and Associate-Designate, Wilmer Pickering Hale & Dorr LLP. “Unifying Antitrust Enforcement for the Digital Age.” Northwestern Public Law Research Paper No. 20-20. https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3669087

The FTC needs more resources to adequately address the nation’s growing privacy concerns. Currently, the FTC oversees both consumer protection—encompassing privacy—and antitrust,249 making the FTC the chief federal agency on privacy policy and enforcement250 and the nation’s de-facto privacy agency.251 The agency has long-standing experience in enforcing privacy statutes252 and also has special privacy assets, such as an internet lab capable of high-quality tech forensics to track invasions of privacy.253 The FTC, however, has failed to keep pace with the massive growth of privacy concerns—a phenomenon also driven by modern technology. Very few Americans feel conﬁdent in the privacy of their information in the digital age.254 According to a 2019 study, over 80% of Americans feel that they have little to no control over the data collected on them by companies and the government.255 To adequately address privacy concerns, the FTC needs more resources.256 The agency has been explicit that it needs more manpower to police tech companies. In requesting increased funding from Congress, FTC Director Joseph Simons said the money would allow the agency to hire additional staff and bring more privacy cases.257 A former director of the FTC’s Bureau of Consumer Protection, which houses the privacy unit, has called the FTC “woefully understaffed.”258 As of the spring of 2019, the FTC had only forty employees dedicated to privacy and data security, compared to 500 and 110 employees at comparable agencies in the UK. and Ireland, respectively.259 Without more lawyers, investigators, and technologists, the FTC will be forced to conduct privacy investigations less thoroughly, and in some cases, forgo them altogether.260 Currently, the FT C’s resources are spread thin across multiple missions, to the detriment of its privacy efforts. Removing the agency’s antitrust responsibilities would reallocate resources from the antitrust department to its privacy unit and other areas of consumer protection. Further, it would free up the scarce time of the commissioners to oversee this essential effort.261

#### Unchecked algorithmic bias risks massive inequality and extinction.

Mike Thomas 20. Quoting AI experts including MIT Physics Professors, Senior Features Writer for BuiltIn. THE FUTURE OF ARTIFICIAL INTELLIGENCE: 7 ways AI can change the world for better ... or worse, Updated: April 20, 2020, <https://builtin.com/artificial-intelligence/artificial-intelligence-future>

Klabjan also puts little stock in extreme scenarios — the type involving, say, murderous cyborgs that turn the earth into a smoldering hellscape. He’s much more concerned with machines — war robots, for instance — being fed faulty “incentives” by nefarious humans. As MIT physics professors and leading AI researcher Max Tegmark put it in a 2018 TED Talk, “The real threat from AI isn’t malice, like in silly Hollywood movies, but competence — AI accomplishing goals that just aren’t aligned with ours.” That’s Laird’s take, too. “I definitely don’t see the scenario where something wakes up and decides it wants to take over the world,” he says. “I think that’s science fiction and not the way it’s going to play out.” What Laird worries most about isn’t evil AI, per se, but “evil humans using AI as a sort of false force multiplier” for things like bank robbery and credit card fraud, among many other crimes. And so, while he’s often frustrated with the pace of progress, AI’s slow burn may actually be a blessing. “Time to understand what we’re creating and how we’re going to incorporate it into society,” Laird says, “might be exactly what we need.” But no one knows for sure. “There are several major breakthroughs that have to occur, and those could come very quickly,” Russell said during his Westminster talk. Referencing the rapid transformational effect of nuclear fission (atom splitting) by British physicist Ernest Rutherford in 1917, he added, “It’s very, very hard to predict when these conceptual breakthroughs are going to happen.” But whenever they do, if they do, he emphasized the importance of preparation. That means starting or continuing discussions about the ethical use of A.G.I. and whether it should be regulated. That means working to eliminate data bias, which has a corrupting effect on algorithms and is currently a fat fly in the AI ointment. That means working to invent and augment security measures capable of keeping the technology in check. And it means having the humility to realize that just because we can doesn’t mean we should. “Our situation with technology is complicated, but the big picture is rather simple,” Tegmark said during his TED Talk. “Most AGI researchers expect AGI within decades, and if we just bumble into this unprepared, it will probably be the biggest mistake in human history. It could enable brutal global dictatorship with unprecedented inequality, surveillance, suffering and maybe even human extinction. But if we steer carefully, we could end up in a fantastic future where everybody’s better off—the poor are richer, the rich are richer, everybody’s healthy and free to live out their dreams.”

## Solvency

### Patent Hold-up Fake---1NC

#### ‘Patent holdups’ are a lie. Antitrust policies are a greater threat.

Barnett ’18 [Jonathan, Ronald A. Cass, Richard A. Epstein, Douglas H. Ginsburg, Gus Hurwitz, David J. Kappos, Paul Michel, Adam Mossoff, Kristen Osenga, David J. Teece, and Joshua D. Wright; February 22; Professor at the USC Gould School of Law; Dean Emeritus of the Boston University School of Law; Law Professor at New York University; Senior Circuit Judge, United States Court of Appeals for the District of Columbia Circuit, Law Professor at George Mason University; Law Professor at the University of Nebraska; Former Under Secretary of Commerce and Director of the United States Patent & Trademark Office; Retired Chief Judge of the United States Court of Appeals for the Federal Circuit; Law Professor at George Mason University; Professor at the University of Richmond School of Law; Thomas W. Tusher Professor in Global Business at the University of California at Berkeley; Former Commissioner of the Federal Trade Commissioner, Law Professor at George Mason University; IP Watchdog, “Apply Evidence-based Approach to Antitrust Law Equally to Innovators and Implementers,” https://www.ipwatchdog.com/2018/02/22/evidence-based-application-antitrust-law/id=93755/]

As judges, former judges and government officials, legal academics and economists who are experts in antitrust and intellectual property law, we write to express our support for your recent announcement that the Antitrust Division of the Department of Justice will adopt an evidence-based approach in applying antitrust law equally to both innovators who develop and implementers who use technological standards in the innovation industries.

We disagree with the letter recently submitted to you on January 24, 2018 by other parties who expressed their misgivings with your announcement of your plan to return to this sound antitrust policy. Unfortunately, their January 24 letter perpetuates the long-standing misunderstanding held by some academics, policy activists, and companies, who baldly assert that one-sided “patent holdup” is a real-world problem in the high-tech industries. This claim rests entirely on questionable models that predict that opportunistic behavior in patent licensing transactions will result in higher consumer prices. These predictions are inconsistent with actual market data in any high-tech industry.

It bears emphasizing that no empirical study has demonstrated that a patent-owner’s request for injunctive relief after a finding of a defendant’s infringement of its property rights has ever resulted either in consumer harm or in slowing down the pace of technological innovation. Given the well understood role that innovation plays in facilitating economic growth and wellbeing, a heavy burden of proof rests on those who insist on the centrality of “patent holdup” to offer some tangible support for that view, which they have ultimately failed to supply in the decade or more since that theory was first propounded. Given the contrary conclusions in economic studies of the past decade, there is no sound empirical basis for claims of a systematic problem of opportunistic “patent holdup” by owners of patents on technological standards.

Several empirical studies demonstrate that the observed pattern in high-tech industries, especially in the smartphone industry, is one of constant lower quality-adjusted prices, increased entry and competition, and higher performance standards. These robust findings all contradict the testable implications of “patent holdup” theory. The best explanation for this disconnect between the flawed “patent holdup” theory and overwhelming weight of the evidence lies in the institutional features that surround industry licensing practices. These practices include bilateral licensing negotiations, and the reputation effects in long-term standards activities. Both support a feed-back mechanism that creates a system of natural checks and balances in the setting of royalty rates. The simplistic models of “patent holdup” ignore all these moderating effects.

Of even greater concern are the likely negative social welfare consequences of prior antitrust policies implemented based upon nothing more than the purely theoretical concern about opportunistic “patent holdup” behavior by owners of patented innovations incorporated 2 into technological standards. For example, those policies have resulted in demands to set royalty rates for technologies incorporated into standards in the smartphone industry according to particular components in a smartphone. This was a change to the longstanding industry practice of licensing at the end-user device level, which recognized that fundamental technologies incorporated into the cellular standards like 2G, 3G, etc., optimize the entire wireless system and network, and not just the specific chip or component of a chip inside a device.

#### No holdups or “monoculture”---zero empirical proof---all innovation examples goes neg. Cites their solvency advocate that revoked his claim.

Keith Mallinson 16. Founder of WiseHarbor, providing expert commercial consultancy since 2007 to technology and service businesses in wired and wireless telecommunications, media and entertainment serving consumer and professional markets. He is an industry expert and consultant with 25 years of experience and extensive knowledge of the ICT industries and markets, including the IP-rich 2G/3G/4G mobile communications sector. His clients include several major companies in ICT. He is often engaged as a testifying expert witness in patent licensing agreement disputes and in other litigation including asset valuations, damages assessments and in antitrust cases. He is also a regular columnist with FierceWireless and IP Finance. “Mallinson on Patent Holdup and Holdout: for IP Finance 16th August 2016”. https://www.wiseharbor.com/pdfs/Mallinson%20on%20Holdup%20and%20Holdout%20for%20IP%20Finance%2016%20Aug%202016.pdf

“Patent holdup” is manifestly not a systemic problem. There is no empirical evidence of harm to markets or consumers, and such abundant proof of market success—particularly for innovative smartphones and the extensive 3G and 4G networks to which they are connected—including seven billion cellular connections and modest licensing costs totalling only around five percent of device prices.

Unmentionable claims

I came upon a paper entitled “Patent Holdup: Myth or Reality?” by Carl Shapiro, dated 6 th October 2015, which was circulated as a hard-copy and presented at an IEEE-SIIT conference at the Intelsponsored key-note address. In this, the author concedes that there are “few documented instances of actual holdups” and that they are “exceedingly difficult for researchers to detect and reliably quantify.” He has backed off from his previous claims of prevalence of “patent holdup” where he stated “patentees regularly settle with companies in the information technology industries for far more money than their inventions are actually worth. These companies are paying holdup money to avoid the threat of infringement.” Shapiro has retreated due to lack of empirical support for these original claims which is because portfolio licensing among many licensees on FRAND terms together with the courts ensure that holdup royalties are rarely demanded and are never paid. However, Shapiro takes another position where there is also no supporting evidence. He now claims that the social costs caused by the alleged “patent holdup” problem are in the actions taken to prevent holdup and in the opportunities forgone under the threat of “patent holdup.”

His 2015 paper is labelled a preliminary draft that should not be quoted, yet the verbatim thesis of this most outspoken author is evidently being adopted elsewhere; including in a speech by the US Department of Justice’s Chief Economist, Nancy Rose, at a George Washington University conference on “Patents in Telecoms” in November 2015. In this, she analogises that “patent holdup” is like dark matter in the universe – something that cannot itself be detected but is present. She said that the existence of dark matter can be inferred from effects on visible matter.

With the passing of ten months since Shapiro presented his paper at the IEEE event and with the DoJ’s name endorsing this latest development in “patent holdup” theory, I believe it is high time to shine some light on the flaws in arguments made by Shapiro and Rose by making their writings available and by rebutting them here. I do not see why they should enjoy the privilege of being heard and given the opportunity to persuade, while also indefinitely being able to shield their postulations from scrutiny or criticism.

A big bluff

At first glance of the Shapiro paper’s abstract it seems he is going to provide the empirical evidence supporting “patent holdup” theory that many of us have been asking and waiting for over many years. Instead, careful wording sidesteps this issue again and again. He states that “the general theory of holdup enjoys substantial empirical support.” This alone is woefully insufficient: critics of “patent holdup” theory claim these are inapplicable to patents in general and to SEPs in particular. Realising this while unwilling to admit this shortcoming, Shapiro goes on to state that “applying the same theoretical and empirical methodologies to “patent holdup” confirms that patent holdup is a substantial real-world problem.” This seems conclusive; but instead of supporting this assertion with any empirical observations in patent licensing, he merely inflates his claim by stating that “patent holdup is shown to be an especially difficult type of holdup to manage.” Patent holdup remains a theoretical problem absent specific empirical support.

In the paper’s main text Shapiro goes on to claim that he “debunk[s] the assertion that the theory of patent holdup lacks empirical support,” but he identifies no such empirical support there either. In his analysis he asserts that the “holdup problem” is actually “the potential for holdup” leading to costs in (1) preventing or mitigating actual holdup, (2) the deadweight loss associated with activities deterred by the prospect of holdup; and (3) the costs caused by actual holdup that nonetheless occur. However, he provides no more than descriptions of his assertions: as with his original theory (3), no empirical support for his revised theory, as indicated in (1) and (2), is provided either.

According to Shapiro and Rose, there are three ways in which the alleged problems with holdup can be mitigated or eliminated, each of which has social costs: vertical integration, long-term contracts and lessspecific investment. Shapiro maintains that, in general, this is all widely considered to be well established empirically. Even if one accepts that premise, it is also necessary to identify, depict and quantify with respect to costs how each of these effects is occurring in alleged “patent holdup.” Shapiro dismisses vertical integration with acquisition of all patents required for manufacture as not being viable because there are many patents under widespread ownership and because competing manufacturers also need to use the same patented technologies. He regards FRAND arrangements as costly and inefficient, but does not even assess these anecdotally, let alone empirically. Similarly, he presents no evidence that specific investments have been curtailed with products subject to patents in general or SEPs in particular.

## Innovation

### Growth Defense---1NC

#### COVID thumps growth---recession.

#### Countries will exercise restraint.

Christina L. Davis & Krzysztof J. Pelc 17. \*Professor of Politics and International Affairs at Princeton. \*\*Associate Professor of Political Science at McGill University. “Cooperation in Hard Times: Self-restraint of Trade Protection.” *Journal of Conflict Resolution* 61(2): 398-429. Emory Libraries.

Conclusion Political economy theory would lead us to expect rising trade protection during hard times. Yet empirical evidence on this count has been mixed. Some studies find a correlation between poor macroeconomic conditions and protection, but the worst recession since the Great Depression has generated surprisingly moderate levels of protection. We explain this apparent contradiction. Our statistical findings show that under conditions of pervasive economic crisis at the international level, states exercise more restraint than they would when facing crisis alone. These results throw light on behavior not only during the crisis, but throughout the WTO period, from 1995 to the present. One concern may be that the restraint we observe during widespread crises is actually the result of a decrease in aggregate demand and that domestic pressure for import relief is lessened by the decline of world trade. By controlling for product-level imports, we show that the restraint on remedy use is not a byproduct of declining imports. We also take into account the ability of some countries to manipulate their currency and demonstrate that the relationship between crisis and trade protection holds independent of exchange rate policies. Government decisions to impose costs on their trade partners by taking advantage of their legal right to use flexibility measures are driven not only by the domestic situation but also by circumstances abroad. This can give rise to an individual incentive for strategic self-restraint toward trade partners in similar economic trouble. Under conditions of widespread crisis, government leaders fear the repercussions that their own use of trade protection may have on the behavior of trade partners at a time when they cannot afford the economic cost of a trade war. Institutions provide monitoring and a venue for leader interaction that facilitates coordination among states. Here the key function is to reinforce expectations that any move to protect industries will trigger similar moves in other countries. Such coordination often draws on shared historical analogies, such as the Smoot–Hawley lesson, which form a focal point to shape beliefs about appropriate state behavior. Much of the literature has focused on the more visible action of legal enforcement through dispute settlement, but this only captures part of the story. Our research suggests that tools of informal governance such as leader pledges, guidance from the Director General, trade policy reviews, and plenary meetings play a real role within the trade regime. In the absence of sufficiently stringent rules over flexibility measures, compliance alone is insufficient during a global economic crisis. These circumstances trigger informal mechanisms that complement legal rules to support cooperation. During widespread crisis, legal enforcement would be inadequate, and informal governance helps to bolster the system. Informal coordination is by nature difficult to observe, and we are unable to directly measure this process. Instead, we examine the variation in responses across crises of varying severity, within the context of the same formal setting of the WTO. Yet by focusing on discretionary tools of protection—trade remedies and tariff hikes within the bound rate—we can offer conclusions about how systemic crises shape country restraint independent of formal institutional constraints. Insofar as institutions are generating such restraint, we offer that it is by facilitating informal coordination, since all these instruments of trade protection fall within the letter of the law. Future research should explore trade policy at the micro level to identify which pathway is the most important for coordination. Research at a more macro-historical scope could compare how countries respond to crises under fundamentally different institutional contexts. In sum, the determinants of protection include economic downturns not only at home but also abroad. Rather than reinforcing pressure for protection, pervasive crisis in the global economy is shown to generate countervailing pressure for restraint in response to domestic crisis. In some cases, hard times bring more, not less, international cooperation.

### China---1NC

#### Doesn’t solve China---the internal link is about patents existing---the plan only stops holdup, but patents still exist which prevents competition.

#### Other countries are an alt cause.

Casey Newton 18, Silicon Valley Editor, 11-1-2018, "Internet freedom continues to decline around the world, a new report says," Verge, https://www.theverge.com/2018/11/1/18050394/internet-freedom-report-2018-freedom-house-chertoff

Digital authoritarianism is on the rise, according to a new report from a group that monitors internet freedoms. Freedom House, a pro-democracy think tank, said today that governments are seeking more control over users’ data while also using laws nominally intended to address “fake news” to suppress dissent. It marked the eighth consecutive year that Freedom House found a decline in online freedoms around the world. “The clear emergent theme in this report is the growing recognition that the internet, once seen as a liberating technology, is increasingly being used to disrupt democracies as opposed to destabilizing dictatorships,” said Mike Abramowitz, president of Freedom House, in a call with reporters. “Propaganda and disinformation are increasingly poisoning the digital sphere, and authoritarians and populists are using the fight against fake news as a pretext to jail prominent journalists and social media critics, often through laws that criminalize the spread of false information.” In the United States, internet freedom declined in 2018 due to the Federal Communications Commission’s repeal of net neutrality rules. Other countries fared much worse — 17 out of 65 surveyed had adopted laws restricting online media. Of those, 13 prosecuted citizens for allegedly spreading false information. And more countries are accepting training and technology from China, which Freedom House describes as an effort to export a system of censorship and surveillance around the world. “PROPAGANDA AND DISINFORMATION ARE INCREASINGLY POISONING THE DIGITAL SPHERE, AND AUTHORITARIANS AND POPULISTS ARE USING THE FIGHT AGAINST FAKE NEWS AS A PRETEXT TO JAIL PROMINENT JOURNALISTS.” Of course, there are tradeoffs between freedom and security. The report is critical of Sri Lanka and India, which have periodically shut down or limited access to the internet in response to the outbreak of ethnic and religious conflict. In both cases, citizens were being murdered by mobs that had encountered misinformation spread through social media. “Cutting off internet service is a draconian response, particularly at a time when citizens may need it the most, whether to dispel rumors, check in with loved ones, or avoid dangerous areas,” said Adrian Shahbaz, research director for technology and democracy. “While deliberately falsified content is a genuine problem, some governments are increasingly using ‘fake news’ as a pretense to consolidate their control over information and suppress dissent.” The report also found: Governments in 18 countries increased state surveillance between June 2017 and now, with 15 considering new “data protection” laws, which can require companies to store user data locally and potentially make it easier for governments to access. Governments in 32 countries used paid commentators, bots, and trolls in an effort to manipulate online conversations. WhatsApp and other closed messaging apps are becoming more popular targets for manipulation, the authors write.

### Democracy---1NC

#### Biden solves democracy and it is resilient---Georgia elections and the Capitol insurrection prove.

#### DPT is a statistical artifact---empirical analysis

Michael **Mousseau 18**. Professor @ UCF, PhD PoliSci @ Binghamton. Conflict Management and Peace Science, “Grasping the scientific evidence: The contractualist peace supersedes the democratic peace”, Vol 35(2) 175-192, SagePub.

A weighty controversy has enveloped the study of international conflict: whether the democratic peace, the observed dearth of militarized conflict between democratic nations, may be spurious and accounted for by institutionalized market ‘‘contractualist’’ economy. I have offered theory and evidence that economic norms, specifically contractualist economy, appear to account for both the explanans (democracy) and the explanandum (peace) in the democratic peace research program (Mousseau, 2009, 2012a, 2013; see also Mousseau et al., 2013a, b). Five studies have responded with several arguments for why we should continue to believe that democracy causes peace (Dafoe, 2011; Dafoe and Russett, 2013; Dafoe et al., 2013; Ray, 2013; Russett, 2010). Resolution of this controversy is fundamental to the study and practice of international relations. The observation of democratic peace is ‘‘the closest thing we have to an empirical law’’ in the study of global politics (Levy, 1988: 662), and carries the profound implication that the spread of democracy will end war. New economic norms theory, on the other hand, yields the contrary implication that universal democracy will not end war. Instead, it is market-oriented development that creates a culture of contracting, and this culture legitimates democracy within nations and causes peace among them. The policy implications could hardly be more divergent: to end war (and support democracy), the contractualist democracies should promote the economies of nations at risk (Krieger and Meierrieks, 2015; Meierrieks, 2012; Mousseau, 2000, 2009, 2012a, 2013; Nieman, 2015). In the literature are five factual claims for why we should continue to believe that democracy causes peace: (1) an assertion that in three of the five studies that overturned the democratic peace (Mousseau, 2013; Mousseau et al., 2013a, b), the insignificance of democracy controlling for contractualist economy is due to the treatment of missing data for contractualist economy (Dafoe et al., 2013, henceforth DOR); (2) a claim of error in the measure for conflict (DOR) that appears in one of the five studies that overturned the democratic peace (Mousseau, 2013); (3) an alleged misinterpretation of an interaction term that appears in one of the five studies (Mousseau, 2009) that overturned the democratic peace, along with in inference of democratic causality from an interaction of democracy with contractualist economy (Dafoe and Russett, 2013; DOR); (4) a claim of reverse causality, of democracy causing contractualist economy (Ray, 2013); and (5) a report of multiple regressions with most said to show democratic significance after controlling for contractualist economy (DOR). This study investigates all five of these factual claims. I begin by addressing the issue of missing data by constructing two entirely new measures for contractualist economy. I then take up possible measurement error in the dependent variable by reporting tests using both my own (Mousseau, 2013) and DOR’s measures for conflict. Next, I disaggregate the data to investigate a causal interaction of democracy with contractualist economy. I then examine the evidence for reverse causality, and scrutinize the competing test models to pinpoint the exact factors that can account for differences in test outcomes. The results are consistent across all tests: there is no credible evidence supporting democracy as a cause of peace. Using DOR’s base model, the impact of democracy is zero regardless of how contractualist economy or interstate conflict is measured. There is no misinterpreted interaction term in any study that has overturned the democratic peace, and the disaggregation of the data yields no support for a causal interaction of democracy with contractualist economy. Ray’s (2013) evidence for reverse causality from democracy to contractualist economy is shown to be based on an erroneous research design. And of DOR’s 120 separate regressions that consider contractualist economy, 116 contain controversial measurement and specification practices; the remaining four are analyses of all (fatal and non-fatal) disputes, where the correlation of democracy with peace is limited to mixedeconomic dyads, those where one state has a contractualist economy and the other does not, a subset that includes only 27% of dyads from 1951 to 2001, including only 50% of democratic dyads. It is further shown that this marginal peace is a statistical artifact since it does not exist among neighbors where everyone has an equal opportunity to fight. The results of this study should not be surprising, as they merely corroborate the present state of knowledge. This is because, while DOR ardently assert that four alleged errors, when corrected, each independently save the democratic peace proposition—multiple imputation, the exclusion of ongoing dispute years, an interaction term, and their alternative measure for contractualist economy—they never actually report any clear-cut evidence in support of their claims. One issue not addressed is Dafoe and Russett’s (2013) challenge to Mousseau et al. (2013a) on the grounds that our reported insignificance of democracy is not significant. Like the four claims of error made by DOR addressed here, Dafoe and Russett (2013) made this charge without supporting it. Mousseau et al. (2013b) then investigated it and showed that it too has no support. This issue appears resolved, as Russett and colleagues (DOR) did not raise it again. Nor have DOR or anyone else disputed the overturning of the democratic peace as reported in Mousseau (2012a), which has not been contested with any assertion, supported or unsupported. The implications of this study are far from trivial: the observation of democratic peace is a statistical artifact, seemingly explained by economic conditions. If scientific knowledge progresses and the field of interstate conflict processes is to abide by the scientific rules of evidence, then we must stop describing democracy as a ‘‘known’’ cause or correlate of peace, and stop tossing in a variable for democracy, willy-nilly, in quantitative analyses of international conflict; the variable to replace it is contractualist economy. If nations want to advance peace abroad, the promotion of democracy will not achieve it: the policy to replace it is the promotion of economic opportunity The economic norms account for how contractualist economy can cause both democracy and peace has been explicated in numerous prior studies and need not be repeated here (Mousseau, 2000, 2009, 2012a, 2013). An abundance of prior studies have also corroborated various novel predictions of the theory in wider domains (Ungerer, 2012), and no one has disputed the multiple reports that contractualist economy is the strongest non-trivial predictor of peace both within (Mousseau, 2012b) and between nations (Mousseau, 2013; see also Nieman, 2015). The only matter in controversy is whether democracy has any observable impact on peace between nations after consideration of contractualist economy. My investigation begins below with the allegation of measurement error.

### Warming---1NC

#### Don’t solve warming---internal link evidence says smart cities enable data exchanges---that’s insufficient.

#### SEPs aren’t key to smart cities---Schwartz describes what could happen if SEP holders don’t abide by FRAND commitments but says that now they are well established. The bottom half is theoretical. Emory = yellow.

Schwartz 18, \*Matt Schwartz, Privacy Fellowship Coordinator at ACT, App Association; (March 2nd, 2018, “It’s Smart to be FRANDly: How the FRAND Commitment Will Determine the Future of Smart Cities”, https://actonline.org/2018/03/02/its-smart-to-be-frandly-how-the-frand-commitment-will-determine-the-future-of-smart-cities/)

In December, we [outlined](about:blank) the emergence of Smart Cities – cities that harness technological innovations like internet of things (IoT) devices and data analytics to improve essential infrastructure in growing urban centers. The technological foundation of Smart Cities aims to improve public safety, better allocate resources, and meet the needs of citizens more quickly.

A central element to Smart Cities is the comprehensive network of sensors and devices implemented within buildings, roads, traffic signs, and parking meters that allows them to interact with public, and potentially private-owned, infrastructure. These sensors will “speak” to one another, communicating information about energy usage, traffic density, or other elements of city management that have traditionally either been analyzed separately or not tracked at all. The potential of Smart Cities allows data to flow from previously disconnected branches of the city and be processed in real-time, unlocking previously unknown insights.

The powerful interoperability of Smart Cities will rely heavily on standardized technologies developed in organizations like the IEEE, which is responsible for standardizing the wi-fi technology we use every day. Standardized technologies often include standard-essential patents (SEPs), which, like their name suggests, are patents declared essential to an industry standard by a standards-setting organization. In simple terms, one cannot implement the standardized technology without using the patent.

Like regular patents, the users of SEPs must pay royalties or licensing fees to the patent owner before they may use it. For example, if a manufacturing company wants to make an IoT device interoperable with a 5G network, the manufacturer must pay a licensing fee to the owner of the SEP that is essential to the 5G standard. SEPs play a vital role in the new innovations we enjoy and have come to expect, and because of the value of these patents, SEP holders have the ability to demand high license fees from those who wish to implement the standard. To offset this competition issue, many SEP holders voluntarily agree to license their SEPs to any willing licensee under fair, reasonable, and non-discriminatory (FRAND) terms.

While wi-fi and LTE are standards that will be vital to Smart City deployment, countless new standardized technologies are being developed that will be integral to any fully-operational Smart City. With reasonable access to SEPs, assured by the FRAND commitment, innovators can enjoy the legal and business certainty they need to compete. While the meaning of the FRAND commitment continues to be refined – as evidenced by the development of SEP best practices recently launched by the App Association in Europe – its foundations are well-established.

But what happens when SEP holders do not abide by the FRAND licensing commitment, or simply refuse to license at all? Sadly, small and medium-sized companies would be forced to accept untenable licensing terms, but more realistically, they would be priced out of using the standard altogether. As a result, it would impose a barrier to innovation that would result in fewer products offered to consumers or cities eager to implement IoT technologies. For example, many hope the rise of autonomous vehicles will be seamlessly integrated into the Smart City network. But how beneficial would it be if only some autonomous vehicle brands are able to license the technology needed to communicate with traffic lights, simply because of the market power of a chipmaker? The FRAND commitment is an important backstop to that unfortunate possibility.

It is vital for SEP holders to honor FRAND licensing terms, if not for small and medium-sized innovators, then for the sustainability of future Smart Cities. FRAND creates a platform for innovation, providing a floor on which companies can stand, innovate, and compete. If the foundation of the FRAND commitment is reneged, American innovators pay a steep price – not only do they lose a key component of product development and market entry, but they are also left with years of expensive negotiations and litigation if they choose to challenge the licensing practice. What’s more, the confidence developed in the open standards development system is shaken, and Smart Cities have fewer choices in IoT solutions for their future.

To achieve the promise of Smart Cities, a balanced standards ecosystem is essential. We must allow small and medium-sized developers to leverage industry standards for innovation and prevent cost-prohibitive royalty structures and negotiating practices that are detrimental to competition, while also ensuring that SEP owners can protect their intellectual property and be fairly compensated for its use. The FRAND commitment continues to be the best framework to achieve this balance, and adherence to its principles will determine the future and success of Smart Cities.

### Innovation Now---1NC

#### Empirics show patent innovation is doing great now

Alexander Galetovic et. al. 14. Professor of Economics at the Universidad de los Andes in Santiago. \*\*Stephen Haber is the A.A. and Jeanne Welch Milligan Professor at Stanford University. \*\*Ross Levine is the Willis H. Booth Chair in Banking and Finance at the University of California at Berkeley. Patent Holdup: Do Patent Holders Holdup Innovation?" Hoover Institute. May 2014. https://www.semanticscholar.org/paper/Working-Paper-Series-No-.-14011-Patent-Holdup-%3A-Do-Galetovic-Haber/ea38063babc29affc2139254e0ec0d14c5192f2a

5 Conclusions

Given the widespread, bipartisan calls for patent reform, there is stunningly little evidence that the current patent system is stymieing the commercialization of technology. Although reform proponents point to the rise in patent cases and the increased role of “trolls” in those cases, there is no evidence that litigation and trolls have materially hurt what actually matters: the products that we buy and the prices that we pay.

In this paper, we find that the rate of innovation—as reflected in prices—has rarely, if ever, been faster than it is today in exactly those industries that reform advocates point to as embodying the patent holdup problem. For example, the prices of goods produced by patent intensive SEP industries relative to other good produced in the economy have fallen by 90% since the early 1990s. Indeed the prices of goods produced by patent-intensive SEP industries have fallen at about twice the rate of other patent-intensive industries. Although reform advocates point to patent-intensive SEP industries as most prone to patent holdup, it is in these industries were innovation seems fastest. If patent holdup is slowing innovation, it is slowing it down to perhaps the fastest rate in human history.

Our analyses also shed a skeptical light on the direction of major reform proposals that envisage a greater role for regulatory-type bodies and a smaller role for the courts. Current reform proposals compare the messy reality of the current court-based system with an imaginary ideal—a perfectly functioning regulatory system. But, an enormous body of economic research suggests that such regulatory-based institutions are more prone to subversion than the courts.

Regulatory capture might be a bigger concern than the high cost of litigation. Before materially altering the U.S. intellectual property system—a bedrock institution underlying long-run economic growth—more serious work is need.

### SSOs Fine---1NC

#### SSOs are fine now.

Michael A. Carrier 3. Assistant Professor at the Rutgers University School of Law-Camden. "Why Antitrust Should Defer to the Intellectual Property Rules of Standard-Setting Organizations: A Commentary on Teece & Sherry." Minnesota Law Review. 2003. https://www.researchgate.net/publication/228171398\_Why\_Antitrust\_Should\_Defer\_to\_the\_Intellectual\_Property\_Rules\_of\_Standard-Setting\_Organizations\_A\_Commentary\_on\_Teece\_Sherry

B. SSO RULES RESTRICTING INTELLECTUAL PROPERTY

SSO search, disclosure, and licensing rules do not have direct adverse effects on competition, such as harming consumers or raising price. Rather, they have significant procompetitive justifications.

Search rules merely require SSO members to search for IP that might read on a standard, an obligation that does not lead to anticompetitive effects.82 Disclosure rules provide useful information to members deciding on a standard. In particular, they inform the members of the SSO of the intellectual property that would be implicated by the selection of certain standards. Disclosure rules, again, differ from informationsharing arrangements that have warranted antitrust scrutiny.83 For rather than abetting the sharing among competitors of sensitive price information that reduces competition, the information produced by such rules prevents the strategic hiding and ex post exploiting of IP, activity that serves no legitimate purpose.

Licensing rules are even more critical in avoiding the holdup problem of patentees imposing onerous licensing terms after the adoption of the standard. They thus offer a significant pro-competitive justification by avoiding a potential bottleneck and contributing to the creation of a product that might not otherwise exist. Such rules bear some resemblance to other types of activity that have received substantial antitrust deference: (1) a blanket music license allowing the sale of rights to hundreds of copyrighted musical compositions, thereby reducing transaction costs84 and (2) cross-license agreements and patent pools, which resolve patent bottlenecks among owners of blocking patents that otherwise could unilaterally prevent the practice of a product with multiple patented inputs.85 Even the promulgation of specific licensing terms should be sanctioned. “Reasonable and nondiscriminatory” does not give precise notice of its content and does not prevent ex post holdup. More detail might. Moreover, such announcements have not, to date, appeared to foster collusion among patentees in the royalties they have charged.

C. PRO-COMPETITIVE BENEFITS OF IP-BASED SSOS

Intellectual property-based SSOs offer real pro-competitive justifications. Interoperability standards enable firms to use a common platform and enhance competition in the marketplace. They contribute to a greater realization of network effects and prevent buyers from being stranded in a product that loses the standards war.86 And they clear bottlenecks and create markets that might not otherwise exist.87 The IP rules of SSOs contribute to these benefits by reducing the likelihood of holdup by patentees.88

Further affirming the pro-competitive benefits of SSO rules, the industries in which SSOs have developed are those with the greatest potential for bottlenecks, patent thickets, and thwarted innovation. Mark Lemley has shown that SSOs have concentrated “in precisely those industries where the unconstrained enforcement of patents could be most damaging to innovation,” namely, computer software, Internet, telecommunications, and semiconductors.[[1]](#footnote-1) In these industries, the presence of multiple patented inputs in products increases the risk of holdup. Just as ominous, the industries are marked by “cumulative innovation,” with one generation’s patented invention based on those of previous generations.[[2]](#footnote-2) The clearing of patent thickets and fostering of cumulative innovation and new markets through SSOs offers perhaps the most powerful benefits for competition and innovation.[[3]](#footnote-3) Significant to begin with, the pro-competitive benefits of SSO rules are magnified even further in removing the potentially explosive landmines of the patent system.[[4]](#footnote-4)

These pro-competitive benefits are obvious when we return one last time to the paradigmatic example of a patentee announcing to the members of the SSO the terms of RAND licensing before the adoption of the standard. Even if the patentee and its competitors are members of the SSO and collectively possess market power, the activity should be upheld.[[5]](#footnote-5) Anticompetitive effects on price and innovation will be minimal, and the pro-competitive justifications of preventing holdup and allowing standardized products to come to market are significant, especially in industries that would otherwise be subject to patent thickets and holdups. Adherence to platitudes of “reasonable and nondiscriminatory” licensing does not mean much where the details are left vague and are the subject of dispute after the standard has been adopted. The clarity of SSO rules is not used to foster collusion, price fixing, or boycotts, but rather to eliminate ambiguity and prevent holdups at the point where the patentee has significant leverage. For these reasons, antitrust should defer to nearly all SSO rules restricting IP.

CONCLUSION

Teece and Sherry are correct that standard-setting activity is beneficial and that antitrust cannot have more than a limited role in policing the IP rules of SSOs. But this conclusion can be reached without resort to notions of one-size-fits-all antitrust, an overriding objective of speed, and the relative influence of IP owners vis-à-vis IP users in SSOs. It can comfortably be grounded in the heart of antitrust: in the lack of significant anticompetitive effects and in the presence of powerful procompetitive justifications. Although there is a role for antitrust in the analysis of SSO rules, long-settled antitrust jurisprudence dictates that it is only a limited role.

## Cybersecurity Advantage

### AT: 5G/Cyber---1NC

#### 3GPP standards solve.

Esther Shein 20. Previous editor-in-chief of Datamation, an online enterprise technology magazine, freelance writer specializing in technology. Security Standards For 5G. Cyber Security Hub. 3-23-2020. https://www.cshub.com/mobile/articles/security-standards-for-5g

Enhancing Security For 5G

The 3GPP (3rd Generation Partnership Project) has developed 5G standards that include measures for encryption, mutual authentication, integrity protection, privacy and network availability to provide guidance for cybersecurity organizations. According to 5G Americas, a trade association for mobile operators, the standards provide:

A unified authentication framework that enables seamless mobility across different access technologies and support of concurrent connections

User privacy protection for vulnerable information often used to identify and track subscribers

Secure Service-Based Architecture (SBA) and slice isolation optimizing security that prevents threats from spreading to other network slices

Improving SS7 and diameter protocols for roaming

Adding native support for secure steering of roaming (SoR), allowing operators to steer customers to preferred partner networks – improving the customer experience, reducing roaming charges, and preventing roaming fraud

Improved rogue base station detection and mitigation techniques

 And even more proprietary operator and vendor analytics solutions that offer additional layers of security

### Grid Impact---1NC

#### The grid is resilient to cyber-attacks and states have no motive.

Jesse Dunietz and Robert M. Lee 17. \*\*Scientific American's 2017 AAAS Mass Media fellow, and a Ph.D. candidate in computer science at Carnegie Mellon University. \*\*CEO of industrial cybersecurity firm Dragos. “Is the Power Grid Getting More Vulnerable to Cyber Attacks?” Scientific American. <https://www.scientificamerican.com/article/is-the-power-grid-getting-more-vulnerable-to-cyber-attacks/>

Two weeks ago it was cyberattacks on the Irish power grid. Last month it was a digital assault on U.S. energy companies, including a nuclear power plant. Back in December a Russian hack of a Vermont utility was all over the news. From the media buzz, one might conclude that power grid infrastructure is teetering on the brink of a hacker-induced meltdown. The real story is more nuanced, however. Scientific American spoke with grid cybersecurity expert Robert M. Lee, CEO of industrial cybersecurity firm Dragos, Inc., to sort out fact from hype. Dragos, which aims to protect critical infrastructure from cyberattacks, recently raised $10 million from investors to further its mission. Before he founded the company, Lee worked for the U.S. government analyzing and defending against cyberattacks on infrastructure. For a portion of his military career, he also worked on the government’s offensive front. His work has given him a front-row view on both sides of infrastructure cybersecurity. [An edited transcript of the interview follows.] How concerned should we be about grid and infrastructure cybersecurity, and what should we be most worried about? The electric grid and most infrastructure we have is actually fairly well built for reliability and safety. We’ve had a strong safety culture in industrial engineering for decades. That safety and reliability has never been thought of from a cybersecurity perspective, but it has afforded us a very defensible environment. As an example: if a portion of the U.S. power grid goes down. We usually anticipate those things for hurricanes or winter-weather storms. And we’re good at moving away from the computers and doing manual operations, just working the infrastructure to get it back. Usually it’s hours, maybe days; never more than a week or so. A lot of these cyberattacks deal with the computer technology and the interconnected nature of the infrastructure. And so when they target it in that way, you’re talking hours, maybe a day, at most a week of disruption. For reasonable scenarios, we’re not talking about a long time of outages, and we’re not talking about compromising safety. Now, the scary side of it is [twofold]. One, our adversaries are getting much more aggressive. They’re learning a lot about our industrial systems, not just from a computer technology standpoint but from an industrial engineering standpoint, thinking about how to disrupt or maybe even destroy equipment. That’s where you start reaching some particularly alarming scenarios. The second thing is, a lot of that ability to return to manual operation, the rugged nature of our infrastructure—a lot of that’s changing. Because of business reasons, because of lack of people to man the jobs, we’re starting to see more and more computer-based systems. We’re starting to see more common operating platforms. And this facilitates a scale for adversaries that they couldn’t previously get. When you say our adversaries are getting more aggressive, what are you referring to? The key events are things like the Ukraine attack in 2015–2016, [in which a cyberattack brought down portions of the Ukrainian power grid], as well as two different campaigns in 2013–2014, BlackEnergy2 and Havex, [two malware programs that were deployed against energy sector companies]. Basically, far-reaching espionage on industrial facilities one year; the next year getting into industrial environments; and then culmination in attacks in 2015–2016. That’s aggressive in itself. For my own firm, what we’re seeing in the [overall] activity in the space is it’s growing. Over the last decade, I have seen adversary activity increase in some measure, and then around 2013–2014 just start spiking. What are the adversaries actually doing in these attacks? [There are two broad categories of attacks.] Stage I intrusions are those designed to gain information. These are the traditional espionage efforts we’ve become accustomed to hearing about, where information is stolen or deleted. A Stage II attack could result in temporary loss of power, physical damage to equipment, or other types of scenarios we often hear about. It is important to note these are not trivial to accomplish. If an attacker wants to progress to a Stage II attack, during the Stage I intrusion they have to steal information specific to [that] industrial environment. The 2013–2014 campaigns that I mentioned were exactly the kinds of Stage I activity that you’d want to use to pivot into a Stage II activity. And so they scared the heck out of all of us. But the stuff we’ve heard about recently—the nuclear site and about a dozen energy companies that were compromised in a phishing campaign that made the news—none of that sounded tailored toward pivoting into a Stage II. Once an adversary has broken into the “business networks” used for email, documents and so on, how far a jump is it for them to access the industrial control system (ICS) networks used to control and monitor the industrial equipment? In nuclear environments, [business networks and control networks are] airgapped—[i.e., computers on one network cannot talk to those on the other]—because of safety regulations. The idea that because you got into the business network you can easily move into the ICS network is ridiculous. That is not true with other industrial infrastructures—electric energy, oil and gas, manufacturing, etc. You absolutely have [ICS] networks that are connected up. The nuance here is that we have a joke in the community: you’ll get security folks who don’t know much about ICS coming in with penetration testers and saying, “Oh my gosh, I found so many vulnerabilities!” And so the joke is, why don’t I just sit you down at the terminal? I will give you 100 percent access. Now make the lights blink. There’s a big gap there. [So the challenge is] not so much getting access. It’s once you get access, do you know what to do in a way that’s not just going to be embarrassing? What motivation do these adversaries have to attack the U.S. grid? I do not feel that there is a legitimate reason for adversaries to disrupt or destroy industrial infrastructure outside of a conflict scenario. Ukraine and Russia is a great example. I don’t necessarily mean declared war, but in places where we see conflict, I think we’ll see industrial attacks: North Korea-South Korea, China-Taiwan. But there are some scenarios that concern me, where we might have our hands forced and not have clarity around what happened. I’m aware of at least one case where a skilled adversary broke into an industrial environment, and in the course of intelligence operations they accidentally knocked over some sensitive system that led to visible destruction and almost to multiple casualties. And the worst part is, we didn’t actually realize it was a failed operation until about a month after, because the forensics and analysis take time. So you could have a scenario where the U.S., Russia, China, Iran—big players—are doing intelligence operations on each other, are doing pre-positioning to have deterrence or political leverage, and mess up that operation in a way that looks like an attack that we do not have transparency on for some time. We do not have international norms around how to handle that. Outside of conflict scenarios, though, I don’t see the advantage to [deliberate] disruptive or destructive attacks. I think we haven’t seen it not because they haven’t wanted to, but because the return on investment is minimal. What’s really advantageous is sitting U.S. congressmen and policymakers fearing what can happen with industrial infrastructure. That fear drives policy far more than actually turning the lights off and having them realize [they will] come back on in six hours.

### Cyber Impact---1NC

#### No cyber impact---non state actors lack capability, Russia and China don’t have an incentive.

Lewis 20 – (James A., PhD, a senior vice president and director of the Technology Policy Program at the Center for Strategic and International Studies (CSIS), Before joining CSIS, Lewis worked at the Departments of State and Commerce as a foreign service officer and as a member of the Senior Executive Service, a political advisor to the U.S. Southern Command for Operation Just Cause, the U.S. Central Command for Operation Desert Shield, and the Central American Task Force. Lewis served on the U.S. delegations to the Cambodian peace process and the Permanent Five talks on arms transfers and nonproliferation, and he negotiated bilateral agreements on transfers of military technology to Asia and the Middle East. He led the U.S. delegation to the Wassenaar Arrangement Experts Group on advanced civilian and military technologies. Lewis led a long-running Track 2 dialogue on cybersecurity with the China Institutes of Contemporary International Relations. He has served as a member of the Commerce Spectrum Management Advisory Committee, the Advisory Committee on International Communications and Information Policy, and the Advisory Committee on Commercial Remote Sensing and as an advisor to government agencies on the security and intelligence implications of foreign investment in the United States, 2020, “Dismissing Cyber Catastrophe,” [accessed 8/30/20], <https://www.csis.org/analysis/dismissing-cyber-catastrophe>, see)

A catastrophic cyberattack was first predicted in the mid-1990s. Since then, predictions of a catastrophe have appeared regularly and have entered the popular consciousness. As a trope, a cyber catastrophe captures our imagination, but as analysis, it remains entirely imaginary and is of dubious value as a basis for policymaking. **There has never been a catastrophic cyberattack.** To qualify as a catastrophe, an event must produce damaging mass effect, including casualties and destruction. The fires that swept across California last summer were a catastrophe. Covid-19 has been a catastrophe, especially in countries with inadequate responses. With man-made actions, however, a catastrophe is harder to produce than it may seem, and for cyberattacks a catastrophe requires organizational and technical skills most actors still do not possess. It requires planning, reconnaissance to find vulnerabilities, and then acquiring or building attack tools—things that require resources and experience. **To** **achieve mass effect, either a few central targets (like an electrical grid) need to be hit or multiple targets would have to be hit simultaneously (as is the case with urban water systems), something that is itself an operational challenge. It is easier to imagine a catastrophe than to produce it.** **The 2003 East Coast blackout is the archetype for an attack on the U.S. electrical grid.** **No one died in this blackout, and services were restored in a few days**. As electric production is digitized, vulnerability increases, but many electrical companies have made cybersecurity a priority. Similarly, at water treatment plants, the chemicals used to purify water are controlled in ways that make mass releases difficult. In any case, it would take a massive amount of chemicals to poison large rivers or lakes, more than most companies keep on hand, and any release would quickly be diluted. More importantly, **there are powerful strategic constraints on those who have the ability to launch catastrophe attacks**. **We have more than two decades of experience with the use of cyber techniques and operations for coercive and criminal purposes and have a clear understanding of motives, capabilities, and intentions.** We can be guided by the methods of the Strategic Bombing Survey, which used interviews and observation (rather than hypotheses) to determine effect. These methods apply equally to cyberattacks. The conclusions we can draw from this are: **Nonstate actors and most states lack the capability to launch attacks that cause physical damage at any level, much less a catastrophe**. There have been regular predictions every year for over a decade that nonstate actors will acquire these high-end cyber capabilities in two or three years in what has become a cycle of repetition. **The monetary return is negligible, which dissuades the skilled cybercriminals** (mostly Russian speaking) **who might have the necessary skills.** One mystery is why these groups have not been used as mercenaries, and this may reflect either a degree of control by the Russian state (if it has forbidden mercenary acts) or a degree of caution by criminals. **There is enough uncertainty among potential attackers about the United States’ ability to attribute that they are unwilling to risk massive retaliation in response to a catastrophic attack.** (They are perfectly willing to take the risk of attribution for espionage and coercive cyber actions.) **No one has ever died from a cyberattack, and only a handful of these attacks have produced physical damage. A cyberattack is not a nuclear weapon, and it is intellectually lazy to equate them to nuclear weapons.** Using a tactical nuclear weapon against an urban center would produce several hundred thousand casualties, while a strategic nuclear exchange would cause tens of millions of casualties and immense physical destruction. These are catastrophes that some hack cannot duplicate. The shadow of nuclear war distorts discussion of cyber warfare. State use of cyber operations is consistent with their broad national strategies and interests. Their primary emphasis is on espionage and political coercion. The United States has opponents and is in conflict with them, **but they have no interest in launching a catastrophic cyberattack since it would certainly produce an equally catastrophic retaliation**. Their goal is to stay below the “use-of-force” threshold and undertake damaging cyber actions against the United States, not start a war. This has implications for the discussion of inadvertent escalation, something that has also never occurred. The concern over escalation deserves a longer discussion, as there are both technological and strategic constraints that shape and limit risk in cyber operations, and the absence of inadvertent escalation suggests a high degree of control for cyber capabilities by advanced states. **Attackers, particularly among the United States’ major opponents for whom cyber is just one of the tools for confrontation, seek to avoid actions that could trigger escalation.** The United States has two opponents (China and Russia) who are capable of damaging cyberattacks. Russia has demonstrated its attack skills on the Ukrainian power grid, but **neither Russia nor China would be well served by a similar attack on the United States.** **Iran is improving and may reach the point where it could use cyberattacks to cause major damage, but it would only do so when it has decided to engage in a major armed conflict with the United States.** Iran might attack targets outside the United States and its allies with less risk and continues to experiment with cyberattacks against Israeli critical infrastructure. **North Korea has not yet developed this kind of capability.** **One major failing of catastrophe scenarios is that they discount the robustness and resilience of modern economies.** These economies present multiple targets and configurations; they are harder to damage through cyberattack than they look, given the growing (albeit incomplete) attention to cybersecurity; and **experience shows that people compensate for damage and quickly repair or rebuild.** This was one of the counterintuitive lessons of the Strategic Bombing Survey. Pre-war planning assumed that civilian morale and production would crumple under aerial bombardment. In fact, the opposite occurred. Resistance hardened and production was restored.1 This is a short overview of why catastrophe is unlikely. Several longer CSIS reports go into the reasons in some detail. Past performance may not necessarily predict the future, but after 25 years without a single catastrophic cyberattack, we should invoke the concept cautiously, if at all. Why then, it is raised so often? Some of the explanation for the emphasis on cyber catastrophe is hortatory. When the author of one of the first reports (in the 1990s) to sound the alarm over cyber catastrophe was asked later why he had warned of a cyber Pearl Harbor when it was clear this was not going to happen, his reply was that he hoped to scare people into action. "Catastrophe is nigh; we must act" was possibly a reasonable strategy 22 years ago, but no longer. The resilience of historical events to remain culturally significant must be taken into account for an objective assessment of cyber warfare, and this will require the United States to discard some hypothetical scenarios. The long experience of living under the shadow of nuclear annihilation still shapes American thinking and conditions the United States to expect extreme outcomes. American thinking is also shaped by the experience of 9/11, a wrenching attack that caught the United States by surprise. **Fears of another 9/11 reinforce the memory of nuclear war in driving the catastrophe trope, but when applied to cyberattack, these scenarios do not track with operational requirements or the nature of opponent strategy and planning**. The contours of cyber warfare are emerging, but they are not always what we discuss. Better policy will require greater objectivity.

### AT: Authors---1NC

#### Aging physical components, already embedded malware, and Chinese imports make securing the grid impossible [Emory reads yellow]

**1AC Wintch 21**, \*Timothy M. Wintch, an active-duty Major in the United States Air Force. He is currently a graduate student at the Oettinger School of Science & Technology Intelligence, National Intelligence University, in Bethesda, Maryland. Mr. Wintch has over 11 years of experience in command-and-control operations as an Air Battle Manager. He holds a Bachelor of Arts in Politics from the University of California, Santa Cruz, and a Master of Arts in Military Studies from American Military University. (April 20th, 2021, “PERSPECTIVE: Cyber and Physical Threats to the U.S. Power Grid and Keeping the Lights on”, https://www.hstoday.us/subject-matter-areas/infrastructure-security/perspective-cyber-and-physical-threats-to-the-u-s-power-grid-and-keeping-the-lights-on/)

Among critical infrastructure sectors in the U.S., energy is perhaps the most crucial of the 16 sectors defined by the Department of Homeland Security. This sector is so vital because it provides the energy necessary to run every other critical infrastructure sector. However, the U.S. power grid, the backbone of the energy sector, is built upon an aging skeleton that is becoming increasingly vulnerable every day. Whether from terrorists or nation-states like Russia and China, the power grid is susceptible to not just physical attacks, but also to cyber intrusion as well. However, much of this threat can be mitigated if the U.S. takes the appropriate steps to safeguard the power grid and avoid a potential catastrophe in the future.

Since Sept. 11, 2001, terrorism on U.S. soil has been at the forefront of American consciousness. Critical infrastructure provides an appealing target because of the disproportionally large impact even a small attack can have on the sectors. In particular, the power grid represents a particularly lucrative target, both in terms of the ease of access and the large impact it can make. The National Research Council stated that the U.S. power grid is “vulnerable to intelligent multi-site attacks by knowledgeable attackers intent on causing maximum physical damage to key components on a wide geographical scale.”[1] Additionally, the physical security of transmission and distribution systems is difficult due to the dispersed nature of these key components, which in turn is advantageous to attackers as it reduces the likelihood of their capture.[2] From 2002-2012, approximately 2,500 physical attacks occurred against transmission lines and towers worldwide and approximately 500 attacks against transformer substations.[3] Terrorists have the motivation to attack the U.S. power grid but the very nature of the grid makes it highly vulnerable. The power grid is not only at risk from physical attacks, but also nation-state cyberattacks.

One nation that has shown both the capability and intent to use attacks against critical energy infrastructure is Russia, as demonstrated in their 2015 annexation of Crimea from Ukraine. A Russian cyber threat group known as Sandworm, which used its BlackEnergy malware, attacked Ukrainian computer systems that provide remote control of the Ukraine power grid.[4] This attack, and another in 2016, each left the capital Kiev without power, prompting cyber experts to raise concern about the same malware already existing in NATO and the U.S. power grids.[5] In any conflict between Russia and NATO, not only would similar cyberattacks pose a threat, but so would potential physical attacks severing fuel oil and natural gas lines to Western Europe. Russia has both the capability and intent to attack critical infrastructure, particularly power grids, during future conflicts in their “hybrid warfare” approach.

Another nation that has the capability to attack critical energy infrastructure is China, representing a threat to not just the U.S. energy infrastructure but also that of our allies whose support would be vital in a major conflict. A recent NATO report highlighted this threat from China’s Belt and Road Initiative, stating that “[China’s] foreign direct investment in strategic sectors [such as energy generation and distribution] …raises questions about whether access and control over such infrastructure can be maintained, particularly in crisis when it would be required to support the military.”[6] Like Russia, China has been active with cyber intrusions in U.S. energy infrastructure. The Mission Support Center at Idaho National Laboratory characterized these as attacks as “multiple intrusions into US ICS/SCADA [Industrial Control Systems/Supervisory Control and Data Acquisition] and smart grid tools [that] may be aimed more at intellectual property theft and gathering intelligence to bolster their own infrastructure, but it is likely that they are also using these intrusions to develop capabilities to attack the [bulk electric system], as well.”[7] China, therefore, has both the capability and intent to conduct cyber intrusions and attacks for myriad reasons.

Another arm of this threat is the reliance the U.S. energy industry has on imports from China, especially transformers. In early 2020, federal officials seized a transformer in the port of Houston that had been imported by the Jiangsu Huapeng Transformer Company before sending it to Sandia National Laboratory in Albuquerque. Sandia is contracted by the U.S. Department of Energy for mitigating national security threats.[8] The Wall Street Journal reported that “Mike Howard, chief executive of the Electric Power Research Institute, a utility-funded technical organization, said that the diversion of a huge, expensive transformer is so unusual – in his experience, unprecedented – that it suggests officials had significant security concerns.”[9] Previously destined for the Washington Area Power Administration’s Ault, Colo., substation, the transformer is believed to have been seized due to “backdoor” exploitable hardware emplaced by the Chinese prior to shipment.[[10]](about:blank#_ftn10) Shortly after these events, President Trump issued Executive Order 13920, “[Securing the United States Bulk-Power System](about:blank),” essentially limiting the import of Chinese-built critical energy infrastructure components due to concerns about cybersecurity.[[11]](about:blank#_ftn11) Interestingly, Jiangsu Huapeng “boasted that it supported 10 percent of New York City’s electricity load.”[[12]](about:blank#_ftn12)

Franklin Kramer, the former Assistant Secretary of Defense for International Security Affairs, testified before a U.S. House of Representatives Energy and Commerce subcommittee during an energy and power hearing in 2011 and said that a “highly-coordinated and structured cyber, physical, or blended attack on the bulk power system, however, could result in long-term (irreparable) damage to key system components in multiple simultaneous or near-simultaneous strikes.” He added that “an outage could result with the potential to affect a wide geographic area and cause large population centers to lose power for extended periods.”[[13]](about:blank#_ftn13) Even the inclusion of features such as smart grids to the overall grid structure poses new vulnerabilities through their connectivity. Kramer stated that “such connectivity means that the distribution system could be a key vector for a national security attack on the grid.”[[14]](about:blank#_ftn14)

#### Preventing NC3 attacks is impossible – vulnerabilities are baked into the system and it’s already infected with malware [Emory reads yellow]

**1AR Klare 19**, \*Michael T. Klare is a professor emeritus of peace and world security studies at Hampshire College and senior visiting fellow at the Arms Control Association; (November 19th, “Cyber Battles, Nuclear Outcomes? Dangerous New Pathways to Escalation”, [https://www.armscontrol.org/act/2019-11/features/cyber-battles-nuclear-outcomes-dangerous-new-pathways-escalation](about:blank))

The Nuclear-Cyber Connection

These links exist because the NC3 systems of the United States and other nuclear-armed states are heavily dependent on computers and other digital processors for virtually every aspect of their operation and because those systems are highly vulnerable to cyberattack. Every nuclear force is composed, most basically, of weapons, early-warning radars, launch facilities, and the top officials, usually presidents or prime ministers, empowered to initiate a nuclear exchange. Connecting them all, however, is an extended network of communications and data-processing systems, all reliant on cyberspace. Warning systems, ground- and space-based, must constantly watch for and analyze possible enemy missile launches. Data on actual threats must rapidly be communicated to decision-makers, who must then weigh possible responses and communicate chosen outcomes to launch facilities, which in turn must provide attack vectors to delivery systems. All of this involves operations in cyberspace, and it is in this domain that great power rivals seek vulnerabilities to exploit in a constant struggle for advantage.

The use of cyberspace to gain an advantage over adversaries takes many forms and is not always aimed at nuclear systems. China has been accused of engaging in widespread cyberespionage to steal technical secrets from U.S. firms for economic and military advantages. Russia has been accused, most extensively in the Robert Mueller report, of exploiting cyberspace to interfere in the 2016 U.S. presidential election. Nonstate actors, including terrorist groups such as al Qaeda and the Islamic State group, have used the internet for recruiting combatants and spreading fear. Criminal groups, including some thought to be allied with state actors, such as North Korea, have used cyberspace to extort money from banks, municipalities, and individuals.[4](about:blank#endnote04) Attacks such as these occupy most of the time and attention of civilian and military cybersecurity organizations that attempt to thwart such attacks. Yet for those who worry about strategic stability and the risks of nuclear escalation, it is the threat of cyberattacks on NC3 systems that provokes the greatest concern.

This concern stems from the fact that, despite the immense effort devoted to protecting NC3 systems from cyberattack, no enterprise that relies so extensively on computers and cyberspace can be made 100 percent invulnerable to attack. This is so because such systems employ many devices and operating systems of various origins and vintages, most incorporating numerous software updates and “patches” over time, offering multiple vectors for attack. Electronic components can also be modified by hostile actors during production, transit, or insertion; and the whole system itself is dependent to a considerable degree on the electrical grid, which itself is vulnerable to cyberattack and is far less protected. Experienced “cyberwarriors” of every major power have been working for years to probe for weaknesses in these systems and in many cases have devised cyberweapons, typically, malicious software (malware) and computer viruses, to exploit those weaknesses for military advantage.[5](about:blank#endnote05)

Although activity in cyberspace is much more difficult to detect and track than conventional military operations, enough information has become public to indicate that the major nuclear powers, notably China, Russia, and the United States, along with such secondary powers as Iran and North Korea, have established extensive cyberwarfare capabilities and engage in offensive cyberoperations on a regular basis, often aimed at critical military infrastructure. “Cyberspace is a contested environment where we are in constant contact with adversaries,” General Paul M. Nakasone, commander of the U.S. Cyber Command (Cybercom), told the Senate Armed Services Committee in February 2019. “We see near-peer competitors [China and Russia] conducting sustained campaigns below the level of armed conflict to erode American strength and gain strategic advantage.”

Although eager to speak of adversary threats to U.S. interests, Nakasone was noticeably but not surprisingly reluctant to say much about U.S. offensive operations in cyberspace. He acknowledged, however, that Cybercom took such action to disrupt possible Russian interference in the 2018 midterm elections. “We created a persistent presence in cyberspace to monitor adversary actions and crafted tools and tactics to frustrate their efforts,” he testified in February. According to press accounts, this included a cyberattack aimed at paralyzing the Internet Research Agency, a “troll farm” in St. Petersburg said to have been deeply involved in generating disruptive propaganda during the 2016 presidential elections.[6](about:blank#endnote06)

Other press investigations have disclosed two other offensive operations undertaken by the United States. One called “Olympic Games” was intended to disrupt Iran’s drive to increase its uranium-enrichment capacity by sabotaging the centrifuges used in the process by infecting them with the so-called Stuxnet virus. Another left of launch effort was intended to cause malfunctions in North Korean missile tests.[7](about:blank#endnote07) Although not aimed at either of the U.S. principal nuclear adversaries, those two attacks demonstrated a willingness and capacity to conduct cyberattacks on the nuclear infrastructure of other states.

Efforts by strategic rivals of the United States to infiltrate and eventually degrade U.S. nuclear infrastructure are far less documented but thought to be no less prevalent. Russia, for example, is believed to have planted malware in the U.S. electrical utility grid, possibly with the intent of cutting off the flow of electricity to critical NC3 facilities in the event of a major crisis.[8](about:blank#endnote08) Indeed, every major power, including the United States, is believed to have crafted cyberweapons aimed at critical NC3 components and to have implanted malware in enemy systems for potential use in some future confrontation.

Pathways to Escalation

Knowing that the NC3 systems of the major powers are constantly being probed for weaknesses and probably infested with malware designed to be activated in a crisis, what does this say about the risks of escalation from a nonkinetic battle, that is, one fought without traditional weaponry, to a kinetic one, at first using conventional weapons and then, potentially, nuclear ones? None of this can be predicted in advance, but those analysts who have studied the subject worry about the emergence of dangerous new pathways for escalation. Indeed, several such scenarios have been identified.[9](about:blank#endnote09)

The first and possibly most dangerous path to escalation would arise from the early use of cyberweapons in a great power crisis to ~~paralyze~~ undermine the vital command, control, and communications capabilities of an adversary, many of which serve nuclear and conventional forces. In the “fog of war” that would naturally ensue from such an encounter, the recipient of such an attack might fear more punishing follow-up kinetic attacks, possibly including the use of nuclear weapons, and, fearing the loss of its own arsenal, launch its weapons immediately. This might occur, for example, in a confrontation between NATO and Russian forces in east and central Europe or between U.S. and Chinese forces in the Asia-Pacific region.

Speaking of a possible confrontation in Europe, for example, James N. Miller Jr. and Richard Fontaine wrote that “both sides would have overwhelming incentives to go early with offensive cyber and counter-space capabilities to negate the other side’s military capabilities or advantages.” If these early attacks succeeded, “it could result in huge military and coercive advantage for the attacker.” This might induce the recipient of such attacks to back down, affording its rival a major victory at very low cost. Alternatively, however, the recipient might view the attacks on its critical command, control, and communications infrastructure as the prelude to a full-scale attack aimed at neutralizing its nuclear capabilities and choose to strike first. “It is worth considering,” Miller and Fontaine concluded, “how even a very limited attack or incident could set both sides on a slippery slope to rapid escalation.”[10](about:blank#endnote10)

What makes the insertion of latent malware in an adversary’s NC3 systems so dangerous is that it may not even need to be activated to increase the risk of nuclear escalation. If a nuclear-armed state comes to believe that its critical systems are infested with enemy malware, its leaders might not trust the information provided by its early-warning systems in a crisis and might misconstrue the nature of an enemy attack, leading them to overreact and possibly launch their nuclear weapons out of fear they are at risk of a preemptive strike.

“The uncertainty caused by the unique character of a cyber threat could jeopardize the credibility of the nuclear deterrent and undermine strategic stability in ways that advances in nuclear and conventional weapons do not,” Page O. Stoutland and Samantha Pitts-Kiefer wrote in 2018 paper for the Nuclear Threat Initiative. “[T]he introduction of a flaw or malicious code into nuclear weapons through the supply chain that compromises the effectiveness of those weapons could lead to a lack of confidence in the nuclear deterrent,” undermining strategic stability.[11](about:blank#endnote11) Without confidence in the reliability of its nuclear weapons infrastructure, a nuclear-armed state may misinterpret confusing signals from its early-warning systems and, fearing the worst, launch its own nuclear weapons rather than lose them to an enemy’s first strike. This makes the scenario proffered in the 2018 NPR report, of a nuclear response to an enemy cyberattack, that much more alarming.

#### Governmental inefficiency is an alt cause [Emory reads yellow]

**1AC DeNardis 21**, \*Dr. Laura DeNardis, PhD in Science and Technology Studies from Virginia Tech, Dean of the School of Communication at American University, and Gordon M. Goldstein, Adjunct Senior Fellow at the Council on Foreign Relations, (March 1st, 2021, “The Real Lesson of the Texas Power Debacle”, Lawfare, 3/1/2021, https://www.lawfareblog.com/real-lesson-texas-power-debacle)

The infrastructure was essential, ubiquitous and providing basic functionality for everything in daily life from water to heat and transportation. And in an instant it was gone, plunging tens of thousands of residents into a life-threatening crisis. This is, of course, the narrative of the recent debacle in Texas, where a winter storm overwhelmed the state’s electrical grid and brought the state to a near-total blackout. But it should also be interpreted as a preemptive warning of what Americans will face from the next generation of the internet and the new realm of cybersecurity risk it will dramatically amplify.

Both forms of infrastructure—a state-run electrical grid and the 5G and “internet of things” future to which we are rapidly hurtling—share three attributes. First, their construction reflects a lack of imagination about the danger that can quickly coalesce when seemingly remote threat scenarios become real. Second, compounding a lack of analytic imagination is an absence of preparedness. Third, for both the Texas electrical grid and the emerging internet, public policy protections are either meager or completely absent.

In planning for the resilience of its electrical grid, public officials in Texas discounted the potentially devastating disruption that could occur from unpredictable events—whether related to climate change or just a once-a-century anomaly. They also eschewed precautions other states take seriously by allowing for the interconnection of electrical grid supply chains across their borders, ostensibly because of their ideological rejection of federal regulatory oversight governing such arrangements.

As the United States builds out a new national 5G cyber-physical communications network through private service providers, Americans similarly discount the risks—myriad in their diversity and severity—that are orders of magnitude more significant than what Texas confronted recently. More physical things than people are already connected. The super empowered internet of tomorrow, known among some in the field as the “internet of everything,” will exceed by tens of billions of devices the number of connections between individuals simply communicating via social media or digital screens.

This confronts policymakers with an imminent threat: A cyber outage is no longer about losing digital communications but about losing basic societal functioning and even human life. The failure of imagination is to think of the SolarWinds attack on U.S. federal agencies and tech companies as a worst-case scenario. The failure of imagination is to think of cybersecurity through a content-centric lens rather than as possible attacks on the material world. The emergence of internet-connected cardiac devices, digitally dependent cars, and internet-connected agriculture systems portend the stakes of a cyberattack to health care, economic and social functioning, and food security.

The United States should be prepared for, and certainly not be caught by surprise by, such cyberattacks. Yet, the internet of everything is notoriously insecure. Internet-connected physical objects are not necessarily upgradeable. Nor do they come with adequate default security and encryption. The 5G infrastructure that helps connect digital objects has been at the center of debates over Chinese espionage. Industrial cyber-physical systems are based on technical standards that have not been collaboratively vetted for security and interoperability. One of the most infamous cyberattacks—the so-called Mirai botnet that took down major media sites and corporations—hijacked these insecure objects in homes to carry out the assault. The United States is not yet prepared.

Finally, in the race to conceive and deploy effective public policy responses, the U.S. government as a whole is hardly more anticipatory or synthesized in its response to potential calamity than the state of Texas. The focus of U.S. cyber policy remains on information policy issues such as disinformation, manipulation and violent speech rather than securing the digital world that now powers our material day-to-day lives. The Biden administration confronts an enormous challenge in crafting a comprehensive strategy to the cybersecurity risks foreshadowed by the ruinous experience in Texas and its management of vital infrastructure. While the digital world has leapt from two-dimensional to three-dimensional space, cyber policy has not at all jumped from 2D to 3D.

This failure of imagination, preparedness and policy protection must not be America’s cyber future; the stakes are far too high and the costs are far too great. The Texas disaster is a potent illustration of what has always been true: Our digital society and economy are extremely vulnerable and grow more porous and subject to penetration day by day. As digital sensors and cyber control systems become further embedded in physical infrastructure like energy systems, agriculture and transportation, there is no longer a separation between security of the “real” world and security of the online world. They are entangled and increasingly enmeshed—and policy has yet to catch up to either envisioning or mitigating the looming threats the U.S. confronts.

If the energy grid cannot weather a winter storm, how can it be expected to withstand a major cyberattack? What other vital forms of national infrastructure—ranging from water, bridges, highways and roads, and ultimately our day-to-day financial system—are comparably at risk? As Texas dramatizes, it is neither hyperbolic nor exaggerated to assert that our survival could now depend on securing the inevitable cyber-physical future that is accelerating with stunning rapidity.

# Block

## 2NC

### Framework Top---2NC

#### 1. Education. Question of what we should do carries presuppositions about political subjectivity---if those are wrong, our policies will be too, so they can’t perm away our links. It means they can’t access the case until they’ve defended their ideology.

Mathieu HILGERS, Laboratory for Contemporary Anthropology, Université Libre de Bruxelles, and Centre for Urban and Community Research, Goldsmiths, University of London, 13 [“Embodying neoliberalism: thoughts and responses to critics,” *Social Anthropology*, Vol. 21, No. 1, February 2013, p. 75-89, Accessed Online through Emory Libraries]

The implementation of neoliberalism goes far beyond the mere appearance of its policies. It cannot be reduced to the application of a programme or to institutional changes. This implementation is deployed within a triangle constituted by policies, institutions and dispositions. This last component has remained at the margins of our debate. If we wish to grasp the depth of the changes that neoliberalism causes, we cannot neglect its effects on systems of dispositions. To analyse this impact, it is necessary to describe the symbolic operations that give rise to government-enabling representations as well as to categories that support neoliberalism and are propagated by it. This task requires accounting for the historicity of the spaces in which policies are put into action, the intentional constructions but also involuntary historical formations in which they become entangled, and the transactions, negotiations, associations, working misunderstandings and chains of translation that give them their flexibility and support their deployment.

Neoliberalism is embodied in the agents and representations through which it is put into action. Through a historical process, the dispositions that it generates become, as Bourdieu would say, durable and transposable, as well as increasingly autonomous from their initial conditions of production. As such, when these conditions disappear or transform, or when policies are modified or abandoned, some of them spread into other social spaces and contexts and take on new meanings. Therein lies the importance of broadening the notion of ‘implementation’, so that we may appreciate the role of culture in the dynamics of neoliberal expansion. It is precisely (but not only) because of the embodiment of neoliberalism emphasized in this paper that at the moment we are nowhere near the end of the neoliberal era. Thus I arrive, by a different path, at the same observation that Kalb (2012) formulated in this debate: today it is capitalism that is in crisis, not neoliberalism.

In some parts of the world, information that helps people to stabilize their perceptions, practices and activities is mainly produced within a neoliberal context, forms and procedures. The figures, statistics, norms, audits and discourses that I evoke in this paper are fashioned by a constellation of institutions; they condition, train and shape a mental and practical space. They impact the way in which one conceives and carries out research. Indeed, academia is not outside of this neoliberal world; on the contrary, it is a centre of development and support for neoliberalism. While many academics are critical of neoliberalism, this does not mean that they have a permanent deconstructionist relation to the world and to themselves. In many parts of academia, a neoliberal way of functioning has become common sense. If neoliberalism is so present in our mind and in the way in which academia is designed and works today, it appears more than necessary for researchers to consider how this shapes their relation to production of knowledge.

If we wish to avoid the eviction of critical perspectives in this time of crisis, if we hope to have some chance to think within but beyond the neoliberal age, if we want to develop alternatives and different horizons, one of the first things to do is to decolonize our mind by objectifying our own neoliberal dispositions. The reflexive return to the tools of analysis is thus ‘not an epistemological scruple but an indispensable pre-condition of scientific knowledge of the object’ (Bourdieu 1984: 94), if we are to prevent the object and its definition from being dictated to the researcher by non-scientific logics, such as the necessity of being visible and marketable in the academy. To achieve a break with neoliberal common sense, anthropologists could follow Bourdieu (2003) in his will to engage in a ‘participant objectivation’.14 It is clearly this kind of objectivation even if not phrased in such terms that has led some researchers to call for a radical change in the academy, supported by new arguments and put into practice through the initiation of a ‘slow science’ movement.15 In some places, academia is still a space of critiques and alternatives.

#### 3. Reciprocity. Fiating attitudinal, durable enforcement of antitrust despite lack of political will and the ongoing effects of Republican court packing is utopian. It doesn’t reflect pragmatic reality. Neg gets the equal right to test desirability, not feasibility.

Paul Mason 7-17-15. Writer of Live Working or Die Fighting: How the Working Class Went Global and [PostCapitalism: A Guide to our Future](https://en.wikipedia.org/wiki/PostCapitalism:_A_Guide_to_our_Future). Culture and Digital Editor of Channel 4 News. Visiting Professor at the University of Wolverhampton. Bachelors in Music and Politics from the University of Sheffield. "The end of capitalism has begun," Guardian, https://www.theguardian.com/books/2015/jul/17/postcapitalism-end-of-capitalism-begun

The power of imagination will become critical. In an information society, no thought, debate or dream is wasted – whether conceived in a tent camp, prison cell or the table football space of a startup company. As with virtual manufacturing, in the transition to postcapitalism the work done at the design stage can reduce mistakes in the implementation stage. And the design of the postcapitalist world, as with software, can be modular. Different people can work on it in different places, at different speeds, with relative autonomy from each other. If I could summon one thing into existence for free it would be a global institution that modelled capitalism correctly: an open source model of the whole economy; official, grey and black. Every experiment run through it would enrich it; it would be open source and with as many datapoints as the most complex climate models. The main contradiction today is between the possibility of free, abundant goods and information; and a system of monopolies, banks and governments trying to keep things private, scarce and commercial. Everything comes down to the struggle between the network and the hierarchy: between old forms of society moulded around capitalism and new forms of society that prefigure what comes next. ... Is it utopian to believe we’re on the verge of an evolution beyond capitalism? We live in a world in which gay men and women can marry, and in which contraception has, within the space of 50 years, made the average working-class woman freer than the craziest libertine of the Bloomsbury era. Why do we, then, find it so hard to imagine economic freedom? It is the elites, cut off in their dark-limo world, whose project looks forlorn It is the elites – cut off in their dark-limo world – whose project looks as forlorn as that of the millennial sects of the 19th century. The democracy of riot squads, corrupt politicians, magnate-controlled newspapers and the surveillance state looks as phoney and fragile as East Germany did 30 years ago. All readings of human history have to allow for the possibility of a negative outcome. It haunts us in the zombie movie, the disaster movie, in the post-apocalytic wasteland of films such as [*The Road*](https://www.theguardian.com/film/movie/131971/road) or [*Elysium*](https://www.theguardian.com/film/2013/aug/22/elysium-review). But why should we not form a picture of the ideal life, built out of abundant information, non-hierarchical work and the dissociation of work from wages? Millions of people are beginning to realise they have been sold a dream at odds with what reality can deliver. Their response is anger – and retreat towards national forms of capitalism that can only tear the world apart. Watching these emerge, from the pro-Grexit left factions in Syriza to the [Front National](https://www.theguardian.com/world/marine-le-pen) and the isolationism of the American right has been like watching the nightmares we had during the [Lehman Brothers](https://www.theguardian.com/business/lehmanbrothers) crisis come true. We need more than just a bunch of utopian dreams and small-scale horizontal projects. We need a project based on reason, evidence and testable designs, that cuts with the grain of history and is sustainable by the planet. And we need to get on with it.

#### 4. Invert your standard for solvency.

Eugene McCarraher 19. Associate Professor of Humanities at Villanova University, PhD in US Cultural and Intellectual History from Rutgers University; The Enchantments of Mammon: How Capitalism Became the Religion of Modernity, 11/12/19, p. 15-18

Words such as “paradise” or “love” or “communion” are certainly absent from our political vernacular, excluded on account of their “utopian” connotations or their lack of steely-eyed “realism.” Although this is a book about the past, I have always kept before me its larger contemporary religious, philosophical, and political implications. The book should make these clear enough; I will only say here that one of my broader intentions is to challenge the canons of “realism,” especially as defined in the “science” of economics. As the master science of desire in advanced capitalist nations, economics and its acolytes define the parameters of our moral and political imaginations, patrolling the boundaries of possibility and censoring any more generous conception of human affairs. Under the regime of neoliberalism, it has been the chief weapon in the arsenal of what David Graeber has characterized as “a war on the imagination,” a relentless assault on our capacity to envision an end to the despotism of money.24 Insistent, in Margaret Thatcher’s ominous ukase, that “there is no alternative” to capitalism, our corporate plutocracy has been busy imposing its own beatific vision on the world: the empire of capital, with an imperial aristocracy enriched by the labor of a fearful, overburdened, and cheerfully servile population of human resources. Every avenue of escape from accumulation and wage servitude must be closed, or better yet, rendered inconceivable; any map of the world that includes utopia must be burned before it can be glanced at. Better to follow Miller’s wisdom: we already inhabit paradise, and we can never make ourselves fit to live in it if we obey the avaricious and punitive sophistry professed in the dismal pseudoscience. The grotesque ontology of scarcity and money, the tawdry humanism of acquisitiveness and conflict, the reduction of rationality to the mercenary principles of pecuniary reason—this ensemble of falsehoods that comprise the foundation of economics must be resisted and supplanted. Economics must be challenged, not only as a sanction for injustice but also as a specious portrayal of human beings and a fictional account of their history. As a legion of anthropologists and historians have repeatedly demonstrated, economics, in Graeber’s forthright dismissal, has “little to do with anything we observe when we examine how economic life is actually conducted.” From its historically illiterate “myth of barter” to its shabby and degrading claims about human nature, economics is not just a dismal but a fundamentally fraudulent science as well, akin, as Ruskin wrote in Unto This Last, to “alchemy, astrology, witchcraft, and other such popular creeds.”25 Ruskin’s courageous and bracing indictment of economics arose from his Romantic imagination, and this book partakes unashamedly of his sacramental Romanticism. “Imagination” was, to the Romantics, primarily a form of vision, a mode of realism, an insight into the nature of reality that was irreducible to, but not contradictory of, the knowledge provided by scientific investigation. Romantic social criticism did not claim the imprimatur of science as did Marxism and other modern social theories, yet the Romantic lineage of opposition to “disenchantment” and capitalism has proved to be more resilient and humane than Marxism, “progressivism,” or social democracy. Indeed, it is more urgently relevant to a world hurtling ever faster to barbarism and ecological calamity. I wrote this book in part out of a belief that many on the “left” continue to share far too much with their antagonists: an ideology of “progress” defined as unlimited economic growth and technological development, as well as an acceptance of the myth of disenchantment that underwrites the pursuit of such expansion. The Romantic antipathy to capitalism, mechanization, and disenchantment stemmed not from a facile and nostalgic desire to return to the past, but from a view that much of what passed for “progress” was in fact inimical to human flourishing: a specious productivity that required the acceptance of venality, injustice, and despoliation; a technological and organizational efficiency that entailed the industrialization of human beings; and the primacy of the production of goods over the cultivation and nurturance of men and women. This train of iniquities followed inevitably from the chauvinism of what William Blake called “single vision,” a blindness to the enormity of reality that led to a “Babylon builded in the waste.”26 Romantics redefined rather than rejected “realism” and “progress,” drawing on the premodern customs and traditions of peasants, artisans, and artists: craftsmanship, mutual aid, and a conception of property that harkened back to the medieval practices of “the commons.” Whether they believed in some traditional form of religion or translated it into secular idioms of enchantment, such as “art” or “beauty” or “organism,” Romantic anticapitalists tended to favor direct workers’ control of production; the restoration of a human scale in technics and social relations; a sensitivity to the natural world that precluded its reduction to mere instrumental value; and an apotheosis of pleasure in making sometimes referred to as poesis, a union of reason, imagination, and creativity, an ideal of labor as a poetry of everyday life, and a form of human divinity. In work free of alienation and toil, we receive “the reward of creation,” as William Morris described it through a character in News from Nowhere (1890), “the wages that God gets, as people might have said time agone.”27 Rendered gaudy and impoverished by the tyranny of economics and the enchantment of neoliberal capitalism, our sensibilities need replenishment from the sacramental imagination. As Americans begin to experience the initial stages of imperial sclerosis and decline, and as the advanced capitalist world in general discovers the reality of ecological limits, we may find in what Marx called the “prehistory” of our species a perennial and redemptive wisdom. We will not be saved by our money, our weapons, or our technological virtuosity; we might be rescued by the joyful and unprofitable pursuits of love, beauty, and contemplation. No doubt this will all seem foolish to the shamans and magicians of pecuniary enchantment. But there are more things in heaven and earth than are dreamt of on Wall Street or in Silicon Valley.

#### Pressures towards socialist state action are building, forces the hand of monopolies.

Carles MUNTANER ET AL. 15, MD, PhD, Professor in the Faculty of Nursing, Dalla Lana School of Public Health, and in the Department of Psychiatry, Faculty of Medicine, at the University of Toronto; Edwin Ng, PhD in Social Science and Health in the Dalla Lana School of Public Health; Haejoo Chung, associate professor in health policy at the Korea University College of Health Sciences; Seth J. Prins, PhD candidate in Epidemiology and a Psychiatric Epidemiology Training Program Fellow at Columbia University [“Two decades of Neo-Marxist class analysis and health inequalities: A critical reconstruction,” *Social Theory & Health*, Vol. 13, No. 3-4, Aug/Nov 2015, p. 267-287, Accessed Online through Emory Libraries]

An ostensible goal of all research on the social production of health inequalities is not merely to describe or explain such inequalities, but to effectively reduce them (Muntaner and Lynch, 2002; O'Campo and Dunn, 2011; Muntaner et al, 2012b). A Neo-Marxist class approach has implications for the way that researchers think about and engage with efforts to reduce health inequalities, implications that invert the mainstream relationship between research and action. A cursory glance at the conclusion sections of many population health studies reveals an almost rote focus on ‘policy implications’ relevant to policymakers. We argue here that, although this mainstream orientation to social class and health inequalities may appear innocuous or politically neutral, it in fact functions in the service of incremental, apolitical, technical changes that are ultimately system-justifying and status-quo-reproducing (Chomsky, 1971).

As we described at the outset, the individual attribute approach to social class tracked broader trends in social science theory and research towards reductionism and methodological individualism. This absolves researchers from engaging with social processes and relations, which demand analyses of exploitation, domination, and even employment relations. These intellectual trends, in turn, reflect structural changes in the political economy of academic institutions that produce such knowledge (Muntaner et al, 2012a). While a complete discussion of the impact of neo-liberalism on health inequalities research is beyond the scope of this analysis, we contend that such trends conform to political options that often perpetuate inequalities, because they produce knowledge that explicitly avoids the mechanisms that generate social and health inequalities.

What can a Neo-Marxist approach to social and health inequalities add? Aside from doing the opposite of the mainstream approach (that is, re-engaging with analyses of employment relations, exploitation, domination and other class processes), an important contribution of Neo-Marxist class analysis is to break the chain between health inequality research and the ‘policy mystique’. It can do this by flipping its orientation from the top-down to the bottom-up, and rediscovering and engaging with the rich diversity of poor people's and working class social movements whose struggles - class struggles - against inequality, including health inequalities, can become a target audience for research and action. Adopting a relational class approach means recognizing - not just politically, but from a pragmatic research design and implementation perspective - that the vast majority of ‘the 99 per cent’ are completely alienated from the policy space, both professionally and electorally. Examples of such bottom up class approaches would be the ‘Housing First’ program in Canadian cities (van Draanen et al, 2013) or public health action research with labour unions in the United States (Malinowski et al, 2015). A resurgence of poor, working class, and climate-justice activism, from the international outgrowths of Latin America's left turn and the Arab Spring (Muntaner et al, 2011) to the anti-austerity movements in the European Union (Tugas, 2014), provides compelling opportunities for researchers to address new, grassroots stakeholders.

Recognizing that the vast majority of the population is on the opposite side of the class struggle than 'policymakers' does not imply that we should abandon progressive health policy reforms, but it means that we should adopt a more critical, bottom-up perspective towards how policy changes affecting the public's health are ultimately achieved. This is not to say that all researchers of social inequalities in health must become public social scientists (Burawoy, 2005) but it is to say that we cannot consign ourselves, under a thin veil of neutrality, to de facto approaching policy from a privileged position of access to elites, that is, from the orientation of serving policymakers. At the very least, we should have a more class-conscious perspective (Burawoy, 2014). Returning to and advancing relational approaches to class may be the only way this will be possible.

#### The idea that “there is no alternative” ensuring change becomes impossible.

Detlev ZWICK 13, Associate Professor of Marketing at Schulich School of Business, York University, Toronto [“The myth of metaphysical enclosure: A second response to Adam Arvidsson,” *Ephemera*, Vol. 13, No. 2, May 2013, p. 413-419, Accessed Online through Emory Libraries]

My initial response to Adam Arvidsson's excellent and provocative essay entitled 'The Potential of Consumer Publics,' was met by the author with a thoughtful response in which he provides, I think in very helpful ways, some clarification about the politico-ideological underpinnings of his notions of the productive consumer public and the reputation (or ethical) economy (see also Arvidsson, 2008; Arvidsson, 2009). As his defense against my charges illustrates, Arvidsson represents a position that, with Zizek, we could call 'Fukuyamaist'. This position holds that the collapse of the Communist Bloc put an end to the competition between ideological and economic systems, with the result that

liberal-democratic capitalism is accepted as the finally found formula of the best possible society; all one can do is to render it more just, tolerant and so on. The simple but pertinent question arises here: if liberal-democratic capitalism is, if not the best, then the least bad form of society, why should we not simply resign ourselves to it in a mature way, even accept it wholeheartedly? (Zizek, 2009: 52)

Is this not exactly the question Arvidsson is posing in his response? Is he not asking us to accept the reality of neoliberal capitalism and get on with it? At his Fukuyamaist best, Arvidsson suggests that to keep criticizing what cannot be changed constitutes little more than the immature trolling of Utopian dreamers and tenured radicals, especially when unaccompanied by a clear description of the solution to the problem. In principle, there are two main charges leveled by Arvidsson against my critique of his argument.

First, he rejects my critique for being naïve and Utopian, but he does so not because I suggest that his productive consumer publics reproduce neoliberal capitalist logic. On the contrary, Arvidsson himself seems to agree with my assessment that his concepts of reputation economy and productive consumer publics are at the same time both product and producer of communicative capitalism. What he objects to is the anti-capitalist position from which I state my critique, because, as already mentioned above, Arvidsson has concluded that the rule of capitalism cannot be changed; it is, to put it in Zizek's terms, the real of our lives, a real so powerful that, as Fredric Jameson (2003: 73) puts it, 'it is easier to imagine the end of the world than to imagine the end of capitalism'.

Second, Arvidsson faults my response for articulating a critique without at the same time providing my own constructive vision. In other words, criticizing his neoliberal fantasies is fine as long as it is constructive, which for him means accepting his Fukuyamaist position and thus focusing one's criticism on how to make capitalism more humane and tolerable. After having been too Utopian in my anti-capitalist critique, here I am not Utopian enough for Arvidsson because I refuse to develop a vision of a more just, democratic, tolerant and environmentally sustainable capitalism.

Before I formulate a short response to these two charges, I would like to emphasize that as far as the assessment of Arvidsson's original argument is concerned, we actually do not have a substantial disagreement. My main claim has been that in his essay Arvidsson is advancing a conservative notion of social change that celebrates the global subsumption of digital labour as some kind of postmodern capitalist communism; an argument and vision that very much recalls Hardt & Negri's (2004) notion of the multitude as the new positive form of economic and social productivity and new radical political subjectivities. For Negri (2008), value forms created by autonomous digital collaboration and co- creation by the multitude - or as Arvidsson puts it, 'by putting common resources to work in processes that unfold beyond the direct control of markets and hierarchies' - are already just one small step removed from communism. No matter that the capitalists appropriate autonomous labour, commodify all forms of life and make the rules of the new productive game. Capitalists here are mere parasites leeching off the labour of the multitude and they can, at any moment, be cut off from the various forms of collaboration and common consumptive production, bringing about something we could 'call commonism if we want, or simply an "informational mode of production" to use a less loaded term'.

As I wrote in my earlier response, I see many problems with this theory of informational communism outside markets and hierarchies, not least being that the most convincing examples presented by Arvidsson of such an informal mode of production rely for their continuous existence and viability on markets and hierarchies. But again, the main point here is not that I believe Arvidsson's theory of the productive consumer public is inconsistent and in the final analysis misguided and naïve1. The main point I was trying to make in my initial response was that despite all his anti-capitalist language, Arvidsson is in actuality presenting a conservative vision of social change that takes for granted the continuation of neoliberal capitalism, albeit a version of neoliberal capitalism that over time somehow learns to accommodate and tolerate other forms of economic production and political subjectivities. In short, a neoliberalism with a human face (which is good enough for Arvidsson to move 'beyond neoliberalism', as if just saying it will make it so). And it turns out that Arvidsson, in his reply, admitted that much. Along similar lines, Arvidsson repeatedly states his disappointment about my refusal to

recognize that notions like peer-to-peer production, high-tech gift economies and the like have the power to mobilize the energies of the subjects that are most likely to become the pioneers of a new political vision - today's version of the skilled workers that have taken the lead in most modern political movements. Even though the social theory that they produce might be shallow and imperfect... we cannot simply dismiss these versions as mere ideologies to be replaced by our theoretically more refined ideologies.

I can assure you that I have no difficulty recognizing the real existence of the self- branding, entrepreneurial competitor who, via skilled knowledge work, hopes to change the world. There are plenty of them in my classroom. And I am not concerned about the depth and perfection of the social theories driving their visions for the future. What I am concerned about are the processes that constitute these students as neoliberal subjectivities in the first place and subsequently limit their desire for a better world - a desire that, of course, we should encourage and not dismiss a priori - to variations on neoliberal capitalism (variously called social entrepreneurism, corporate social responsibility, conscious capitalism and so on).

Thus, my point was not at all to moralize about the effects of communicative capitalism but to decry two things: first, that Arvidsson elevates this neoliberal subject to be the legitimate historical subject of radical transformation, and second, that Arvidsson seems to believe that the radical transformation ushered in by this subject is one we should desire. It is one thing to acknowledge the current hegemony of neoliberal governmentality. I have no problem with that. That neoliberalism is a radical social force is plain for all to see. It is something different entirely, however, to suggest, as Arvidsson appears to, that the competitive, self-branding and entrepreneurial subject is the only possible subject we can imagine today - that this subject should be allowed to create the future world. Here, we have to become normative and demand alternatives.

### AT: Perm

#### 2. Any combination poisons the alt.

William Curran 16. Editor for the Antitrust Bulletin. Commitment and betrayal: Contradictions in American democracy, capitalism, and antitrust laws. Antitrust Bulletin. 2016. 61(2): 246

Scholars now link antitrust with distributional values. 11 Professor Anthony B. Atkinson wants antitrust to value the individual,1 12 recognizing as Hand did in Alcoa1 13 that "among the purposes of Congress in 1890 was a desire to put an end to great aggregations of capital because of the helplessness of the individual before them." 1 14 And it is the individual-rich and poor, but especially the poor-whom Atkinson wants to protect from the inequities of the marketplace.115 Atkinson sees as Senator John Sherman did in 1890 that the "problems that may disturb [the] social order ... none is more threatening than the inequality of condition of wealth, and opportunity that has grown within a single generation out of the concentration of capital into vast combinations to control production and trade to break down competition." 11 6 Sherman's and Hand's worries were certainly not Bork's. Hand said it best in Alcoa, "[W]e have been speaking only of the economic reasons which forbid monopoly ... [but] there are others, based upon the belief that great industrial consolidations are inherently undesirable, regardless of their economic results.",1 1 7 Bork-regardless of destructive results to democracy-would never find efficient economic results inherently undesirable. Bork would likely find democracy a "cornucopia of social values, all rather vague and undefined but infinitely attractive."iiS A definition that was surely meant to disparage, fails. What makes democracy attractive is its socially related values. 11 9 What makes it infinitely attractive are its regenerative capacities and potential for self-definition. 120 Bork blocked democracy's values so as not to tempt liberal judges. He worried needlessly. An antitrust solution to wealth's severe inequality is simply not plausible. 121 Antitrust has always been the heart of capitalism's ideology. 122 In truth, antitrust's distribution of wealth for the wealthy is more than ideology-it is heartless reality. So was Bork right? Are the fates of capitalism and antitrust intertwined? 123 And if antitrust were repealed? Professor Atkinson wants antitrust saved and used for citizens.124 But like Professors Stiglitz, Krugman, and Reich, he has fallen headfirst into antitrust's heartless ideological trap. And like the other three he would resurrect TR's trust-busting for the twenty-first century. Piketty avoids ideological traps. He learns the facts of history-unencumbered by ideologies like Bork's-and has an unobstructed vision 125 of the unequal and democratically destructive wealth of capitalism. Bork's antitrust is the wrong policy tool for a nation presumed to be dedicated to serving citizens equitably. 126

### Link Top Level

#### Proves the K turns growth – aggregate rates of consumption outpace energy conversion which destabilizes human systems.

Erald Kolasi 21. Research associate in the Income and Benefits Policy Center at the Urban Institute with MS and PhD from George Mason University. The Ecological State. Monthly Review. 2-1-2021. https://monthlyreview.org/2021/02/01/the-ecological-state/

The central problem of economics is scarcity, or at least that is how the story is told. The basic argument is that we have infinite desires but limited resources, and because we cannot have everything we want, we must necessarily devise a system to distribute goods and resources.1 Enter the efficient market economy, with its prices and wages set by the magical forces of supply and demand, the supposed gatekeepers of the warehouse of economic nirvana. There is a kernel of inadvertent truth behind this narrative. Natural limits certainly impose absolute scarcities that are impossible to overcome. There is only so much uranium in the solar system, for example. And even if we synthesize certain substances by using other substances, the total amount we can produce will still be limited by the availability of the raw materials going into the production process. We cannot beat energy conservation.

Although natural constraints on supply are important, most economic scarcities that rule our lives are actually social and artificial. Supply and demand are not natural forces drifting through the air; they are contrived realities established by an interactive social environment involving governments, corporations, institutions, and classes. Supply and demand cycles are social constructs designed to answer a basic question: Who gets what? Those with social and institutional power decide how they want to distribute money, labor, and resources, and those without must navigate the resulting constraints and roadblocks that have been thrown in front of them, or they can challenge the system and remove some, if not all, of the roadblocks. Especially under capitalism, artificial scarcity is an important social reality that torments the lives of billions around the world, but scarcity as a natural limiting factor in economic activity is not as fundamental as we might like to think. In that case, what is?

Let us begin answering this question by remembering that human economies are dynamical systems powered by energy flows, and their successful operation requires the presence of stability in the face of an uncertain environment. If ecological instabilities make it difficult for an economy to keep collecting energy, then that economy is susceptible to collapse even though plenty of energy remains available for consumption. The coronavirus pandemic has painfully revealed this fundamental truth once again. The global economy is experiencing the worst cataclysm since the Second World War not because we are running out of stuff, but because chaotic feedback loops between nature and society have the power to severely destabilize cycles of economic activity. As industrialized agriculture keeps expanding into pristine habitats, it is dramatically increasing the odds of viral transmission from wild animals to human beings.2 As we pump more greenhouse gases into the atmosphere, the planet keeps getting warmer and nearly all living organisms are feeling the impact. There are unavoidable ecological consequences associated with every kind of economic activity, but the energy-intensive modes of capitalism have been uniquely harmful.

The central problem of economics is not scarcity, but stability in the flow of goods and resources, and especially the stability of the ecozones that act as an economy’s primary energy reservoir. The primary goal of any economic system should be to ensure stability and sustainability in the face of nature’s external perturbations, which have always played a dominant role in the development of human history. Before going further, we should have a concrete sense about what stability means on a theoretical and empirical level. We cannot pursue stability as a strategy unless we know what we are trying to stabilize, and why it is worth stabilizing in the first place. Stability will be understood as something like a dynamic equilibrium, an acceptable range of energy consumption for human civilization that allows it to function without transgressing critical planetary boundaries. People are complex, to say nothing of entire societies. No civilization would be able to maintain a constant rate of energy consumption at all times, which is why viewing stability as a constrained dynamic equilibrium offers civilization more balance and flexibility as it tries to coexist with the natural world.

Economies absorb energy from the natural world and then convert a portion of that energy consumption to power their cycles of production, distribution, and consumption. An ecological system needs to prioritize the stability of the energy flows that sustain these productive economic cycles. This means primarily stabilizing an economy’s aggregate rates of energy conversion and consumption. The fraction of total consumption (throughput) that a civilization converts to useful forms of energy is the aggregate energy efficiency. In a previous article for Monthly Review, I argued that aggregate efficiencies for economic systems across history generally change at very slow rates, given the constraints on technological development and the economic incentives of each system.3 Because aggregate efficiency does not change much as economies consume more energy, much of that extra energy consumption is lost as waste and dissipation to the environment. In the last two centuries of capitalist development, these energy losses have profoundly reorganized our planet’s entire ecosphere, to the point where intensifying ecological disturbances have become a major threat to the stability of the energy flows that power our economic systems.

Moving past capitalism will require lower rates of energy consumption from the advanced economies of the industrialized world, but also a tectonic shift in the way we understand the purpose of economic activity, from the current obsession on growth (measured currently in terms of gross domestic product) to a greater focus on energy stability. But how are we supposed to maintain stability with the current economic structures of capitalism? The simple answer is that we cannot. We need entirely new social and political systems that align with the energetic constraints of our stability program. The only realistic way of providing this kind of macroenergetic stability in the near future is through the substantial involvement of the state in the control and administration of economic resources. This is not necessarily an obvious claim, and is worth explaining to some extent.

#### Boom & Bust.

Alan Maass 21. Communications staff for Rutgers AAUP-AFT. Marxism Shows Us How Our Problems Are Connected. Jacobin. 1-5-2021. https://jacobinmag.com/2021/01/marxism-capital-socialism-capitalism-book-review

When Things Fall Apart

Marxist economics explains not only how capitalism works but why it regularly doesn’t — during the periodic economic busts that inevitably follow the booms. As Marx and Engels wrote:

Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed. And why? Because there is too much civilization, too much means of subsistence, too much industry, too much commerce.

Of course, in a world where billions go without enough food, there’s no such thing as “too much means of subsistence.” There’s only too much from the point of view of the capitalists — too much to sell their products at an acceptable profit.

Thier introduces the chapters on capitalist crisis by unpacking a long quotation from Engels that ends: “The contradiction between socialized production and capitalistic appropriation is reproduced as the antagonism between the organization of production in the single factory and the anarchy of production in society as a whole.”

Under capitalism, production within workplaces is generally highly regimented, but the economy as a whole is a free-for-all. Businesses make their investment decisions behind closed doors, each hoping to get a leg up on the competition — by introducing the most popular model, the new product, the next trend. Success means a greater share of the market and therefore more profits.

All the important questions for society as a whole — how much food should be produced, how many homes to build, what kind of drugs to research and manufacture, how to generate electricity — are decided by the free market.

In economic good times, success seems contagious. Companies make ambitious investments, produce more and more, and watch the money roll in. But when enough companies jump in, the market gets saturated, sales slump, debts grow, and the record profits start to sink. The effects spread from part of the economy to the next, as Thier explains, using the example of oil:

If refineries sit idle because there is an overproduction of oil, the workers are laid off, and the creditors, who financed the investment, are dragged down as well. But as future oil extraction and refining projects are pulled back, so too is demand for the raw materials (steel, concrete, plastics, electricity, etc.) and engineering necessary for the production of oil rigs, pipelines, and so on. The construction business and service and retail companies, which had benefited from the springing up of oil boomtowns, suffer as well.

Because of the complexity of the international capitalist economy, the boom-slump roller-coaster ride can look and feel different each time around. Thier devotes a chapter to analyzing the crash last time: the Great Recession of 2008–9. She explains why and how the parasitical realm of banking and finance was the detonator of this slump but looks beyond popular left explanations about “financialization” to reveal the underlying crisis of global overproduction.

Among Marxist economics writers, there are some disagreements about the details here, specifically about “which aspects of Marx’s writing — falling profitability, overproduction (or in some cases, underproduction), disproportionality among branches, the role of credit — are emphasized and how these pieces fit together,” Thier writes.

In her account, Thier tends to stress overproduction, to the disappointment of those who emphasize falling profit rates. This focus on overproduction crucially emphasizes how an organic mechanism of capitalism — inevitable in a system driven by exchange, exploitation, and competition — repeatedly causes crisis.

Regardless of their ideology or morality (or lack thereof), capitalists are inevitably driven to reduce costs, they inevitably see an advantage in producing more for less, and this inevitably leads to frantic overproduction that undermines profitability and ultimately slams the economy into reverse.

In other words, capitalism stops working not because of a mistake or failed policy, but because it’s been working the way it’s supposed to. As Thier writes:

Competition is the mainstay of capitalism. It can’t be made friendlier or softer because it requires an accumulation of capital at any cost, in order to get ahead or get left behind.… These same processes of accumulation necessarily lead to contradictions that threaten the very profits that capitalists seek. Every contradiction for capitalism is both a great hazard to our lives — since we are made to pay the price — and also an important crack in the system. Every periodic crisis is a potential point around which to organize.

#### Second, their solvency mechanism is standard setting in the courts---that’s another link. They’re least hospitable to lead antitrust. Justices are corporate activists that defang anti-oligarchy efforts through court sanctioned union busting and violence.

Joseph Fishkin 21. Marrs McLean Professor in Law at the University of Texas, Austin. Courts And Constitutional Political Economy. 7-24-21. <https://lpeproject.org/blog/courts-and-constitutional-political-economy/> //shree

For most of American history, all sides in most major fights about the nation’s political economy agreed about one thing: the questions they were fighting about were constitutional in nature. In other words, they were fighting about constitutional political economy. This point is central to a book project that Willy Forbath and I have been working on for a few years, The Anti-Oligarchy Constitution: Reconstructing the Economic Foundations of American Democracy (forthcoming January 2022). We tell a story about rival visions of constitutional political economy stretching back to the Founding Era and how advocates of these visions fought out their differences both through politics and in court at different moments in American history. We are especially interested in what we call the “democracy of opportunity” tradition, which runs from the founding through the New Deal, whose (varied) advocates contended, by and large, that the Constitution required that we enact laws to disperse economic and political power, rather than letting it get concentrated in too few hands. We also explore various rival traditions, from the distinctive constitutional political economy arguments of the defenders of slavery to the anti-redistributive constitutional political economy arguments that crystallized a century ago into what we now call Lochnerism.

You’ll notice I said “through politics and in court.” A central theme of the book is that for most of American history there has not been much separation (if any) between the constitutional political economy arguments advocates make in the courtroom, in the legislative hearing room, at a protest rally, or on the stump as candidates for office. And yet there does seem to be a noticeable pattern, which is my topic in this blog post. For advocates of the democracy of opportunity tradition—the tradition holding that the Constitution required (among other things) crushing the landed Southern oligarchy of the Slave Power; breaking up the trusts and monopolies; taxing the incomes of the rich; distributing land, education, and opportunity to ordinary Americans; and enforcing workers’ rights to organize and strike—courts have generally been the least hospitable of the three branches of government.

The pattern is pretty striking. Painting with a bit of a broad brush—this is a blog post—it seems fair to say that American courts have, much more often than not, taken a particular side in fights about constitutional political economy. Courts have taken the side of holding that the Constitution protects the rights of aristocracy and oligarchy to maintain their outsized economic and political power. Many Americans have argued that the Constitution requires just the opposite, but they have found a more receptive audience, on the whole, in the democratically elected branches than in the courts. Over the course of American history, the elected branches have built a considerably more open and democratic political economy than the courts generally have wanted to allow. Today, as courts eviscerate voting rights and campaign finance laws, and take whacks at public employee unions and social safety net programs such as the Affordable Care Act, this particular alignment of the branches of government is with us again. But why? Why this alignment, so much more often than the reverse?

The pattern began in earnest with Reconstruction. To the Radical Republicans, it was obvious that racial inclusion was impossible without destroying the planter oligarchy and building a mass, multi-racial middle class in the South. As Thaddeus Stevens put it, “The whole fabric of southern society must be changed . . . [i]f the South is ever to be made a safe republic.” There can be no “republican institutions . . . in a mingled community of nabobs and serfs.” But as violent white supremacists undid Reconstruction, the Court abetted them by finding ways to eviscerate the Reconstruction Amendments, striking down key parts of the core civil rights statutes that Congress had enacted to enforce the Amendments. The Court’s gutting of those statutes left Black citizens unprotected from most discrimination, disenfranchisement, and even massacre by white terrorist mobs. However, the same Court was receptive to claims that the Reconstruction Amendments protected corporations and their freedom from various forms of government regulation.

The Supreme Court during this period—which was a long period, spanning much of the late nineteenth and early twentieth centuries—managed to surprise almost everyone by striking down an income tax on the highest earners as unconstitutional (a decision eventually overturned by constitutional amendment). Frequently, federal courts, including the Supreme Court, found ways to weaken the antitrust laws that Congress enacted. Courts attacked efforts to organize labor unions with sweeping injunctions, court-sanctioned state violence, and jail terms aimed at protecting employers’ rights to an uninterrupted flow of non-union workers. (These are just a few highlights; there are many more in the book.) When you read some of these decisions today, they barely read like what we recognize as law—the class politics is so raw and right on the surface. But the views of those judges were predictable. The early-twentieth-century Republican Party that dominated American politics and judicial appointments in that era was the party of big business; the federal courts were stacked with elite lawyers from the emerging corporate bar, whose jobs before they joined the bench mostly involved serving the railroads and the trusts and their owners, the oligarchs of the Gilded Age. It would have been surprising if these judges had not been activists bent on finding ways to thwart the democratic branches’ efforts to rein in oligarchy.

So what about when American politics turned? After President Franklin Roosevelt’s dramatic confrontation with the Lochner Court, the Court retreated and upheld the New Deal, ushering in a new constitutional regime. The Court reconceived its role, especially after World War II, as the nation’s protector of civil liberties and, eventually, civil rights. The Court upheld many laws parallel to the ones it had struck down after Reconstruction, such as the Civil Rights Act of 1964 and the Voting Rights Act of 1965. But that was the most important thing it did in its brief period of mid-20th-century liberalism: step out of the way. The Warren Court has a reputation for activism, and many of its decisions—Brown v. Board of Education, the criminal procedure revolution, one-person-one-vote—were indeed activist holdings. But when it came to economic inequality, the Warren Court was operating during the period of American history when inequality was at its most muted (the “great compression”). Restraining oligarchy, or building up the middle class as a bulwark of Republican government, was not on the Court’s docket. Some observers expected the Court to do more—to enlist the Constitution in the War on Poverty, set constitutional minimum welfare guarantees, or equalize school funding—but in the end, it didn’t. And then the Court took a long right turn, and now we are once again in a Gilded Age, with the Court playing the familiar role it played a century before, as the branch where efforts to build a democracy of opportunity can most readily expect to be crushed.

There is a lot of contingency in American history, perhaps especially when it comes to courts. But it seems to me non-coincidental that the Court has so consistently been the least dangerous branch to aristocrats and oligarchs and their efforts to concentrate economic and political power. The simplest reason is this: efforts to restrain concentrations of private power—whether it’s the landed aristocrats Jefferson worried about at the founding, their Slave Power successors, or the monopolist robber barons of the Gilded Age—require the exercise of public power in the form of legislation. There are supporting roles to be played here by executives executing legislation and by courts interpreting it. But fundamentally, courts are not equipped to initiate or lead the work—the constitutionally necessary work—of laws like the Sherman Antitrust Act, the National Labor Relations Act, the Social Security Act, the Civil Rights Act, the Voting Rights Act, or the Affordable Care Act (to name a few!). Courts can interpret these statutes in ways that further the statutes’ goals, or courts can try to thwart them. But courts are not equipped to move first or take the lead in advancing these statutes’ goals. On the other hand, courts are better equipped to recognize the anti-redistributive, so-called libertarian claims of property, contract, and so on that some of these statutes might be viewed as threatening. Those claims are of a form that we still teach in the first year of law school: an individual claimant, standing on old common law-ish rights, against the redistributive machinations of the progressive state.

#### Third, the 1AC’s bourgeoise narrative of China’s technological dominance in 5g and digital authoritarianism recirculates tropes as a threat to sovereignty. It becomes the mechanism of global market expansion and intervention.

Black Like Mao 21. On Combating Sinophobia While Maintaining An Anti-Revisionist Line. Medium. 03-18-2021. https://blacklikemao.medium.com/on-combating-sinophobia-while-maintaining-an-anti-revisionist-line-54d645e5800c

Sinophobia, or fear of China and things coming from China, has been a problem since Chinese immigrants started coming to the United States in the mid 19th century. European settlers saw the Chinese as competition for “their” jobs (in industries built by Chinese workers!), and organized themselves to indulge in brutal violence and massacres. This was the activity of many of the earliest unions in the United States. In cities and mining camps across the stolen West, settlers drove away Chinese immigrants (or massacred them) to steal their mining claims and expropriate their property. Eventually a bill was passed forbidding further Chinese immigration (backed by the Knights of Labor). Theoretician J. Sakai writes in Settlers:

The passage of the 1882 Act was taken as a “green-light”, a “go-ahead” signal of approval to immigrant European labor from Congress, the White House and the majority of Euro-Amerikans. It was taken as a license to kill, a declaration of open looting season on Chinese. Terrance Powderly, head of the Knights of Labor (which boasted that it had recruited Afrikan workers to help European labor) praised the victory of the Exclusion Act by saying that now the task for trade unionists was to finish the job — by eliminating all Chinese left in the U.S within the year!(36)

The settler propaganda kept emphasizing how pure, honest Europeans had no choice but “defend” themselves against the dark plots of the Chinese. Wanting to seize (“annex”) Chinese jobs and small businesses, European immigrants kept shouting that they were only “defending” themselves against the vicious Chinese who were trying to steal the white man’s jobs! And in case any European worker had second thoughts about the coming lynch mob, a constant ideological bombardment surrounded him by trade union and “socialist” leaders, bourgeois journalists, university professors and religious figures, politicians of all parties, and so on. Having decided to “annex” the fruits of the Chinese development of the Northwest, the usual settler propaganda about “defending” themselves was put forth.

In the 20th Century, the “yellow peril” myth was used to expropriate Japanese farmers from their lands in California and Hawaii, using the fact that the United States was at war with the Japanese Empire. Of course, the fact that many of these Japanese were second/third generation was ignored by land-hungry settlers. Chinese in the US were forced to wear placards and buttons stating that they were not Japanese to avoid violence and abuse from settlers. After WWII, the liberation of the Chinese mainland by the Chinese people led by their Communist Party resurrected the fear in the minds of settler Americans and Chinese people once again fell under harassment and suspicion as being Communists. Travel to China was forbidden and those who supported the Chinese Revolution and New China in any form were forced before Congressional committees, blacklisted from jobs, booted from academic positions, and generally tormented. William Hinton, author of Fanshen, The Great Reversal, and other good primary sources stemming from his years of work alongside the Chinese people as they made revolution and built socialism, had his papers seized upon his return to the United States. In essence, most of the modern day fear of China and Chinese people stems from the fact that they were a massive thorn in the side of Yankee, Japanese, and European imperialism, and served as a beacon of light for the world’s people.

Fast forward to 2021. China is no longer a socialist country, it is a social imperialist superpower that suppresses the masses within the PRC while eagerly trapping countries in the Third World with debt and eating up the land of neighboring countries. Revisionists are cynically tying the inter-imperialist conflict between the United States and China to the upsurge in chauvinist attacks on Chinese people within the United States, most egregiously displayed in the massacre of 8 women, 6 of whom were Asian, on Tuesday in Atlanta. The murderer, Robert Long, expressed violent anti-Asian sentiment which culminated in the attack. The bourgeois media wasted no time talking about the killer “having a bad day” and talking about issues in his personal life. Bourgeois media purposefully hides the class and national implications and causes of acts, and seeks to break Europeans down to “troubled individuals” while tarring Asian, Black, Latinx and other people with a wide and dirty brush. The revisionists, who still promote the myth of “Socialism With Chinese Characteristics” and absurdly claim that all Chinese people are representatives and supporters of the revisionist CCP, claim that the root cause of these attacks is the inter-imperialist saber-rattling.

The saber-rattling, ramped up under Trump with his racist provocations around the COVID-19 pandemic and continued by Biden with fresh sanctions, undoubtedly plays a role, but it is not the root cause of this upsurge in violence. It’s already been shown how anti-Chinese and anti-Asian violence in general has existed in the United States since the arrival of large numbers of immigrants from Asia in the 19th century. The revisionists use these attacks and xenophobia as a cudgel against Maoists claiming that we are somehow responsible for the xenophobic attacks by correctly critiquing China as a social-imperialist country (ignoring that the theory of social-imperialism was worked out first by Lenin and then applied by Mao Zedong and the Chinese Communist Party to criticize the USSR during the socialist period!) and have blood on our hands.

This is absurd. The Maoist position on these attacks is that they are the continued expression of all-American xenophobia and hatred of non-white people. This is the same country that lynched New Afrikan people, committed acts of genocide against Indigenous people, and spread war all over the world to seize markets and land. It is essential that Communists go among the people not to drum up support for the social-imperialist PRC but to organize self-defense collectives to combat racist attacks and harassment. The Maoist prescription for xenophobic violence is to arm and train the people, not to engage in revisionist geopolitics. It is essential that we do not abandon our principles or fail to correctly sum up phenomena. We must combat sinophobia by exposing the sources of hatred of Chinese and Asian people. This can be done without being agents of PRC social imperialism. The revisionist CCP is not representative of the millions of Chinese people who are oppressed and exploited by billionaires that have leadership in the CCP. Furthermore, Lenin and Mao taught us that we Communists do not have to take sides in inter-imperialist spats. There is no risk of war danger between the United States and China, just as there was no war danger between the USSR and the US. The theory of “peaceful coexistence” is shared by revisionists nationally and internationally. Furthermore, imperialists, social and otherwise, have too much capital tied up in each other to engage in open wars. The US invests in China, and China invests in the US. The masses continue to be exploited, beaten, and abused all over the world. Revolution must continue to be on the agenda and actively struggled towards by all Communists.

#### Fourth, Turns democracy.

Helen V. Milner 21. B. C. Forbes Professor of Public Affairs at the Woodrow Wilson School of Public and International Affairs at Princeton University, where she is also the Director of the Niehaus Center for Globalization and Governance. International Studies Quarterly, 10 July 2021, <https://doi.org/10.1093/isq/sqab056> //shree

How do Globalization and Democracy Interact? The delineation of these essential elements of democracy is important because it tells us where to look for problems in the relationship with capitalism. If capitalism makes achieving these elements more difficult or impossible, then the two institutions will clash. Instead of reinforcing one another, they will undermine each other. Hence, one view is that without serious restrictions on capitalism, democracy will be imperiled. On the other hand, some claim that without restrictions on democracy, capitalism could be imperiled. From Marx onward, numerous scholars have claimed that democracy has been limited in order to preserve capitalism. For Marx, the institutions of the state were built to protect capitalism; democracy was just the “dictatorship of the bourgeois” hiding behind a veil. The capitalist state was designed to protect the collective interests of the capitalist class against the working class and against the short-sighted behavior of individual capitalists; thus the state had some autonomy.12 But for Marx and many Marxists, democracy itself was a sham set up to protect capitalism. More recently, Slobodian argues that the entire neoliberal system of international institutions set up since the 1950s has served to protect capitalism against democracy: the entire “neoliberal project focused on designing institutions–not to liberate markets but to encase them, to inoculate capitalism against the threat of democracy” (Slobodian 2018, 2). For many on the left of the political spectrum, capitalism makes democracy impure at best and impossible at worst. For others from the right, government intervention in the economy even decided democratically can ruin capitalism and thus destroy individual freedom. Laissez-faire doctrine advocated the most limited interference of politics in the matters of the economy. Hayek (1976) among many feared that any government intervention corrupted capitalism and that only the most minimal state was desirable. “The system of private property is the most important guaranty of freedom, not only for those who own property, but scarcely less for those who do not . . . If all the means of production were vested in a single hand, . . . whoever exercises this control has complete power over us” (Hayek 1976, 103). Freedom is the highest goal, but capitalism—not democracy—brings freedom. The protection of private property was necessary for democracy in the first place.13 Economic conservatives such as Hayek decried government intervention in the economy and the creation of large social welfare systems. The balance between unregulated markets and government intervention has long been a central issue in politics. This balance has been changing over time, especially as globalization has spread. Global capitalism seems to have given capitalists a stronger hand relative to either labor or the state (Bates and Lien 1985). Laissez-faire and austerity have gained in prominence as labor unions have shrunk, center left parties have declined, and social welfare spending and redistribution have fallen out of favor (Blyth 2013). Political Equality and Economic Inequality As noted above, an essential element of democracy is the idea of political equality. All adult citizens should be treated equally by the state and should have equal political rights. What political equality means may be debated, but citizens do expect some kind of equal treatment by their government. The problem this runs into is the economic inequality generated by capitalism (Piketty 2014). Economic inequality has increased very substantially within countries across most of the world since the 1990s (Bourguignon 2015). This rise has been especially notable in the advanced industrial countries, particularly the United States and UK. While rates of absolute poverty across the world have plummeted, one particularly contentious issue is whether globalization has fueled the rise in within-country inequalities. For example, the Gini index for income distribution in the United States has worsened steadily from 0.36 in 1970 to 0.41 in 2015 (Lahoti, Jayadev, and Reddy 2016). By 2008, the level of inequality in the United States, as measured by the share of family income for the top 10 percent, had returned to the highest levels recorded in the early twentieth century (Bourguignon 2015, 48). The middle four deciles of the income distribution in the United States saw a similar decline in income share from 1980 (0.46) to 2014 (0.40). However, growth in inequality in Europe has been less pronounced with the income share of the middle four deciles sharply dropping in the UK and more moderately decreasing in Germany and France (Blanchet, Chancel, and Gethin 2019). While unemployment in the United States has been low, wage growth especially in the middle and low skill occupations has been very limited in the past few decades. “Since 2000, [US] weekly wages have risen 3% (in real terms) among workers in the lowest tenth of the earnings distribution and 4.3% among the lowest quarter. But among people in the top tenth of the distribution, real wages have risen a cumulative 15.7%, . . . nearly five times the usual weekly earnings of the bottom tenth” (Desilver 2018).14 In the United States by 2010, the top 10 percent of the income distribution has received over half of all wage gains during the past 30 years, and the top 1 percent and 0.01 percent had received most of that (Bourguignon 2015, 49). In Europe, slow wage growth has been combined in many countries with high unemployment. In many of the OECD countries, the concentration of wealth, as opposed to income, is even more stark and has grown worse as well. International trade appears to have amplified inequality in developed countries by deepening the high-skill and low skill labor divide (Wood 1994; Ebenstein et al. 2013). Surprisingly, there is some evidence this is happening in the developing world as well (Harrison and Hanson 1999). The problem is that this period of rising within country inequality corresponds to the period of globalization’s fastest growth. It looks as if, and perhaps is the case that, they are related.15 But the impression is that globalization has benefited a small elite and not the whole society or even the middle class. The majority is losing and this should not happen in a democracy. The sense that the system is rigged and only the rich benefit from openness is pervasive and growing. Anger and resentment are rising in publics as they see only a small segment of society gaining from globalization, and as everyone else becomes a relative loser (Galston 2018).16 The pervasive sense is that elites have captured the political system and opened up the economy to external forces that benefit only the rich and well connected. Inequality also seems to drive support for a main policy advocated by populist parties, that is, for protectionism, thus challenging the foundations of the liberal global order (Lü, Scheve, and Slaughter 2010). Another issue is that any sense of political equality is hard to sustain when economic inequality is large. If the wealthy have, or are seen to have, special access to political leaders and more influence over elections because of their money, then political equality is undermined. As Przeworski says, “When groups compete for political influence, when money enters politics, economic power gets transformed into political power, and political power in turn becomes instrumental to economic power ....Access of money to politics is the scourge of democracy” (Przeworski 2016, 5). Research suggests that the rich do have more access and influence over politics (Bartels 2008; Gilens 2012). As the rich become richer, their influence magnifies, policy diverges more from the median voter’s preferences, and democracy seems less and less legitimate to the average citizen. If globalization is linked to rising inequality, then we may fear for democracy because research shows that democracy does not do well in conditions of high inequality (Boix 2003; Ziblatt 2008).17 Globalization may then indirectly undermine support for democracy as it enables greater economic inequality (Elkjær and Iversen 2020). It is important to note that the Covid-19 pandemic seems to be increasing inequality as it rages in different countries. High-skill workers have maintained their jobs and avoided the virus by telecommuting. Lower skill workers who are usually paid less have been more likely to lose their jobs and get sick (Davis, Ghent, and Gregory 2021; Deaton 2021). And large firms with abundant capital have expanded as their small rivals are driven out of business by the pandemic closures (Bartik et al. 2020) Capital is being concentrated even more by this plague. It has also increased individual insecurity and reduced social capital as people cannot congregate and socialize. Creative Destruction and Economic Insecurity Capitalism is marked by rapid change and technological advances. As many have noted, it is a very dynamic system that incentivizes change, upgrading, and innovation. In the process, however, it destroys the old, the familiar, and the once lucrative. Schumpeter termed this essential dynamic, creative destruction (Schumpeter 1942). There is also evidence that innovations and adoption of new technologies spread in waves over time, sometimes leading to deep and rapid changes (Milner and Solstad 2021). These technological revolutions then produce side effects in social and political life. The first industrial revolution from about 1760 to 1830 saw a spurt of activity around iron and steel, coal, and steam engines (Mokyr 2009). The second industrial revolution from the 1870s to early 1900s again brought a surge in new technologies including railroads, mass assembly, automobiles, telegraph and radio, and electricity (Gordon 2017). Recently we have witnessed another technological revolution, the so-called digital revolution, and it is now having widespread effects. It is not just disruptions to labor markets that matter, but also shocks to information and communications systems, changes in social organization and disruptions of existing institutions. These rapid changes create insecurity for people who are, or believe they will be, negatively affected.18 This personal insecurity is likely to have political ramifications, especially when social protection is weak (Mughan 2007; Margalit 2011; Hacker, Rehm, and Schlesinger 2013; Rehm 2016). Capitalism has brought forth many changes in markets, especially in labor markets over time. Old industries die and new ones emerge, but labor and capital are often slow to keep pace with these changes. Boix (2019) argues that first period of globalization in the late nineteenth century and early twentieth century was accompanied by technological change which generated more jobs than it displaced. This earlier wave of disruption was job inducing, and the new technology then was complementary to labor. The second period of globalization occurring recently is different; the new technologies are job displacing and substitute for labor. These two conditions produce very different politics. Boix (2019), however, still thinks that democracy can persist in this second period, as do others who see democracy as extremely resilient (Iversen and Soskice 2019). But many others are more pessimistic, worrying that the effects of technology now are enhancing inequality and destroying decent jobs (Baldwin 2019). A primary example has been the rise and fall of manufacturing industries, especially in the advanced industrial countries. Industrial employment as a percentage of the civilian labor force has dropped from 38.8 percent in 1970, 25 percent in 2007, and falling to 18.8 percent in 2016 among the original 23 OECD countries (Armingeon et al. 2019). Offshoring has been a main ingredient in this process, and more recently the development of global value chains across borders has accelerated these changes. This deindustrialization has generated much economic insecurity as higher wage-paying, blue-collar jobs have disappeared with it (Hacker 2008; Milberg and Winkler 2013). In addition, the new jobs produced have often been inferior to the old ones lost; this inferiority concerns not just wages but also the terms of employment, which have become less secure and more temporary in the so-called gig economy. “Employment precariousness,” or the lack of a “decent job,” is another aspect of this technological revolution (Lorey 2015). “Fixed-term employment contracts, temporary work and part-time work in developed countries, and informal jobs with irregular working hours, low earnings and uncertain futures in developing countries” (Bourguignon 2015, 63), which are the telltale indicators of this precariousness, have grown greatly. “In France, employment precariousness has increased significantly over the last twenty years, from 8% in 1990 to 12% of total employment in the 2000s” (Bourguignon 2015, 63–64). Skill-biased technological change and trade with the developing world have been largely responsible, as they have helped fuel offshoring and global value chains (Michaels, Natraj, and Van Reenen 2014; Doraszelski and Jaumandreu 2018). Hence, despite the fact that unemployment in many developed countries had fallen to low levels before the pandemic, personal insecurity has been pervasive because wages and working conditions have worsened, especially for lower skilled workers. Global capitalism produces a double dose of technological change. Capitalism itself is very disruptive, but on a global scale it accelerates this change. Research shows that few countries innovate and that most adopt innovations from elsewhere (Keller 2004). The speed of this adoption varies from country to country and over time, but globally-integrated markets make these changes more rapid and widespread (Mokyr 1994; Taylor 2016; Milner and Solstad 2021). The third technological revolution then also is different because it is probably the fastest and most wide-ranging. It has brought even more economic anxiety and insecurity than past revolutions. The insecurity generated by capitalism has long been noted. Furthermore, capitalism on a global scale seems to amplify this insecurity since international capital and labor flows may be ever more politically destabilizing (Scheve and Slaughter 2004). Economic crises like the global financial one of 2008–2009, which often are fostered by globalization, exacerbate this insecurity as well. Indeed, the creation of social welfare states was intended to help damp down this anxiety and reduce the frictions associated with economic change and crises. Polanyi (1957) long ago noted that left exposed to unregulated markets, people would turn away from democracy and toward extreme political solutions. The risks and insecurities generated by capitalism needed to be alleviated by social protection. The idea was to “embed” markets in social and political relations by having governments intervene to provide compensation to people affected by market volatility. After World War II, markets for capital and labor flows across borders were regulated as trade was slowly liberalized, and stability and growth with redistribution were paramount for the advanced industrial democracies until the 1980s. After World War II, embedded liberalism in the Western world was the compromise that arose to make democracy and capitalism compatible (Ruggie 1982). As noted by Lim (2020, 67–68), “Studies of Western democratic countries have found that citizens who are exposed to the risks and uncertainties of global capitalism demand greater social protection from their government (Burgoon 2001; Cusack, Iversen, and Rehm 2006; Walter 2010; Margalit 2011). Empirical analyses also have revealed that more open economies tended to have larger public spending to compensate for and insure against the vagaries of an open economy (Garrett 1995; Rodrik 1997, 1998; Rickard 2012; Nooruddin and Rudra 2014).” Others show that technological adoption is faster and acceptance of new technologies is higher when welfare state generosity is greater (Lim 2020). Up to the 1990s, the embedded liberalism compromise seemed to be reconciling democracy and global capitalism. Embedded liberalism, however, has come under sustained pressure as globalization has advanced. The combination of slowing or declining welfare efforts plus the growth of globalization have increased insecurity and reduced support for people facing it. Scholars have pointed to these changes as being a source of the rise of populism and the extreme right in various countries. Margalit (2011) shows that where job losses from foreign competition were high, incumbent politicians in the United States were more likely to lose and especially so if the job losses were not compensated. Autor et al. (2020) provide evidence that the trade shock from Chinese entry into the WTO led to increasing political polarization in the United States. Jensen, Quinn, and Weymouth (2017, 1) demonstrate that “increasing imports (exports) [in a region] are associated with decreasing (increasing) [US] presidential incumbent vote shares.” Colantone and Stanig (2018a,b) provide data showing that support for right-wing, nationalist and populist parties and for Brexit came from areas hardest hit by globalization, in particular trade shocks and immigration. Burgoon (2001) points out that the backlash against globalization is less in areas where social welfare provision is highest. Milner (2018, 2021), on the other hand, argues that in areas with more trade flows support for extreme right parties is stronger and that social welfare provision does not seem to temper this political backlash against globalization any longer. As globalization has proceeded and welfare states have not expanded to match this, personal insecurity has grown and its political consequences are increasingly manifest. As Rodrik (1997) noted, increasing global economic integration produces more public demands on governments for social protection while concurrently undermining their ability to supply these policies because they require considerable public expenditure, which globalization may prevent. Insecurity can also be a product of the new information technologies today. The gig economy is in part made possible by such technologies. Surveillance technology may make people feel safer, but it may also enable governments to monitor their citizens and create new fears. While social media may enhance accountability pressures, it may also generate confusion and fake news. Many new sources of information have become easily available, often creating political and social problems. There is deep concern that new information technologies have helped disseminate populist political views. Social media in particular can undermine confidence in and the legitimacy of mainstream parties and leaders by transmitting false and damaging views of them (Tucker et al. 2017). International interference to exert political influence may also be easier to accomplish and disguise with these technologies. Creating confusion about what the facts are, disseminating fringe views as if they were credible, and sowing doubt about the validity and legitimacy of key democratic practices like elections are all means for generating greater insecurity and boosting populist support. Global Interdependence Deep integration of national economies through trade, capital markets, and immigration poses direct challenges for democracy. Above, I noted the indirect ways that globalization might undermine support for democracy, first by increasing inequality and second by fostering faster technological change. But globalization may also have more direct effects. I discuss three such effects here: increasing economic policy constraints on the government; pushing convergence on economic policy choices; and creating more need for international cooperation and governance. Each of these means that governments have less control over the economy, less room for partisan competition, and less autonomy. Globalization seems to produce three inter-related processes that might undermine support for democracy. As trade, capital, and labor flows grow in importance, governments become increasingly constrained; governments can always opt out of this but the costs of doing so rise as globalization proceeds. First, globalization can undercut the government’s ability to direct the economy. The government’s policy instruments become more limited and less effective. With an open economy, macroeconomic policy and exchange rate policy become more interdependent and less effective, especially for smaller economies (Frieden and Rogowski 1996; Broz and Frieden 2001). As countries joined the WTO and signed preferential trade agreements, trade policy and investment policy have become more constrained as well. Fiscal policy in an open economy also loses some of its effect as it flows across borders. While some scholars have noted that larger and more developed countries have more room to maneuver (Mosley 2003), others have noted the shrinking field of policy choice and autonomy open to countries (Rodrik 1997, 2011). Policy autonomy and efficacy matter for democracies because the public often judges governments and parties on the basis of economic outcomes (Kosmidis 2018; Duch and Stevenson 2010, 2008). When governments lose the ability to direct the economy, democratic accountability is weakened and so is its legitimacy (Hellwig 2001; Hellwig and Samuels 2007; Hellwig 2015). A second process that might undercut democracy is the policy convergence and consensus that has grown with globalization. As governments around the world increasingly liberalized trade and opened their capital markets, policy converged and consensus grew across parties about the value of openness and to some extent deregulation as well as austerity. Differences among left and right centrist parties on their platforms diminished, and publics began to view all mainstream parties as very similar (Sen and Barry 2020; Ward et al. 2015). Globalization may force parties to converge on their economic policies, restricting parties’ ability to differentiate themselves and thus to effectively compete against other parties on economic issues.19 The consensus over economic policies and globalization has left many European Social Democratic parties losing vote share and public support (Mair 2000). This convergence has created an opening for extreme right and populist parties to generate support.20 As (Mughan, Bean, and McAllister 2003, 619) points out,“By virtue of their commitment to economic internationalization, the established parties of government are blamed by populists for turning a blind eye and a deaf ear to workers’ legitimate concerns for their job security in an increasingly global, competitive, and volatile labor market. Blaming it on established parties’ commitment to economic globalization, in other words, right-wing populist parties have commonly sought electoral advantage by turning job insecurity into a political issue.” If vigorous party competition along programmatic lines is central to democracy, then globalization may be undermining it. And lack of partisan competition among centrist parties may enable more extreme parties to gain support. The third element is that globalization has also raised pressure on governments to coordinate their polices to eliminate externalities (Milner 1997). A more open economy implies a greater need to cooperate and coordinate with other countries. The past 30 years have seen many international regimes and institutions created to deal with global problems, all of which have constrained governments even more. The IMF, World Bank, OECD, EU, WTO, regional development banks, and many preferential trade agreements are the major examples of these multilateral economic institutions; each of which produces norms, rules, and procedures that members are expected to follow. They constrain government policy choices domestically; they appear to impose decisions from unelected international elites on the public; and they push all parties who might be in government to adopt similar policies. Many of these have generated popular dissatisfaction and resentment, being seen as undemocratic and as undermining democracy and its legitimacy at home. The EU is a prime example of this complaint about “democratic deficits”; EU decision-making is often seen as too elite- and interest group-driven, and too distant from public preferences (Follesdal and Hix 2006; Mair 2007). Brexit as a vote against international cooperation and extensive coordination is a reflection of this public perception of the EU. The nationalist backlash that has animated populist parties recently builds off of this anxiety over and distaste toward global governance. The cosmopolitan elites that supposedly direct international institutions are seen as having made bad decisions (e.g., the financial crisis) and as holding preferences far removed from those of the average national voter. Populist leaders thus call for a return to national priorities and a rejection of global cooperation, as the quote from Marine Le Pen at the start of this article illustrates. As Mughan, Bean, and McAllister (2003, 619) points out, “the economic basis of their [populist parties’] appeal [lies] in their rejection of the postwar social democratic consensus. Taking as a starting date the end of the Second World War we can, with a nod to national variations, pick out four elements that have characterised the domestic politics of Western Europe in the ensuing four decades: social democracy, corporatism, the welfare state and Keynesianism. It is on the fertile ground of the foundering of these four pillars that the new (populist) parties have taken root.” Globalization by making international cooperation ever more necessary thus contributes to legitimacy problems for mainstream political parties and may generate public dissatisfaction with their governments and democracy.

#### Fifth, turns grid collapse---it’s their only internal link to cyber-attacks. Minerals scarcities make it inevitable.

Nafeez Ahmed 20 M.A. in contemporary war & peace studies and a DPhil (April 2009) in international relations from the School of Global Studies at Sussex University. Capitalism Will Ruin the Earth By 2050, Scientists Say. Vice. 10-21-2020. https://www.vice.com/en/article/v7m48d/capitalism-will-ruin-the-earth-by-2050-scientists-say

Endless growth will generate minerals scarcity within decades

The EV transition is, in short, a massive industrial project. Electrification of roads and rail will require upgraded smart grids, complex routes connected to high power lines, and regular battery-swap stations. The paper explores several scenarios to explore how such a transition would take place.

In a continuing GDP growth scenario, the authors note that the economy begins to stagnate “due to peak oil limits at around 2025-2040,” but GDP is able to continue growing thanks to the EV transition. This shows that the reduction in liquid fuels in transportation can play a powerful role in avoiding “energy shortages in the economy as a whole.”

But then the economy hits the limits of mineral and material production to sustain this electric transition—in just three decades. And this is even with high levels of minerals recycling.

By 2050, in this scenario, the EV transition will “require higher amounts of copper, lithium and manganese than current reserves. For the cases of copper and manganese the depletion is mainly due to the demand from the rest of the economy,” but most lithium demand “is for EV batteries,” and this alone “depletes its estimated global reserves.”

Mineral depletion takes place even with “a very high increase in recycling rates” in a continuing GDP growth scenario.

In one such scenario, the authors apply what they consider to be realistic upper level recycling rates of 57 percent, 30 percent and 74 percent to copper, lithium and manganese respectively. These are based on extremely optimistic projections of recycling capabilities relative to their costs.

But still they find that even these high recycling rates wouldn’t prevent depletion of all current estimated reserves by 2050. The conclusion corroborates findings of other studies, estimating an expected bottleneck for lithium by 2042-2045 and for manganese by 2038-2050.

Actual bottlenecks could come even earlier because existing studies—including the MEDEAS model—don’t account for material requirements needed for internal wiring, the EV motor, EV chargers, building and maintaining the grid to connect and charge EV batteries, the catenaries to electrify the railways, as well as inherent difficulties in recycling metals.

### AT: McAfee

#### Tech Innovation does not dematerialize growth. McAfee is wrong about sustainability:

#### 1. His data set for dematerialization and green growth ignore resource extraction and production, disproves his entire thesis for sustainability.

Jason Hickel 20. He holds a bachelor's degree in anthropology from Wheaton College. Received his PhD in anthropology from the University of Virginia in August 2011. Taught at the London School of Economics from 2011 to 2017, where he held a Leverhulme Early Career Fellowship. He is currently senior lecturer in anthropology at Goldsmiths, University of London and a Visiting Senior Fellow at the International Inequalities Institute at the London School of Economics. “A RESPONSE TO MCAFEE: NO, THE "ENVIRONMENTAL KUZNETS CURVE" WON'T SAVE US.” <https://www.jasonhickel.org/blog/2020/10/9/response-to-mcafee>.

A number of people have asked me to respond to a piece that Andrew McAfee wrote for Wired, promoting his book, which claims that rich countries - and specifically the United States - have accomplished the miracle of “green growth” and “dematerialization”, absolutely decoupling GDP from resource use. I had critiqued the book’s central claims here and here, pointing out that the data he relies on is not in fact suitable for the purposes to which he puts it.

In short, McAfee uses data on domestic material consumption (DMC), which tallies up the resources that a nation extracts and consumes each year. But this metric ignores a crucial piece of the puzzle. While it includes the imported goods an economy relies on, it does not include the resources involved in extracting, producing, and transporting those goods. Because the United States and other rich economies have come to rely so heavily on production that happens in other countries, that side of resource use has been conveniently shifted off their books.

In other words, what looks like “green growth” is really just an artifact of globalization. Given how much the U.S. economy relies on globalization, McAfee’s data cannot be legitimately compared to U.S. GDP, and cannot be used to make claims about dematerialization. If McAfee wants to compare GDP to domestic resource consumption, then he needs to first subtract the share of US GDP that is derived from production that happens elsewhere. He does not. Nor is this possible to do.

Ecological economists have been aware of this problem for a long time. To correct for it, they use a more holistic metric called “raw material consumption,” or Material Footprint, which fully accounts for materials embodied in trade. When we look at this data, the story changes. We see that resource use in the United States hasn’t been falling at all; in fact, it has been rising along with GDP. The same is true of all other major industrial economies. There has been zero dematerialization. No green growth. And indeed when it comes to excess resource use, rich countries are the biggest problem - not the saviours that McAfee suggests they are.

#### 2. The EKC argument doesn’t account for other environmental variables.

Jason Hickel 20. He holds a bachelor's degree in anthropology from Wheaton College. Received his PhD in anthropology from the University of Virginia in August 2011. Taught at the London School of Economics from 2011 to 2017, where he held a Leverhulme Early Career Fellowship. He is currently senior lecturer in anthropology at Goldsmiths, University of London and a Visiting Senior Fellow at the International Inequalities Institute at the London School of Economics. “A RESPONSE TO MCAFEE: NO, THE "ENVIRONMENTAL KUZNETS CURVE" WON'T SAVE US.” <https://www.jasonhickel.org/blog/2020/10/9/response-to-mcafee>.

1. First, McAfee points to the fact that rich nations have reduced their air pollution. This is proof, he says, of the Environmental Kuznets Curve, where impacts rise with GDP up to a point, and then begin to decline as GDP continues to go up. McAfee says “The EKC is a direct refutation of a core idea of degrowth: that environmental harms must always rise as populations and economies do. It's not surprising that today's degrowth advocates rarely discuss the large reductions in air and water pollution that have accompanied higher prosperity in so many places around the world.”

In reality, degrowth scholarship is full of references to the EKC; it is widely acknowledged. McAfee would know this if he engaged with the degrowth literature. We note, however, that the EKC is known to apply to only a limited range of impacts (such as air pollution). It does not apply to impacts like resource use and energy use, which rise inexorably along with economic growth (and which are, for this reason, the focus of degrowth analysis). The spottiness of the EKC is well established in the empirical literature (see, for instance, Stern’s recent review, “The Environmental Kuznets Curve After 25 Years”). McAfee ignores this fact in order to create the impression (as in the quote above) that the EKC applies universally to all environmental harms. There is nothing to be gained by papering over the nuance in the EKC literature.

Moreover, even where the EKC does apply, the literature is increasingly clear that it’s not income growth itself that drives the reduction in pollution (as McAfee implies when he says “prosperity bends the curve”); rather, it is policy interventions, and specifically legal limits. London’s mayor Sadiq Khan has massively reduced the city’s air pollution over the past couple of years. Is this because London’s GDP has suddenly increased? No, it’s because Khan, unlike his predecessor, has introduced laws to reduce air pollution. This could have been done decades earlier with the same effect, regardless of how much GDP the city might have had at any given time.

Indeed, Stern’s conclusions about the relationship between GDP and pollution are worth noting: “The effect of economic growth on pollution is generally positive… The evidence shows that over recent decades economic growth has increased both pollution emissions and concentrations, ceteris paribus [i.e., when controlling for all other factors]... This reinforces the early concerns that the EKC literature might encourage policy-makers to incorrectly de-emphasize environmental policy and pursue growth as a solution instead.” And that’s exactly the error that McAfee has committed.

So, yes, air pollution can be decoupled from GDP, with policy. We have known this for a long time. But that has nothing to do with the question of dematerialization, which is the focus of McAfee’s book, and which is the specific claim I have critiqued. Nor does it have to do with the broader problem of ecological breakdown, or the broader question of whether “green growth” is possible. In other words, yes, it’s good news that air pollution is going down, but this is certainly no sign that everything is rosy.

#### 6. Carbon bubble, peak oil.

Jeremy Rifkin 19. Honorary Doctorate in Economics at Hasselt University. Recipient of the 13th annual German Sustainability Award in December 2020. BS in Economics at UPenn – Wharton School. Founder of People’s Bicentennial Commission. The Green New Deal: Why the Fossil Fuel Civilization Will Collapse By 2028, and the Bold Economic Plan to Save Life on Earth. St Martin’s Press. P7-8. Google Book. //shree]

The Carbon Tracker Initiative, a London-based think tank serving the energy industry, reports that the steep decline in the price of generating solar and wind energy “will inevitably lead to trillions of dollars of stranded assets across the corporate sector and hit petro-states that fail to reinvent themselves,” while “putting trillions at risk for unsavvy investors oblivious to the speed of the unfolding energy transition.”19 “Stranded assets” are all the fossil fuels that will remain in the ground because of falling demand as well as the abandonment of pipelines, ocean platforms, storage facilities, energy generation plants, backup power plants, petrochemical processing facilities, and industries tightly coupled to the fossil fuel culture. Behind the scenes, a seismic struggle is taking place as four of the principal sectors responsible for global warming—the Information and Communications Technology (ICT)/telecommunications sector, the power and electric utility sector, the mobility and logistics sector, and the buildings sector—are beginning to decouple from the fossil fuel industry in favor of adopting the cheaper new green energies. The result is that within the fossil fuel industry, “around $100 trillion of assets could be ‘carbon stranded.’”20 The carbon bubble is the largest economic bubble in history. And studies and reports over the past twenty-four months—from within the global financial community, the insurance sector, global trade organizations, national governments, and many of the leading consulting agencies in the energy industry, the transportation sector, and the real estate sector—suggest that the imminent collapse of the fossil fuel industrial civilization could occur sometime between 2023 and 2030, as key sectors decouple from fossil fuels and rely on ever-cheaper solar, wind, and other renewable energies and accompanying zero-carbon technologies.21 The United States, currently the leading oil-producing nation, will be caught in the crosshairs between the plummeting price of solar and wind and the fallout from peak oil demand and accumulating stranded assets in the oil industry.22

### AT: Transition Bad

#### 3. History.

Stephen Walt 20. Robert and Renée Belfer professor of international relations at Harvard University and a columnist for Foreign Policy. Will a Global Depression Trigger Another World War? Foreign Policy. 5-13-2020. https://foreignpolicy.com/2020/05/13/coronavirus-pandemic-depression-economy-world-war/

On balance, however, I do not think that even the extraordinary economic conditions we are witnessing today are going to have much impact on the likelihood of war. Why? First of all, if depressions were a powerful cause of war, there would be a lot more of the latter. To take one example, the United States has suffered 40 or more recessions since the country was founded, yet it has fought perhaps 20 interstate wars, most of them unrelated to the state of the economy. To paraphrase the economist Paul Samuelson’s famous quip about the stock market, if recessions were a powerful cause of war, they would have *predicted* “nine out of the last five (or fewer).”

Second, states do not start wars unless they believe they will win a quick and relatively cheap victory. As John Mearsheimer showed in his classic book Conventional Deterrence, national leaders avoid war when they are convinced it will be long, bloody, costly, and uncertain. To choose war, political leaders have to convince themselves they can either win a quick, cheap, and decisive victory or achieve some limited objective at low cost. Europe went to war in 1914 with each side believing it would win a rapid and easy victory, and Nazi Germany developed the strategy of blitzkrieg in order to subdue its foes as quickly and cheaply as possible. Iraq attacked Iran in 1980 because Saddam believed the Islamic Republic was in disarray and would be easy to defeat, and George W. Bush invaded Iraq in 2003 convinced the war would be short, successful, and pay for itself.

The fact that each of these leaders miscalculated badly does not alter the main point: No matter what a country’s economic condition might be, its leaders will not go to war unless they think they can do so quickly, cheaply, and with a reasonable probability of success.

Third, and most important, the primary motivation for most wars is the desire for security, not economic gain. For this reason, the odds of war increase when states believe the long-term balance of power may be shifting against them, when they are convinced that adversaries are unalterably hostile and cannot be accommodated, and when they are confident they can reverse the unfavorable trends and establish a secure position if they act now. The historian A.J.P. Taylor once observed that “every war between Great Powers [between 1848 and 1918] … started as a preventive war, not as a war of conquest,” and that remains true of most wars fought since then.

The bottom line: Economic conditions (i.e., a depression) may affect the broader political environment in which decisions for war or peace are made, but they are only one factor among many and rarely the most significant. Even if the COVID-19 pandemic has large, lasting, and negative effects on the world economy—as seems quite likely—it is not likely to affect the probability of war very much, especially in the short term.

#### 4. COVID.

Stephen Walt 20. Robert and Renée Belfer professor of international relations at Harvard University and a columnist for Foreign Policy. Will a Global Depression Trigger Another World War? Foreign Policy. 5-13-2020. https://foreignpolicy.com/2020/05/13/coronavirus-pandemic-depression-economy-world-war/

But war could still be much less likely. The Massachusetts Institute of Technology’s Barry Posen has already considered the likely impact of the current pandemic on the probability of war, and he believes COVID-19 is more likely to promote peace instead. He argues that the current pandemic is affecting all the major powers adversely, which means it isn’t creating tempting windows of opportunity for unaffected states while leaving others weaker and therefore vulnerable. Instead, it is making all governments more pessimistic about their short- to medium-term prospects. Because states often go to war out of sense of overconfidence (however misplaced it sometimes turns out to be), pandemic-induced pessimism should be conducive to peace.

Moreover, by its very nature war requires states to assemble lots of people in close proximity—at training camps, military bases, mobilization areas, ships at sea, etc.—and that’s not something you want to do in the middle of a pandemic. For the moment at least, beleaguered governments of all types are focusing on convincing their citizens they are doing everything in their power to protect the public from the disease. Taken together, these considerations might explain why even an impulsive and headstrong warmaker like Saudi Arabia’s Mohammed bin Salman has gotten more interested in winding down his brutal and unsuccessful military campaign in Yemen.

Posen adds that COVID-19 is also likely to reduce international trade in the short to medium term. Those who believe economic interdependence is a powerful barrier to war might be alarmed by this development, but he points out that trade issues have been a source of considerable friction in recent years—especially between the United States and China—and a degree of decoupling might reduce tensions somewhat and cause the odds of war to recede.

For these reasons, the pandemic itself may be conducive to peace. But what about the relationship between broader economic conditions and the likelihood of war? Might a few leaders still convince themselves that provoking a crisis and going to war could still advance either long-term national interests or their own political fortunes? Are the other paths by which a deep and sustained economic downturn might make serious global conflict more likely?

One familiar argument is the so-called diversionary (or “scapegoat”) theory of war. It suggests that leaders who are worried about their popularity at home will try to divert attention from their failures by provoking a crisis with a foreign power and maybe even using force against it. Drawing on this logic, some Americans now worry that President Donald Trump will decide to attack a country like Iran or Venezuela in the run-up to the presidential election and especially if he thinks he’s likely to lose.

This outcome strikes me as unlikely, even if one ignores the logical and empirical flaws in the theory itself. War is always a gamble, and should things go badly—even a little bit—it would hammer the last nail in the coffin of Trump’s declining fortunes. Moreover, none of the countries Trump might consider going after pose an imminent threat to U.S. security, and even his staunchest supporters may wonder why he is wasting time and money going after Iran or Venezuela at a moment when thousands of Americans are dying preventable deaths at home. Even a successful military action won’t put Americans back to work, create the sort of testing-and-tracing regime that competent governments around the world have been able to implement already, or hasten the development of a vaccine. The same logic is likely to guide the decisions of other world leaders too.

### AT: State Blocks the Movements

#### 3. It’s succeeding now.

Spencer Bokat-Lindell 9-16. Bachelor of Arts in French at Yale University. Member of the Yale Journalism Initiative. Staff editor in the Opinion section for the New York Times. Past Senior Writer and Co-Editor at [Katie Couric Media](https://www.linkedin.com/company/katie-couric-media?trk=public_profile_experience-item_profile-section-card_subtitle-click) Previous editor at The Paris Review and Axios."Do We Need to Shrink the Economy to Stop Climate Change?" New York Times. 9-16-2021. <https://www.nytimes.com/2021/09/16/opinion/degrowth-cllimate-change.html>

Forgetting about growth

At the moment, degrowth has no mass constituency. But some of its animating ideas are nonetheless exerting an influence on political economic thought — particularly the critique of G.D.P. growth as the lodestar of human progress.

“Even within mainstream economics, the growth orthodoxy is being challenged, and not merely because of a heightened awareness of environmental perils,” John Cassidy wrote in The New Yorker last year. “After a century in which G.D.P. per person has gone up more than sixfold in the United States, a vigorous debate has arisen about the feasibility and wisdom of creating and consuming ever more stuff, year after year.”

What’s the alternative? Kate Raworth, an English economist, has identified one option: “doughnut economics.” In Raworth’s view, 21st-century economies should abandon growth for growth’s sake and make it their goal to reach the sweet spot — or the doughnut — between the “social foundation,” where everyone has what they need to live a good life, and the “environmental ceiling.”

“The doughnut model doesn’t proscribe all economic growth or development,” Ciara Nugent explains in Time. “But that economic growth needs to be viewed as a means to reach social goals within ecological limits, she says, and not as an indicator of success in itself, or a goal for rich countries.”

Raworth’s ideas have had real-world impact: Last year, during the first wave of the pandemic, Amsterdam’s city government announced it would aim to recover from the crisis by adopting the precepts of “doughnut economics.” A year before that, Prime Minister Jacinda Ardern of New Zealand announced her country would prioritize its residents’ welfare and happiness over G.D.P. growth.

Delighted to hear that Jacinda Ardern is reading Doughnut Economics and that it reinforces her existing views. There is another economy waiting and it's starting to be made...

Even in the United States, which has embraced no such policy, G.D.P. growth has slowed in the past two decades, largely because of falling birthrates and a switch in spending patterns from goods to services.

That hasn’t solved the problem of America’s addiction to fossil fuels, of course. “Yet the sorts of policies on offer from degrowth advocates — like universal basic services and shorter working hours — could help address some of the long-standing ills now afflicting a wide range of economies,” Kate Aronoff writes in The New Republic. “Rather than chasing an increasingly far-off goal by trying to coax forth elusive corporate investment with giveaways, governments could start planning for what a fairer lower growth, lower carbon future might look like.”

## 1NR

### T

#### Requirements that firms act in a certain way are behavioral remedies---that describes the Aff.

Lisl Dunlop 18. Partner in the New York office and co- chair of the firm’s antitrust and competition practice group of Manatt, Phelps & Phillips, September 2018. “Current Themes in U.S. Merger Control.” https://www.manatt.com/getattachment/311dc3d1-8754-447e-91d2-01bbead87763/attachment.aspx

Two related themes that have emerged over the past year are an increased hostility toward remedies that result in ongoing supervision or monitoring by the agencies (known as “behavioral” remedies) and a sharper focus on vertical merger enforcement. The two are closely related in that the typical “fix” for competition concerns in vertical transactions is often a behavioral remedy—the imposition of requirements that the merged firm act in a certain way after consummation of the transaction, such as an obligation to continue to give access to competitors. In the absence of such a resolution, the agencies are faced with a decision to permit the transaction to proceed, look for a structural solution or challenge the transaction in its entirety.

#### Those aren’t prohibitions---only structural remedies meet the violation.

John E. Kwoka 12. Neal F. Finnegan Professor of Economics, Northeastern University, with Diana L. Moss, Vice President and Director, American Antitrust Institute. “Behavioral merger remedies: Evaluation and implications for antitrust enforcement.” THE ANTITRUST BULLETIN: Vol. 57, No. 4/Winter 2012. ProQuest.

C. Preference for structural remedies in the United States and other major jurisdictions

As noted, the 2004 Remedies Guide expressed a clear preference for structural remedies, citing “speed, certainty, cost, and efficacy” as key factors by which the potential effectiveness of a remedy should be measured.19 By way of explanation, the 2004 Remedies Guide stated that structural remedies were preferred to behavioral remedies because “they are relatively clean and certain, and generally avoid costly government entanglement in the market. A carefully crafted divestiture decree is ‘simple, relatively easy to administer, and sure’ to preserve competition.”20 This preference for structural remedies was illustrated in countless merger cases both before and after issuance of the 2004 Remedies Guide.

In this approach, U.S. policy was consistent with the enforcement posture in Canada, the European Union, the UK, and Canada. In 2001, the European Commission stated:

Commitments that are structural in nature, such as the commitment to sell a subsidiary, are, as a rule, preferable from the point of view of the [Merger] Regulation’s objective, inasmuch as such a commitment pre- vents the creation or strengthening of a dominant position previously identified by the [European] Commission and does not, moreover, require medium or long-term monitoring measures.2

The UK Competition Commission expressed a similar preference in 2008 in this way:

In merger inquiries, the [Competition Commission] will generally prefer structural remedies, such as divestiture or prohibition, rather than behav- ioral remedies because: (a) structural remedies are likely to deal with [a substantial lessening of competition] and its resulting adverse effects directly and comprehensively at source by restoring rivalry; (b) behavioral remedies may not have an effective impact on the [substantial lessening of competition] and its resulting adverse effects, and may create significant costly distortions in market outcomes; and (c) structural remedies do not normally require monitoring and enforcement once implemented.22

#### “Prohibitions” are distinct from behavioral remedies.

Tomaso Duso et al. 11. Professor at the Duesseldorf Institute for Competition Economics of the Heinrich-Heine University Duesseldorf, with Klaus Gugler and Burcin B. Yurtoglu. “How effective is European merger control?” European Economic Review 55 (2011) 980–1006. ScienceDirect. https://www.wu.ac.at/fileadmin/wu/d/i/iqv/Gugler/Artikel/dgy\_eer.pdf

ABSTRACT

This paper applies an intuitive approach based on stock market data to a unique dataset of large concentrations during the period 1990–2002 to assess the effectiveness of European merger control. The basic idea is to relate announcement and decision abnormal returns. Under a set of four maintained assumptions, merger control might be interpreted to be effective if rents accruing due to the increased market power observed around the merger announcement are reversed by the antitrust decision, i.e. if there is a negative relation between announcement and decision abnormal returns. To clearly identify the events’ competitive effects, we explicitly control for the market expectation about the outcome of the merger control procedure and run several robustness checks to assess the role of our maintained assumptions. We find that only outright prohibitions completely reverse the rents measured around a merger’s announcement. On average, remedies seem to be only partially capable of reverting announcement abnormal returns. Yet they seem to be more effective when applied during the first rather than the second investigation phase and in subsamples where our assumptions are more likely to hold. Moreover, the European Commission appears to learn over time.

1. Introduction

This paper aims to provide econometric evidence on the effectiveness of merger control decisions in the European Union (EU). This seems to be both necessary and timely. From an academic perspective, there is a lively on-going discussion among antitrust scholars as to whether there is any need for a competition policy at all, as witnessed by the discussion spurred by Crandall and Winston’s (2003) and Baker’s (2003) papers. In particular, merger control institutions are repeatedly under criticism: they are ineffective and do not deter anticompetitive conduct (Crandall and Winston, 2003), they destroy synergistic efficiencies by unnecessarily intervening in the market place (Aktas et al., 2004), are protectionist (Aktas et al., 2007), are relatively open to capture (Evans and Salinger, 2002), might not be the best instrument to prompt technological progress (Carlton and Gertner, 2003), or they are too lenient and allow anticompetitive mergers to go through (Kim and Singal, 1993).

From the policy standpoint, throughout the last decade there has been a clear shift in merger control to consider remedies as a superior policy instrument if compared to outright prohibitions. Remedies are supposed to function as a surgery treatment in that they effectively tackle the market power concerns potentially raised by mergers without destroying efficiency enhancing synergies. In this instance, the European experience is enlightening. The European Commission cleared most of the over 4200 notified mergers since 1990 without commitments (around 90%), as they presumably do not pose a threat to competition. Nonetheless, few major mergers have been completed without some conditions and obligations being offered by the parties and implemented by the agency, such as divestitures, provision of access, termination of agreements, or other behavioral requirements. More than 60% of phase 2 decisions were cleared compatible only with commitments; yet only 20 mergers were blocked between 1990 and 2009.2 Moreover, significantly fewer proposed mergers have been blocked in recent years, following the overruling of three of the Commission’s prohibitions by the European Court of Justice (Airtours/First Choice; Schneider/Legrand; and Tetra Laval/Sidel), which were under the media spotlight and triggered major institutional changes in European antitrust.3 A similar evolution of merger policy is reflected in the American experience. The Federal Trade Commission (FTC) and the Department of Justice (DOJ) have also been increasingly making use of remedies in merger control decisions during our sample period (see Fig. 1).4 However, unlike the European Commission, prohibitions have been intensively employed in the US, especially during the last 3 years of our sample.

#### “Prohibitions” require outright bans on a practice.

Jo Seldeslachts et al. ‘7. Professor of Industrial Organization at KU Leuven and a Senior Research Fellow at DIW Berlin, with Joseph A. Clougherty and Pedro Pita Barros. “Remedy for now but prohibit for tomorrow: the deterrence effects of merger policy tools.” https://www.ssoar.info/ssoar/bitstream/handle/document/25862/ssoar-2007-seldeslachts\_et\_al-remedy\_for\_now\_but\_prohibit.pdf;jsessionid=A244005110FDB5816E0347D9F1B75436?sequence=1

We also have measures that help capture the annual level of regulatory scrutiny given merger activity in a particular antitrust jurisdiction: our core explanatory variables. 'Antitrust Actions' refers to an antitrust jurisdictions annual sum of monitorings, remedies, and prohibitions. Where 'Monitorings' are the number of transactions cleared but with commitments by the antitrust authority to monitor post-merger behavior, 'Remedies' are the number of transactions cleared but forced to undertake behavioral or structural remedies to ameliorate anti-competitive concerns, and 'Prohibitions' are the number of transactions that are out-right prevented by the antitrust authority.16 Accordingly, antitrust actions represent an annual count of the possible merger policy actions taken by a particular jurisdiction with respect to merger behavior: with monitorings, remedies and prohibitions representing the three sub-categories of actions. Table 1 reports summary statistics – based on the observations employed in the empirical estimations – for the Mergers variable and the three types of Antitrust Actions broken down by the twenty-eight antitrust jurisdictions.

#### That’s different from remedies that ameliorate only anticompetitive elements---which is the aff! They deal with patent conduct that doesn’t meet their standard

Jo Seldeslachts et al. ‘7. Professor of Industrial Organization at KU Leuven and a Senior Research Fellow at DIW Berlin, with Joseph A. Clougherty and Pedro Pita Barros. “Remedy for now but prohibit for tomorrow: the deterrence effects of merger policy tools.” https://www.ssoar.info/ssoar/bitstream/handle/document/25862/ssoar-2007-seldeslachts\_et\_al-remedy\_for\_now\_but\_prohibit.pdf;jsessionid=A244005110FDB5816E0347D9F1B75436?sequence=1

Antitrust authorities in recent years have shown a proclivity to employ remedies to ameliorate the anti-competitive elements of proposed mergers instead of engaging in out-and- out prohibitions. For instance, the European Commission (EC) has largely relied on structural and behavioral remedies by only blocking one merger since 2001. In the US, remedies constituted only twenty-three percent of US merger policy actions in the late 1980s; but by the year 2000, remedies were employed in over sixty percent of US merger cases requiring antitrust action (Parker & Balto, 2000). The increased adoption of remedies spurred the U.S. Federal Trade Commission (FTC) into studying the success of divestitures as a remedy for anti-competitive concerns: that already-mentioned study (U.S. FTC, 1999) found divestitures to generally create viable competitors.2 Accordingly, the FTC issue guidelines for remedies in 1999, the EC followed suit by issuing guidelines in 2001, and the U.S. Department of Justice (DOJ) in 2004 (Duso, Gugler & Yurtoglu, 2007). The codification of remedies as an important merger policy tool in these three highly visible authorities would seemingly influence less-experienced authorities which look to established authorities for guidance and benchmarking in the development of antitrust practices. An example of an overt influence by established authorities on less-experienced authorities rests with the European Union's (EU) accession criteria mandating that candidate-nation antitrust policies conform to EU policies (Dutz & Vagliasindi, 2000). Figure 1 corroborates the above conjecture on the diffusion of remedies as a favored practice by illustrating that the average ratio of remedies to prohibitions has substantially increased over the 1995-2005 period; thus, remedies have become by-far the most popular merger-policy tool in the cross-national environment for antitrust.

#### The aff is NOT an increase in prohibitions---it increases “regulations” because the practice can still continue.

James Broaddus 50. February 6; Judge on the Kansas City Court of Appeals, Missouri; Westlaw, “City of Meadville v. Caselman,” 240 Mo. App. 1220. https://casetext.com/case/city-of-meadville-v-caselman-1

"Under power conferred on cities of the fourth class `to regulate and license' dramshops, there is no authority to wholly prohibit or suppress. Where there is mere power in a municipality to regulate in a state, with a general policy of conducting licensed saloons, authority to prohibit is excluded. The difference between regulation and prohibition is clear and well marked. The former contemplates the continuance of the subject-matter in existence or in activity. The latter implies its entire destruction or cessation.'" (Citing text writers and

#### Their interpretation is bidirectional---only requiring the aff to increase prohibitions actually makes antitrust law stronger.

Jo Seldeslachts et al. ‘7. Professor of Industrial Organization at KU Leuven and a Senior Research Fellow at DIW Berlin, with Joseph A. Clougherty and Pedro Pita Barros. “Remedy for now but prohibit for tomorrow: the deterrence effects of merger policy tools.” https://www.ssoar.info/ssoar/bitstream/handle/document/25862/ssoar-2007-seldeslachts\_et\_al-remedy\_for\_now\_but\_prohibit.pdf;jsessionid=A244005110FDB5816E0347D9F1B75436?sequence=1

We can now look at the causal relations between the variables of primary interest: the relationship between antitrust actions and merger frequencies: Prohibitions has a statistically-significant negative impact on future merger behavior in five out of the six regression equations (excluding only the OLS estimation in regression #1). The consistent significance and strong impact of this variable suggests that spikes in the use of Prohibitions seem to send a very clear signal of toughness by antitrust authorities—a signal that significantly reduces future merger proclivities.

Remedies, on the other hand, seem to positively influence future Mergers; though, the coefficient estimate is only significant in three regression equations—regressions’ #1, #2, & #4. Accordingly, we can interpret these results as suggesting that the effect of remedies coming at the expense of prohibitions (a lowering of antitrust toughness) is stronger than the effect of remedies coming at the expense of clearances (an increase in antitrust toughness). In other words, we have some evidence that firms seem to interpret spikes in remedies as indicating softer behavior on the part of antitrust authorities. Such an interpretation should be cautioned by the fact that the remedies coefficient estimate is not significant in the fixed- effects estimation (regression #3); thus, suggesting that the remedies effect may only be capturing cross-jurisdictional variation. Nevertheless, the important point here is that the application of Remedies does not seemingly involve a significant deterrence effect.

#### Behavioral remedies are impossible to negate---they’re inherently vague and uncertain

Carrie C. Mahan 19. Partner at Weil, Gotshal & Manges LLP, where her antitrust practice focuses on mergers, antitrust class actions and private litigation, with Natalie M Hayes, associate at Weil, Gotshal & Manges LLP. “MERGER REMEDIES GUIDE SECOND EDITION,” eds. Ronan P Harty & Nathan Kiratzis. https://www.weil.com/~/media/files/pdfs/2019/nonstructural-remedies.pdf

Criticisms

While non-structural relief can help agencies preserve the procompetitive benefits of a trans- action while protecting against the risk of potential competitive harm, conduct remedies are still vulnerable to criticism. In contrast to structural remedies, which are generally ‘simple, relatively easy to administer, and sure’ to preserve competition,46 behavioural remedies raise various concerns,47 including the following:

• They are difficult to draft and clearly define. The agencies acknowledge that when design- ing conduct remedies, ‘displacing the competitive decision-making process widely in an industry, or even for a firm, is undesirable.’48 Accordingly, ‘effective conduct remedies are tailored as precisely as possible to the competitive harms associated with the merger to avoid unnecessary entanglements with the competitive process.’49 This can be easier said than done; however, because ‘the behavior that such remedies seek to prohibit or require is often difficult to fully specify.’50 It may also be challenging to determine the appropriate duration of a conduct remedy given the difficulty in assessing how long it will take new entry or expansion to occur.

• The outcomes are uncertain. It is no easy task to design a conduct remedy that will appro- priately replicate the competitive dynamics of a particular market. Even when well-crafted, conduct remedies ultimately set static rules that do not fully account for changes in the market. Thus, conduct remedies may eventually distort the market because they may restrict the merged firm from engaging in conduct that would be pro-competitive as the market changes.51

#### Independently, behavioral remedies incentivize circumvention---decks AFF solvency.

Carrie C. Mahan 19. Partner at Weil, Gotshal & Manges LLP, with Natalie M Hayes, associate at Weil, Gotshal & Manges LLP. “MERGER REMEDIES GUIDE SECOND EDITION,” eds. Ronan P Harty & Nathan Kiratzis. https://www.weil.com/~/media/files/pdfs/2019/nonstructural-remedies.pdf

Criticisms

While non-structural relief can help agencies preserve the procompetitive benefits of a trans- action while protecting against the risk of potential competitive harm, conduct remedies are still vulnerable to criticism. In contrast to structural remedies, which are generally ‘simple, relatively easy to administer, and sure’ to preserve competition,46 behavioural remedies raise various concerns,47 including the following:

• They are difficult to draft and clearly define. The agencies acknowledge that when design- ing conduct remedies, ‘displacing the competitive decision-making process widely in an industry, or even for a firm, is undesirable.’48 Accordingly, ‘effective conduct remedies are tailored as precisely as possible to the competitive harms associated with the merger to avoid unnecessary entanglements with the competitive process.’49 This can be easier said than done; however, because ‘the behavior that such remedies seek to prohibit or require is often difficult to fully specify.’50 It may also be challenging to determine the appropriate duration of a conduct remedy given the difficulty in assessing how long it will take new entry or expansion to occur.

• The outcomes are uncertain. It is no easy task to design a conduct remedy that will appro- priately replicate the competitive dynamics of a particular market. Even when well-crafted, conduct remedies ultimately set static rules that do not fully account for changes in the market. Thus, conduct remedies may eventually distort the market because they may restrict the merged firm from engaging in conduct that would be pro-competitive as the market changes.51

• They may incentivise circumvention. In addition to potentially being overly intrusive or burdensome, conduct remedies ‘attempt[ ] to require a merged firm to operate in a manner inconsistent with its own profit-maximizing incentives’.52 Imposing such restrictions does not eliminate the firm’s incentive to pursue profit. Instead, such restrictions may introduce incentives for non-compliance, and conduct remedies are easier to circumvent than struc- tural remedies.53

• They are expensive and difficult to monitor or enforce. Conduct remedies ‘tend to entangle the Division and the courts in the operation of a market on an ongoing basis’.54 They require continued monitoring and are challenging to enforce, particularly requirements such as non-discrimination clauses and information firewalls.55 Unfortunately, the agencies may not always have the tools or resources to do so effectively. Therefore, a prominent criticism of conduct relief is that it imposes direct and potentially substantial costs upon the govern- ment and the public.56

## Case

### Fake---1NR

#### Patent holdup theory is wrong.

Haber ’17 [Stephen and Alexander Galetovic; March 2; Political Science Professor at Stanford University; Economics Professor at Universidad de los Andes in Santiago; Journal of Competition Law & Economics, “The Fallacies of Patent-Holdup Theory,” Vol. 13, No. 1]

I. INTRODUCTION

Until the late 1980s, archaeologists maintained that the Ancient Maya were a peace-loving people whose elites were primarily concerned with the scholarly study of astronomy and mathematics. They believed this conjecture despite the fact that one could not walk through a Mayan ruin without tripping over immense stelae depicting grotesquely violent images of victorious warriors subjugating their captives.

The process by which archaeologists created a theory about peaceful forest dwellers in the face of self-evident facts to the contrary is a testament to the power of fundamental fallacies. Their first fallacy was the idea that the inscriptions on the stelae were different from other glyph-based writing systems: instead of being a mix of whole words and phonetic sounds, as is the case with Egyptian hieroglyphic and cuneiform, archaeologists and epigraphers maintained that each symbol in the Mayan script represented an entire word or concept. That fallacy led them into a second fallacy: they maintained that non-calendrical Mayan hieroglyphs were indecipherable. That fallacy allowed the emergence of a third fallacy: because the theory of peace-loving forest people could not be tested against written evidence, the gruesome images on the stelae could be explained away as depicting mythical gods, not actual people. Thus, the archaeologists arrived at the false conclusion that the Maya were peaceful folk.

The fact that it took four decades for these fallacies to be overturned, one by one, is a testament to the reluctance of scholars to reject fashionable theories.1 In point of fact, a Russian epigrapher had figured out the principles of Mayan translation in 1952, but it took two decades for American scholars to accept that his theory of Mayan writing was correct and theirs was wrong. It then took another decade for enough monumental inscriptions to be translated to convince archaeologists that the stelae did not depict mythical gods, but instead told the political history of Mayan kings—their birth, military conquests, and death. It took still another decade before a consensus emerged that the evidence that had been right in front of archaeologists all along contradicted their theory.

It would be comforting if the only field ever led astray by fundamental fallacies was Mayan archaeology, but that is hardly the case. Faulty premises often lead researchers toward conclusions that do not fit the facts—so much so that Nobel Laureate Richard Feynman made it the subject of his famous commencement address at the California Institute of Technology, in which he stressed the importance of bending over backward to do every test that might falsify a theory.2

A. An Influential Theory

Our concern here is with how fundamental fallacies gave rise to patent-holdup theory, which has guided antitrust and competition authorities around the world for nearly two decades. In the early 2000s, legal academics and antitrust economists asked an important question: does a decentralized system of technology development, in which complex, interoperable information technology (IT) products rely on standard-essential patents (SEPs) owned by many firms, allow SEP owners to “hold up” manufacturers, thereby stifling innovation and hurting consumers in the form of higher prices and lower-quality products?

The answer—patent-holdup theory—consists of five nested claims. First, that patent owners can systematically overcharge manufacturers for licenses to their patents through the economic mechanism of holdup—the opportunistic appropriation of a downstream firm's quasi rents (revenues in excess of short-run costs). Second, that when there are multiple patent holders, each practicing holdup on a downstream firm, cumulative patent royalty rates become astronomically high—a phenomenon patent-holdup theorists termed “royalty stacking.” Third, that the holdup problem is exacerbated when patented technologies are included in the industry standards necessary to make IT products interoperable and compatible. Fourth, that patent holdup, royalty stacking, and the inclusion of patented technologies in industry standards are strangling innovation, most particularly in SEP-intensive IT products. Fifth, that the government must intervene to solve this problem; the market, left on its own, will fail.

Carl Shapiro's seminal article provides a clear statement of the threat posed by patent holdup to innovation:

The holdup problem is worst in industries where hundreds if not thousands of patents, some already issued, others pending, can potentially read on a given product. In these industries, the danger that a manufacturer will step on a land mine is all too real. The result will be that some companies avoid the mine field altogether, that is, refrain from introducing certain products for fear of holdup.3

He clearly articulates the need for a public policy intervention: “I submit that this holdup problem is very real today, and that both patent and antitrust policymakers should regard holdup as a problem of first order significance in the years ahead.”4

The claim that patent holdup is common and is a threat to innovation can be found in any number of scholarly articles. Joseph Farrell, John Hayes, Carl Shapiro, and Theresa Sullivan state that “surprise hold-up may be largely a transfer, but anticipation of hold-up encourages a range of inefficient forms of self-protection, such as postponing or minimizing investment, or ensuring that standards use only antique technology.”5 Mark Lemley and Carl Shapiro concur:

In the long run, if products are expected to be subject to some degree of holdup, the firm may not find it worth incurring the costs necessary to develop, manufacture, and sell the product. Assertions based on the shut-down condition that royalty stacking is somehow a minor problem or that royalty stacking cannot stifle innovation or hinder the market penetration of products that have been developed are simply unfounded.6

Most recently, Fiona Scott Morton and Carl Shapiro warn that patent holdup and its related mechanisms threaten the Internet of Things (IoT), and suggest the need for antitrust intervention:

Failure to prevent Patent Holdup relating to tomorrow's information technology and communications standards is likely to cause significant social welfare loss in the years ahead. If new and more effective private solutions relating to standard setting do not emerge to promote innovation and protect consumers, antitrust enforcement is one of the only remaining remedies that seems feasible.7

Patent-holdup theory has also been influential among antitrust authorities around the world. Several Federal Trade Commission (FTC) reports8 and a joint Department of Justice (DOJ) and FTC report9 discuss the threat to innovation posed by patent holdup and royalty stacking, citing the academic literature. For example, one FTC report states:

Unless downstream actors—whether innovators or manufacturers—can mitigate the problem [of patent holdup], they may have to choose between the risk of being sued for infringement after they sink costs into invention or production, or dropping innovative or productive efforts altogether. Either option can injure economic welfare.10

These views are echoed by agency heads, such as the former chair of the FTC, the former Deputy Attorney General for Antitrust, and the European Competition Commissioner, who signal that they are willing to take action about the problem.11

Patent-holdup theory is also mentioned in amicus briefs that argue that patent holdup is a common occurrence. For example, a 2006 brief file by 52 intellectual property professors submitted in support of the defendant in eBay, Inc. v. MercExchange, L.L.C. states that:

[S]uch inappropriate “holdups” occur on a regular basis under the Federal Circuit's mandatory-injunction standard. Patentees can obtain revenue in excess of the value of their technology by threatening to enjoin products that are predominantly noninfringing and in which the defendant has made significant irreversible investments.12

It should therefore not be surprising that courts have been influenced by patent-holdup theory. For example, in eBay, Justice Kennedy's concurring opinion cites an FTC report that warns of the impact of patent holdup by firms that do not themselves practice their patents:

An industry has developed in which firms use patents not as a basis for producing and selling goods but, instead, primarily for obtaining licensing fees. For these firms, an injunction, and the potentially serious sanctions arising from its violation, can be employed as a bargaining tool to charge exorbitant fees to companies that seek to buy licenses to practice the patent. When the patented invention is but a small component of the product the companies seek to produce and the threat of an injunction is employed simply for undue leverage in negotiations, legal damages may well be sufficient to compensate for the infringement and an injunction may not serve the public interest.13

The landmark Supreme Court eBay decision is not an outlier. Jonathan Barnett identifies thirty-seven federal court decisions that mention “patent holdup” or “royalty stacking.”14

B. The Stelae That Contradicted the Theory

Like the theory of the peaceful Maya, patent-holdup theory had its own set of facts—stelae, as it were—that contradicted the theory. Patent-holdup theorists asserted that innovation in SEP-intensive IT products was under threat: excessive royalties were discouraging new firm entry and reinvestment by existing firms. They called particular attention to the threat to innovation in mobile telephones and personal computers, as well as in extensions of those products in the IoT.15

Economists measure rates of innovation by examining relative rates of change of quality-adjusted prices,16 and one can download the publicly available, product-by-product, quality-adjusted price data compiled by the Bureau of Labor Statistics in order to carry out an analysis of innovation rates across products and within products over time.17 An analysis of that data shows that from 1997 to 2013, rates of innovation in phone equipment (which includes low-tech items such as fax machines and landline phones, as well as wireless phones) was 10 percent per annum faster than the economy-wide average. The data show that the rate of innovation in portable and laptop computers was faster still—31 percent per annum faster than the economy-wide average. Similar rates of innovation are observed in other SEP-intensive IT products such as video equipment, audio equipment, desktop computers, and televisions. Furthermore, rates of innovation in SEP-intensive IT products have not slowed over time relative to the rates of innovation in similar, non-SEP-intensive IT products.18 For example, the rate of innovation in SEP-intensive laptop computers compared with non-SEP-intensive mainframe computers shows that SEP intensity was associated with faster innovation.19

There are other hallmarks of innovation beyond falling quality-adjusted relative prices: one would expect to see rapidly increasing output even in the face of falling prices; and, because innovation is typically characterized by Schumpeterian creative destruction, one would also expect to see high levels of firm entry and exit. This is precisely what researchers do see when they examine data on the canonical case of the mobile phone industry. Between 1994 and 2013, the number of SEP holders increased from 2 to 128. Patent-holdup theory would predict that this increase should have dramatically slowed the rate of innovation. That prediction did not obtain in reality, however. Prices of mobile devices dropped very fast, while output grew sixty-two-fold. During this same period, there was rapid entry of new firms into the manufacture of phones and tablets—so much so that industrial concentration, measured with the number of devices sold, actually fell in this industry over time.20

According to patent-holdup theory, excessive patent royalties cause slow rates of innovation. As an empirical matter, the aggregate royalties paid by licensees in any industry can be estimated on the basis of the SEC 10-K and 40-F filings of the patent-licensing firms.21 The data on the canonical case of mobile phones shows that the cumulative royalty yield from the twenty-one largest patent licensors in the mobile phone value chain was only 3.3 percent of a mobile phone's average sales price in 2015. That ratio has been fairly stable since at least far back as 2007.22 Researchers have parameterized royalty-stacking models from the patent-holdup literature using actual price and quantity data, and have discovered that the royalty yield predicted by the models is more than twenty times higher than the actual royalty yield and about four-fifths of the price of a smartphone. They have also found that no individual patent licensor earns an individual royalty consistent with the hypothesis that it operated as a monopolist.23

The facts of fast and continuous innovation in the mobile phone industry—one of the stelae of patent-holdup theory—are evident to anyone with a smartphone in their pocket. Three decades ago, a mobile phone cost the current equivalent of $10,000, was the size of a brick, weighed a kilo, and enabled its user to make a half-hour call before going dead. Today, a smartphone has more computational power than the supercomputers that guided the Apollo missions to the moon, allows a user to produce and share data, video, and audio files with anyone on the planet, costs an average of $300—and also happens to make a phone call.

At the same time that there are self-evident stelae contradicting patent-holdup theory, there is no positive evidence in support of its core predictions. Damien Geradin and Miguel Rato,24 Damien Geradin, Anne Layne-Farrar and Jorge Padilla,25 Vincenzo Denicolò, Damien Geradin, Anne Layne-Farrar, and Jorge Padilla,26 Richard Epstein, F. Scott Kieff, and Daniel Spulber,27 Kirti Gupta,28 Anne Layne-Farrar,29 J. Gregory Sidak,30 and Edward Egan and David Teece31 review the literature on patent holdup, patent thickets, and royalty stacking.32 All of these studies reach the same general conclusion, which is perhaps best summed up by Layne-Farrar: “Certainly the theories have been developed, but the empirical support is still lacking. Despite the fifteen years that proponents of the theories have had to amass evidence, the empirical studies conducted thus far have not shown that holdup or royalty stacking is a common problem in practice.”33

C. Three Fundamental Fallacies and Their Origin

When theory and evidence disagree, there is either something wrong with the theory or something wrong with the evidence. We think that there is something wrong with the theory.

Patent-holdup theory conflates two different economic mechanisms: holdup and market power. Holdup means that one firm appropriates another firm's quasi rent—its revenues minus its short-run costs—through opportunistic behavior. A firm that is being held up, by definition, does not generate enough revenue to cover its long-run costs. Therefore, the firm will not reinvest once its capital wears out. This is not a long-run equilibrium. Market power, by contrast, means that a firm can set prices such that it appropriates a monopoly rent from a market. The exercise of market power can be a long-run equilibrium, because the downstream firms will cover their long-run costs and continue to reinvest as their capital equipment wears out.34 Thus, holdup and the exercise of market power are two different, mutually inconsistent economic mechanisms. One cannot simultaneously have a long-run equilibrium and not have a long-run equilibrium.

The conflation of holdup and market power leads to three fallacies that underpin patent-holdup theory. Once the mechanics of holdup are loosened from their moorings in economic theory, it becomes possible to simultaneously claim that patent holdup is a variant of holdup as it is understood in mainstream economics and define it in ways that are inconsistent with the meaning of holdup as it is understood in mainstream economics. Patent holdup elides key assumptions of the standard theory and transforms necessary conditions for holdup into sufficient conditions for holdup. The implications are fundamental. In the established theory, firms—working together—will make structural, contractual, and behavioral adaptations in order to prevent holdup, thereby sustaining trade and investment in equilibrium. In patent-holdup theory, by contrast, firms cannot adapt and solve the problem wrought by opportunistic renegotiation of a contract, because the game begins after the R&D is completed and manufacturers invest. Adaptations to prevent holdup are ruled out by construction, and market failure is inevitable.

The conflation of holdup and market power leads to a second fallacy. Patent-holdup theory claims that the same manufacturing firms can be held up many times over, resulting in a phenomenon called royalty stacking. In point of fact, however, holdup cannot occur many times over to the same firm. A firm's quasi rents (the difference between its revenues and its short-run costs) can be extracted only once. Any attempt to extract more revenues would cause the firm to shut down. Royalty stacking, by contrast, is about the exercise of market power by multiple input suppliers to downstream firms. Although this multiplicity of input suppliers might be an inefficient organization of a market, it nonetheless can be a long-run equilibrium, unlike holdup.

To claim that market power is being exercised, one needs to identify its source. In royalty stacking, the source is the patents themselves. A patent confers a temporary, limited property right that might confer some market power—and does so by design. Thus, in order to claim that there is a public policy problem, one needs to claim that the patents in question confer market power in excess of that which is conferred by the patent grants themselves. What could the source of that excess market power be? According to the theory, patent-holding firms are able to appropriate more than their incremental contribution to a product's value by virtue of the fact that their technologies have been made part of a standard. The users of the technology are locked into that standard and consequently can be subjected to patent holdup.

The conflation of holdup and market power leads to a third fallacy: patented technologies that are part of an industry standard add little or no value to the markets that they help to create. There are two problems with this fallacy—one theoretical and the other empirical. The theoretical problem is, as Nobel Prize winner Kenneth Arrow showed in 1962, that when an innovation is “drastic” (that is, much better than the alternatives on offer) a profit-maximizing monopoly will charge less than the technology's incremental value. The empirical problem is that the whole point of standard development organizations (SDOs) in IT industries is to make large technological jumps at a fast pace, so that manufacturers may produce superior products that consumers will adopt enthusiastically, thereby increasing the revenues of all the industry stakeholders.35 They are not in the business of small incremental improvements; they are in the business of creating drastic innovations.

#### Holdups are fake---our ev assumes 5G.

Keith Mallinson 16. Founder of WiseHarbor, providing expert commercial consultancy since 2007 to technology and service businesses in wired and wireless telecommunications, media and entertainment serving consumer and professional markets. He is an industry expert and consultant with 25 years of experience and extensive knowledge of the ICT industries and markets, including the IP-rich 2G/3G/4G mobile communications sector. His clients include several major companies in ICT. He is often engaged as a testifying expert witness in patent licensing agreement disputes and in other litigation including asset valuations, damages assessments and in antitrust cases. He is also a regular columnist with FierceWireless and IP Finance. “Mallinson on Patent Holdup and Holdout: for IP Finance 16th August 2016”. https://www.wiseharbor.com/pdfs/Mallinson%20on%20Holdup%20and%20Holdout%20for%20IP%20Finance%2016%20Aug%202016.pdf

If “patent holdup” or the threat thereof was a systemic problem we could expect to observe incumbent licensors with entrenched or dominant positions across the industry, stifled innovation, inhibited market entry for implementers and inflated prices. Evidence is to the contrary, as illustrated by what has occurred in smartphones over recent years.

[CHART OMITTED]

Specific investments for most smartphone companies, including many new market entrants, are quite modest these days. The ease and extent of smartphone market entry, as illustrated in Figures 1 and 2, exemplifies this. This has been possible with standardized fundamental technology inputs readily available from third parties including 3G and 4G standard-compliant communications processors and RF chips together with applications processors and displays from merchant suppliers, commodity memories and open source operating system software. The Android OS used in 80 percent of smartphones is obtained royalty free. Market entry by garage-scale start-ups is a reality with all these tangible inputs, SEP-technology licensing on FRAND terms and the availability of product reference designs from MediaTek, Qualcomm and Spreadtrum at minimal up-front and fixed costs to smartphone companies including OEMs and ODMs.

#### It’s fake---3G market post-Qualcomm proves AND other faulty premises.

Damien Geradin 10. Professor of Competition Law and Economics at Tilburg University, a William W. Cook Global Law Professor at the University of Michigan Law School and a visiting Professor at the College of Europe, Bruges. Reverse Hold-ups: The (Often Ignored) Risks Faced by Innovators in Standardized Areas. Paper prepared for the Swedish Competition Authority on the Pros and Cons of Standard-Setting, Stockholm, 12 November 2010. Pg. 5-7

Although the alleged ability of essential patent owners to hold-up standard implementers by charging them excessive royalties or imposing on them other unfair licensing terms has become a common fixture of the standard-setting literature, there is simply no empirical evidence that any industry standard has been significantly harmed by “hold-up”. In the Qualcomm case, for instance, the complainants, six large vertically integrated firms, argued that Qualcomm fees were “excessive and disproportionate” and that they would “hold back adoption of 3G.”16 This prediction proved entirely wrong as since 2005 the market for 3G phones has grown tremendously making 3G one of the most successful standards ever adopted. This paper is not suggesting that patent hold-up is not theoretically possible, and that it has never occurred, but that the occurrence of this problem is rare and that therefore the drastic remedies that the proponents of the hold-up conjecture propose are not justified (see Section IV below). This conjecture is indeed based on premises which, in practice, will rarely occur in the real world. First, this conjecture is based on the premise that sufficiently close alternative technologies existed at the time of adoption of a particular standard, and that standardisation eliminated technology competition. This may not necessarily be the case. There will be circumstances when there is no hold up as only one technological solution allows to perform a certain function. In this case, the royalties charged by the essential patent holder will not be higher than those it would have charged before the adoption of the standard in question as any market power this patent holder may hold pre-existed that standard and is due to the uniqueness or superiority of its technology. Standardization will increase the revenues of the essential patent holder when its licensing fees take the form of a per unit fee or a percentage of sales price, but this is due to the fact standardization grows volumes, not opportunistic behaviour on the part of the essential patent holder. Second, the hold-up conjecture assumes that licensing terms were unknown and unavailable prior to standardisation, which is often not the case. In fact, the majority of key patent owners and standard implementers commonly engage in ex ante licensing negotiations – that is, they routinely negotiate patent portfolio licenses or cross-licenses pertaining to an anticipated standard, or to a standard under development, well before the standard is finalised. IPR holders have a clear interest in engaging in such ex ante negotiations in order to build support among SSO members for their technology. Hence, if manufacturers are genuinely fearful that they are at risk of ex post “hold-up” by essential patent owners, they are at liberty to pursue pre-standardisation licenses systematically, and to be mindful during the standardisation process of any IPR holders who would have refused to enter in negotiations for such licenses. Third, the hold-up conjecture posits that standards implementers must have made significant technology-specific investments – and are thus “locked-in” – before an owner of essential patents is able to extract more favourable licensing terms than the value of its patent portfolio would warrant. In practice, there is indeed often a time lag between the formal adoption of a standard by an SSO and the beginning of significant investments by standard implementers. This time lag affords SSO members and potential implementers sufficient time ex post, in addition to that ex ante, to consider the licensing terms sought by the major essential patent IP owners. Finally, the hold-up conjecture is also based on the premise that firms whose market power may have increased as a result of standardisation will necessarily be able to exploit it. This entirely ignores the fact that firms which hold patents relevant for a standard also face a number of important constraints, such as their needs to license essential patents from some of their licensees (hence, giving these licensees a means to retaliate should the licensing terms be unreasonable) when they are themselves engaged in manufacturing standard-compliant products, their interest in making the standard affordable in order to drive volumes and stimulate their revenues, and the fact that standardization is a repeated game, hence allowing SSO members to punish firms seeking to hold up a standard.17

1. 9*. See* Lemley, *supra* note 4, at 1954. [↑](#footnote-ref-1)
2. *. See* Suzanne Scotchmer, *Standing on the Shoulders of Giants: Cumulative Research and the Patent Law*, 5 J. ECON. PERSP. 29, 29 (1991). [↑](#footnote-ref-2)
3. . For arguments that innovation is the most important economic efficiency and should count as the most powerful pro-competitive justification, see Michael A. Carrier, *Resolving the Patent-Antitrust Paradox Through Tripartite Innovation*, 55 VAND. L. REV. (forthcoming 2003); Michael A. Carrier, *Unraveling the Patent-Antitrust Paradox*, 150 U. PA. L. REV. 761, 80015 (2002). [↑](#footnote-ref-3)
4. . The presence of SSOs in industries with the greatest potential for bottlenecks warrants antitrust deference in a way that deference on account of the balancing of “competing interests” the authors claim is undertaken by SSOs does not. *See* Teece & Sherry, *supra* note 1, at 1985. [↑](#footnote-ref-4)
5. . This example assumes an open SSO. For the dangers of closed SSOs excluding competitors, see *supra* notes 76-77 and accompanying text. [↑](#footnote-ref-5)