# 1NC Finals

## OFF

### Topicality---1NC

#### Core antitrust laws are Sherman and Clayton.

Teo Spengler 19. J.D. Reviewed by: Michelle Seidel, B.Sc., LL.B., MBA. “Consumer Laws: California Consumer Rights & Responsibilities”. Legal Beagle. https://legalbeagle.com/13720462-consumer-laws-california-consumer-rights-responsibilities.html

Federal and State Antitrust Laws

Antitrust laws are intended to protect consumers by not letting any business corner the market in a way that precludes competition. These laws protect free trade from unfair restraints, monopolies and price fixing. Antitrust vigilance helps consumers by ensuring fair prices for goods and services, a range of products to choose from and innovative, quality goods and services.

The core antitrust laws are federal – the Sherman Act and the Clayton Act. California's complementary laws are found in the Cartwright Act, Business and Professions Code Section 16720 and following sections. These laws bar agreements among competitors that would fix prices or allocate customers or markets. California law offers a more detailed list of forbidden actions than that included in the federal law's general prohibitions against restraints of trade. The California Attorney General enforces antitrust laws by reviewing business mergers, investigating violations of the law and litigation.

#### They violate---the plan doesn’t fiat antitrust law. Vote neg---antitrust is the core controversy---makes behavior that could be prohibited infinite---wrecks clash and fairness.

### Regs CP---1NC

#### The United States federal government, through a new non-antitrust agency, should substantially increase its prohibitions of systemic financial-service institutions.

#### It competes, solves, and avoids reg capture---1AC evidence.

Rory Van Loo 18, Associate Professor, Boston University School of Law and Affiliated Fellow, Yale Law School Information Society Project, “Making Innovation More Competitive: The Case of Fintech,” UCLA Law Review, 232, 2018, hein.

Navigating this technological upheaval would be difficult for regulators even with a strong institutional framework, but the current one has considerable drawbacks. Competition authority for consumer financial products is scattered across at least five agencies. Two antitrust divisions, at the Department of Justice (DOJ) and the Federal Trade Commission (FTC), share general authority across diverse consumer financial and non-financial industries. Statutory design and a lack of in-house financial expertise limit their role.20

Three agencies, the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC), lead competition regulation for banks.21 A tension arises because these regulators must simultaneously pursue a more pressing mission: preserving the stability of the financial system.22 Bank regulators’ main tool for stability is preventing banks from failing, among other means by making sure banks have adequate capital reserves and are not engaging in excessively risky behavior.23 Regulators are not supposed to insulate banks from more innovative competitors. To the contrary, in analyzing new licenses, one of the OCC’s official goals is to “foster healthy [market] competition.”24 But allowing new fintech startups to compete fully could weaken big banks,25 and “politicians and bank regulators could not survive if they were to permit those institutions to fail.”26 As currently administered, banking regulators’ dual mission subsumes competition under stability.

This Article proposes a regulatory reorganization analogous to what has been done many times before to remove mission conflict.27 Most tellingly, prior to the 2008 financial crisis, banking regulators carried a dual mission of protecting consumers and ensuring financial stability. This pairing subordinated consumer protection to stability.28 To solve this problem in the wake of the subprime mortgage crisis,29 Congress launched a new agency, the Consumer Financial Protection Bureau (CFPB).30 The CFPB took over most of stability regulators’ consumer protection powers but has no stability mission.31 Just as Congress revived consumer protection by separating it from stability duties, Congress should do the same for competition. Whether housed in a new or existing agency, an unconflicted entity would improve the chances that consumer credit products rise and fall based on market value rather than regulatory favoritism.

#### Putting FinTech within antitrust agencies turns the case.

Rory Van Loo 18, Associate Professor, Boston University School of Law and Affiliated Fellow, Yale Law School Information Society Project, “Making Innovation More Competitive: The Case of Fintech,” UCLA Law Review, 232, 2018, hein.

B. A New Proposal

Interdisciplinary research has underscored that in designing regulators, “a key danger to avoid is giving a single agency conflicting responsibilities.”237 Policymakers have in other spheres reallocated divergent mandates into separate bodies following high-stakes agency failures, such as those surrounding the BP Deepwater Horizon oil spill and the September 11, 2001 terrorist attacks. These organizational design changes have reached offshore oil production,238 consumer protection,239 atomic energy, federal labor, and emergency management.240 Financial competition is less immediately identifiable as the cause of a disaster, but is too crucial in a rapidly evolving economy to be neglected due to co-location with stability regulation.

Generalist antitrust agencies could on their own initiative do more, but it would not be ideal to rely on them for leadership in a complex and idiosyncratic industry. Among other complicating factors, excess size in banking brings industry-specific considerations such as taxpayer bailouts and systemic risk.241 Yet antitrust agencies continue to apply the same blanket crossindustry antitrust rules, such as not requiring pre-approval for mergers under about a $323 million threshold.242 A finance-specific reevaluation is needed to determine the appropriate criteria for approving big banks’ purchase of small fintechs, and more broadly to implement a tailored competition policy in the fintech era.

To address current regulatory shortcomings, Congress should task a different agency (or agencies)243 with leadership of financial competition. Other agencies such as the DOJ’s Antitrust Division and the OCC could retain secondary authority.244 The following features would make an institutional home(s) for competition leadership more attractive: (1) minimal mission conflict; (2) relevant technological, institutional, and market expertise; and (3) a culture conducive to both writing and enforcing laws. Three potential locations for such an entity are briefly considered here, before turning to the issue of interagency coordination.

### States CP---1NC

#### The 50 states, territories, and DC should uniformly increase prohibitions of systemic financial-service institutions.

### FTC DA---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.

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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.”

### Cap K---1NC

#### The plan obscures the broader system of neoliberal governmentality---intermediate steps of regulation ignores the systemic causes of neoliberal crisis.

Jodi Dean 13. American political theorist and professor in the Political Science department at Hobart and William Smith Colleges in New York state. She held the Donald R. Harter ’39 Professorship of the Humanities and Social Sciences from 2013 to 2018. “The neoliberal trap.”

“Too big to fail,” however, is a non-explanation, omitting important questions like “says who?” and “how come?” Banks have failed in the past. Sovereign states have defaulted on their debts. “Too big to fail” displaces attention from the larger political economic circuit of contemporary neoliberal capitalism by condensing it onto a single location - big banks. “Moral hazard,” similarly directing us away from the constitutive immorality of an approach to production and distribution premised on exploitation and dispossession, nonetheless takes us a step closer to neoliberalism as a capitalist system, one in which knowledge of the system has effects on the system, one that is reflexive.

Ever since Socrates challenged his fellow Athenians to justify their opinions, reflexivity has been a primary feature of reason (not to mention a constitutive element of critiques of reason). Most thinking people link reason to self-consciousness and give this link a moral valuation.

Psychoanalysis, however, breaks this link. The psychoanalytic category of “drive” offers the vivid alternative of reflexivity as a trap, a vicious repetitive cycle ensnaring us in deeply destructive practices. Drive can thus illuminate how neoliberalism, that extreme capitalism wherein government pursues policies for the benefit of markets not people, captures its subjects.

#### Their method also fails---antitrust presumes capitalism can save us from capitalism.

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.

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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.

#### The solution isn’t regulation, it’s elimination. Vote negative for a socialist planning system that prioritizes state based provision of goods and emphasizes a move away from private banking. The aff recreates it’s impacts by assuming that regulation is sufficient, but the drive for profit is endemic.

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When a market is made for a specific designer instrument, like derivatives such as collateralized debt obligations and credit default swaps, the surplus risk shifts from being a byproduct to being the product; it occupies the place previously held by the asset. The riskiest tranches of a collateralized debt obligation (CDO) are the ones with the highest potential reward. When investors, particularly hedge funds and others looking for something to short, want them, banks look for more bad loans to buy, whether these loans are for houses, education, or municipal improvements. Low net worth individuals, people unlikely to be able to repay their loans, are necessary for high risk loans. Credit, then, isn’t extended to help people get ahead. It’s the means for producing securitizable debt, which means financialization (one of the key features of neoliberalism) needs poor people, poor people cut off from public services and left to fend for themselves.

At this interface of the extremes of profit and loss, poverty-like risk isn’t an unavoidable byproduct of capitalism but its condition and content. The debts of poor and working people drive the neoliberal finance machine. Just as the subprime mortgage market bubble required low income people, a shortage of affordable housing, and investors eager to buy debt, so does the encroaching student loan crisis depend on young people unable to pay for higher education, a public sector unwilling to fund higher education, and a finance sector hungry for debt. Each element impacts the other in a vicious cycle: families facing foreclosure lack the financial resources to pay their children’s college tuition; the children take out exorbitant student loans; banks bundle and then sell the loans to the wealthy, who, in part because of their investments can fund their own kids’ education and who thus lack any incentive to pay higher taxes and support public education, which then leads states to raise tuition, cut faculty, increase class sizes, push students into MOOCs, and diminish the quality of education for those less able to pay, who now find themselves less competing in a shrinking job market, and ever more dependent on credit. In the circuit of amplified inequality, the increase in the number of poor people isn’t a social problem, it’s an investment opportunity. The system turns in on itself and feeds on its own excesses.

If the Marxian formula for capital is money begetting money, its neoliberal version is debt begetting debt. Neoliberal capitalism runs as a circuit in which reflexivity is a mechanism of capture rather than reason, where the loop of drive amplifies the worse tendencies rather than employing feedback as a mechanism of self-correction. Neoliberalism, the version of capitalism that has been dominant since the 1970s, is neither a formation well-defined in terms of free, unregulated markets nor one well-understood in terms of competition as a moderating force. Instead, it’s a system that unleashes drive for the benefit of the rich and the exploitation of the poor – that’s why banks are the institutions that are too big to fail but universities and hospitals are not.

Conclusion

Neoliberalism’s reliance on amplifying the inequality between rich and poor was explicitly acknowledged in the notorious Citigroup report, ‘Revisiting Plutonomy: The Rich Getting Richer.” A set of recommendations for investors to buy stock in luxury goods, private banks, and financial services (a group of stocks the authors refer to as the “plutonomy basket”), the report points out the insignificance of poor and middle class consumers.

The only consumers who matter are rich ones, the ones who have been benefiting and can be expected to continue to benefit from neoliberal globalization. The rich drive demand (not the mass of middle and working class consumers). The rich have an increasingly larger share of income and wealth and thus greater proclivity to spend. In the words of the report, “Asset booms, a rising profit share and favorable treatment by market-friendly governments have allowed the rich to prosper and become a greater share of the economy in the plutonomy countries.”

The super-rich purchase luxury items and investment vehicles. The poor rely on cheap, low quality goods and massive amounts of corn, that is, the sub-standard food of corporate agriculture. For everything else, there is debt, the debt the finance sector needs to function.

Freud’s observation that the objects of the drive can appear in each others’ places, accumulating the others’ intensity, alerts us to the ways that multiple, minor achievements (a higher daily book value on a portfolio, a quarterly decrease in unemployment, the recovery of a stock market) can well be moments in larger circuits of failure and decline. The system is failing even if one particular element in it is being kept aloft.

The big banks successfully fought against serious regulation of derivatives with the argument that banks would just come up with even more complex and dangerous ways to transfer risk from their books and produce new sources of profit.

Reflexivity in markets means that agents will incorporate changes in their setting into the behavior, and so just work around any changes (like water going downhill). But we should immediately be suspicious of such an appeal to reality as indicative of what Mark Fisher theorizes as “capitalism realism,” the excuse for capitalist excesses offered as if there were no alternative.

But there are alternatives. Don’t regulate derivates - eliminate them. Don’t supervise speculative finance - abolish it. Don’t expend bizarre amounts of time and resources on an elaborate banking system - have one global bank with multiple regional branches to fund experiments in developing places that need development, organizing places that need organization. There are alternatives – we just need the political will to seize them.

### Politics DA---1NC

#### Biden’s effectively leveraging political capital to pass infrastructure and social spending.

Romm et al. ‘10/28 [Tony; 10/28/21; congressional news reporter at the Washington Post; "Biden unveils revised spending plan, exhorts Democrats to back it," https://www.washingtonpost.com/politics/biden-to-announce-democratic-agreement-on-social-spending-deal/2021/10/28/2781863c-37d3-11ec-91dc-551d44733e2d\_story.html]

President Biden on Thursday unveiled a new $1.75 trillion package to overhaul the country’s health-care, education, climate and tax laws, muscling through a slew of policy disagreements and internecine political feuds that had stalled his economic agenda for months.

The announcement marked a critical moment in Biden’s tenure, prompting the president to pay a visit to Capitol Hill and call on Democrats to adopt the spending along with a second, roughly $1.2 trillion package to improve the country’s roads, bridges, pipes, ports and Internet connections.

“We spent hours and hours and hours over months and months working on this,” Biden said in televised remarks. “No one got everything they wanted, including me, but that’s what compromise is. That’s consensus, and that’s what I ran on.”

Biden’s moves reflected a pivotal decision to assume ownership of the sweeping safety-net proposal in a new way. He is investing enormous political capital in the new plan, following days of intensive, secretive meetings with key lawmakers, and ratcheting up his warnings that gun-shy Democrats risk damaging him and the party if they do not get on board.

“I don’t think it’s hyperbole to say that the [Democratic] House and Senate majorities — and my presidency — will be determined by what happens in the next week,” he told House Democrats in a closed-door meetings, according to one person in the room, who spoke on the condition of anonymity because of the sensitivity of the discussions.

The president added that he expected the framework to gain the Democrats’ support, emphasizing the framework had 50 votes in the Senate and telling reporters, “Everyone’s on board,” as he arrived on Capitol Hill.

The call to action appeared to galvanize some Democrats, and the $1.75 trillion framework soon generated praise — crucially from the party’s moderate and liberal ranks. Even former president Barack Obama, who has largely stayed out of the day-to-day political battles, put out a statement in support of the framework, calling it a “giant leap forward.” One of the longtime holdouts, Sen. Kyrsten Sinema (D-Ariz.), quickly offered positive comments about the deal, but without committing to vote for it.

“After months of productive, good-faith negotiations with President Biden and the White House, we have made significant progress on the proposed budget reconciliation package,” Sinema said in a statement. “I look forward to getting this done, expanding economic opportunities and helping everyday families get ahead.”

Sen. Joe Manchin III (D-W.Va.), the other centrist holdout, similarly offered little comment, saying only, “In the hands of the House” when asked about the new framework in the Capitol on Thursday.

The proposal did contain some longtime Democratic priorities, including universal prekindergarten, new sums to combat climate change and additional taxes on the ultrawealthy. But it jettisoned other items, including a plan to provide paid leave to millions of Americans. The president made the cuts to satisfy Sinema and Manchin, who were concerned about overspending, though some liberal Democrats later said they had not given up fighting for those items

#### Antitrust trades off.

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

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

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

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

#### Quickly secures the vulnerable grid.

Carney ’21 [Chris, August 6; Senior Policy Advisor at Nossaman LLC, former US Representative, Former Professor of Political Science at Penn State University; JD Supra, “The US Senate Infrastructure Bill: Securing Our Electrical Grid Through P3s and Grants,” https://www.jdsupra.com/legalnews/the-us-senate-infrastructure-bill-4989100/]

As we begin to better understand the main components of the Infrastructure Investment and Jobs Act that the US Senate is working to pass this week, it is clear that public-private partnerships ("P3s") are a favored funding mechanism of lawmakers to help offset high costs associated with major infrastructure projects in communities. And while past infrastructure bills have used P3s for more conventional projects, the current bill also calls for P3s to help pay for protecting the US electric grid from cyberattacks. Responding to the increasing number of cyberattacks on our nation’s infrastructure, and given the fragile physical condition of our electrical grid, the Senate included provisions to help state, local and tribal entities harden electrical grids for which they are responsible.

Section 40121, Enhancing Grid Security Through Public-Private Partnerships, calls for not only physical protections of electrical grids, but also for enhancing cyber-resilience. This section seeks to encourage the various federal, state and local regulatory authorities, as well as industry participants to engage in a program that audits and assesses the physical security and cybersecurity of utilities, conducts threat assessments to identify and mitigate vulnerabilities, and provides cybersecurity training to utilities. Further, the section calls for strengthening supply chain security, protecting “defense critical” electrical infrastructure and buttressing against a constant barrage of cyberattacks on the grid. In determining the nature of the partnership arrangement, the size of the utility and the area served will be considered, with priority going to utilities with fewer available resources.

Section 40122 compliments the previous section as it seeks to incentivize testing of cybersecurity products meant to be used in the energy sector, including SCADA systems, and to find ways to mitigate any vulnerabilities identified by the testing. Intended as a voluntary program, utilities would be offered technical assistance and databases of vulnerabilities and best practices would be created. Section 40123 incentivizes investment in advanced cybersecurity technology to strengthen the security and resiliency of grid systems through rate adjustments that would be studied and approved by the Secretary of Energy and other relevant Commissions, Councils and Associations.

Lastly, Section 40124, a long sought-after package of cybersecurity grants for state, local and tribal entities is included in the bill. This section adds language that would enable state, local and tribal bodies to apply for funds to upgrade aging computer equipment and software, particularly related to utilities, as they face growing threats of ransomware, denial of service and other cyberattacks. However, under Section 40126, cybersecurity grants may be tied to meeting various security standards established by the Secretary of Homeland Security, and/or submission of a cybersecurity plan by a grant applicant that shows “maturity” in understanding the cyber threat they face and a sophisticated approach to utilizing the grant.

While the final outcome of the Infrastructure Investment and Jobs Act may still be weeks or months away, inclusion of these provisions not only demonstrates a positive step forward for the application of federal P3s and grants generally, they also show that Congress recognizes the seriousness of the cyber threats our electrical grids face. Hopefully, through judicious application of both public-private partnerships and grants, the nation can quickly secure its infrastructure from cyberattacks.

#### Nuclear war.

Klare ’19 [Michael; November; Professor Emeritus of Peace and World Security Studies at Hampshire College; Arms Control Association, “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]

Yet another pathway to escalation could arise from a cascading series of cyberstrikes and counterstrikes against vital national infrastructure rather than on military targets. All major powers, along with Iran and North Korea, have developed and deployed cyberweapons designed to disrupt and destroy major elements of an adversary’s key economic systems, such as power grids, financial systems, and transportation networks. As noted, Russia has infiltrated the U.S. electrical grid, and it is widely believed that the United States has done the same in Russia.12 The Pentagon has also devised a plan known as “Nitro Zeus,” intended to immobilize the entire Iranian economy and so force it to capitulate to U.S. demands or, if that approach failed, to pave the way for a crippling air and missile attack.13

The danger here is that economic attacks of this sort, if undertaken during a period of tension and crisis, could lead to an escalating series of tit-for-tat attacks against ever more vital elements of an adversary’s critical infrastructure, producing widespread chaos and harm and eventually leading one side to initiate kinetic attacks on critical military targets, risking the slippery slope to nuclear conflict. For example, a Russian cyberattack on the U.S. power grid could trigger U.S. attacks on Russian energy and financial systems, causing widespread disorder in both countries and generating an impulse for even more devastating attacks. At some point, such attacks “could lead to major conflict and possibly nuclear war.”14

### Forecasting CP---1NC

#### The United States should only allow the continuation of systemic financial-service institutions when a team of the Good Judgment Project’s “super-forecasters” has determined that the institutions reduce the numerical probability of financial collapse from an unacceptably high level.

\*The Good Judgment Project’s “Super-forecasters” are team members of the Good Judgement Project that have ended in the top 2% of forecasters tournaments, selected by Tetlock’s team.

#### 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.)

#### ONLY the counterplan solves the case---the plan can’t keep up with market changes.

AMC 07. Antitrust Modernization Commission. Deborah A. Garza, Chair. Bobby R. Burchfield ,Commissioner. W. Stephen Cannon, Commissioner. Dennis W. Carlton, Commissioner. Makan Delrahim, Commissioner. Jonathan M. Jacobson, Commissioner. Jonathan R. Yarowsky, Vice-Chair. Donald G. Kempf, Jr., Commissioner. Sanford M. Litvack, Commissioner. John H. Shenefield, Commissioner. Debra A. Valentine, Commissioner. John L. Warden, Commissioner. “Report and Recommendations.” https://govinfo.library.unt.edu/amc/report\_recommendation/amc\_final\_report.pdf

To determine whether and when particular forms of business conduct may harm competition requires an understanding of the market circumstances in which they are undertaken. Antitrust agencies and the courts have long looked to economic learning for assistance in understanding market circumstances and the likely competitive effects of particular business conduct.23 Indeed, economics now provides the core foundation for much of antitrust law. Not surprisingly, as economic learning about competition has advanced over the decades, so have the contours of antitrust doctrine.

Antitrust law also must keep pace with developments in the business world. Business practices may change, especially as technological innovation and global economic integration alter the competitive forces at work in particular markets. To protect competition and consumer welfare, antitrust analysis must offer sufficient flexibility to take account of these changes, while maintaining clear and administrable rules of antitrust enforcement.

B. Periodic Assessments of the Antitrust Laws Are Advisable

The antitrust laws in the United States require ongoing evaluation and assessment to ensure they are keeping pace with both economic learning and the ever-changing economy.24 In past decades, various entities have empowered six different commissions to assess how well antitrust law operates to serve consumers. The Antitrust Modernization Commission is the seventh such commission in almost seventy years.25 Prior commissions have made recommendations about both the substance and procedure of antitrust law.

#### Flexibility is key to super forecasting competition policy---the aff locks in policy failure.

Michelle Baddeley 17. Institute for Choice, University of South Australia. Journal of Behavioral Economics for Policy, Vol. 1, No. 1, 27-31, 2017. “Experts in policy land - Insights from behavioral economics on improving experts’ advice for policy-makers”. https://sabeconomics.org/wordpress/wp-content/uploads/JBEP-1-1-4-F.pdf

Whichever side one takes on these political divides, if the modern fashion is to allow subjective, partisan opinions to trump expert advice, what are the likely implications? Is it wise to be so mistrustful of experts? Expert advice is irreplaceable. Scientific experts and academics play a crucial role in developing new findings and insights to help inform policy, with implications across the range of human activity – from health and environmental policy through to competition policy, consumer protection and financial regulation – to name just a few. But to what extent are experts objective and impartial? Is their advice really impartial and unbiased, based around a cool and calculating objective assessment of evidence, after the careful application of robust research methodologies? In practice - uncertainty, insufficient information, unreliable data or flawed analysis can limit the expert’s ability to untangle the truth, and make it difficult for the policy-maker to assess the extent to which expert advice is reliable. Robust statistical methods, careful experimental design and clear hypotheses can guide the expert but impartial advice is also compromised by a range of economic, behavioural and socio-psychological constraints, some of which may be beyond the expert’s conscious control. Heuristics, biases and social influences driving experts can have significant negative consequences for the public, especially if misleading research findings are used to guide public policy.

This paper will explore some of these influences on experts’ judgement. In Section 2, some of problems around information, risk and uncertainty are outlined; in Section 3, key economic and socio-psychological constraints are explored. Policy implications and solutions are suggested in Section 3, focussing on how we can ensure that expert advice is devised and applied in the most robust and objective ways possible.

Information, risk and uncertainty

Risk and uncertainty is an unavoidable problem, especially for the scientific research that backs up expert judgement because it is about investigating novel, poorly understood phenomena. When information is scarce, a situation is profoundly uncertainty, and/or we have had no prior experience of an event or phenomenon, we cannot quantify the risk of one event versus another. Frequency ratios capturing the incidence of similar events in the past are of no use when there have been no similar events in the past. Given uncertainty, it is not possible to tell before the fact whether experts are right or wrong. It is not like we have given them a difficult mathematical problem which we can double check ourselves using a computer or calculator. With scientific research and expert advice – there is no way to know what the truth might be, and that is why we need experts to find it. And we can only judge expert judgements with the benefit of hindsight, if at all. This is a Catch-22: we need expert evidence to judge expert evidence.

An example of how policy-makers confront these problems of uncertainty and poor information affecting expert advice is the work of the Hazardous Substances Advisory Committee (HSAC) – an advisory committee to the UK’s Department for Environment, Food and Rural Affairs. This committee focuses on another complication arising from uncertainty – the difference between a risk and a hazard. Hazards exist, they are there – but if we know where they are, we can avoid them and thereby minimize our risk. The problem comes in knowing what and where the hazards are. Scientific experts on HSAC – including a range of toxicologists, environmental scientists and biochemists, as well as social scientists – assess evidence to help to inform the UK’s regulatory policy with respect to chemicals harmful to the environment and human health. Often a key constraint is that they are asked to provide advice around the likely environmental impacts of hazardous substances such as endocrine disruptors, antiobiotics and nanomaterials – often we do not know too much about these substances and their long-term impacts, especially for innovative technologies such as nanomaterials. HSAC has therefore devised a structure for assessing the quality of evidence when information is scarce and uncertainty is endemic –spanning not only the usual scientific evidence around experiments and field observation, but also including computational modelling and anecdotal evidence (Collins et al. 2016). For experts used to analysing large data sets, the latter would seem like an anathema but when experts are facing fundamental uncertainty the types of evidence they might use must expand accordingly. If we are forced to rely on anecdote, we need to understand what distinguishes good anecdotal evidence from bad anecdotal evidence: anecdotes that are corroborated across a range of sources are more reliable than single anecdotes, for example.

Economic and socio-psychological constraints

The problems of poor information, risk and uncertainty are not about the fallibility of individuals or even differences between individuals – either in terms of their individual differences and characters, and/or their susceptibility to biases and social influences. Once we introduce these additional constraints – which reflect the characters of the experts not the nature of the evidence – the opportunities for mistakes and misleading guidance increase significantly.

Individual differences

Individual differences seem to play a role, including in terms of innate ability to make judgements about uncertain futures. Philip Tetlock conducted a study which showed that, in forecasting uncertain future events, most experts are only just better than an ordinary person guessing at random (Tetlock 2006). In a second study, however – a collaboration with Dan Gardner – he showed that some particular individuals – experts or not – are “super-forecasters” who have a particular aptitude for forecasting (Tetlock and Gardner 2015). What ideal characteristics might enable these super-forecasters to predict so well? In a complex world, we need experts who are able to understand and analyse a wide range of evidence. Do we need experts who can cover a broad range, or experts who know a narrow field very well? Linking to Isaiah Berlin’s distinction between the fox-types who have a wide but relatively superficial knowledge, and the hedgehog-types who have a deep but relatively narrow knowledge, Tetlock (2006) argues that we may prefer to be advised by foxes – who know many little things, can draw on an eclectic range of evidence and are able to improvise relatively easily when evidence shifts. The hedgehogs, who know one area very well and focus on one tradition may be too inclined to impose formulaic and inflexible solutions.

#### Binding forecasting is key to spillover---solves security.

J. Peter Scoblic and Philip E. Tetlock 20. J. Peter Scoblic is Co-Founder of Event Horizon Strategies, a Senior Fellow in the International Security Program at New America, and a Fellow at Harvard’s Kennedy School. Philip E. Tetlock is Leonore Annenberg University Professor at the University of Pennsylvania, Co-Founder of Good Judgment, and a co-author of Superforecasting: The Art and Science of Prediction. “A Better Crystal Ball The Right Way to Think About the Future”. https://www.foreignaffairs.com/articles/united-states/2020-10-13/better-crystal-ball

The greatest barrier to a clearer vision of the future is not philosophical but organizational: the potential of combining scenario planning with probabilistic forecasting means nothing if it is not implemented. On occasion, the intelligence community has used forecasting tournaments to inform its estimates, but that is only a first step. Policymakers and consumers of intelligence are the ones who must understand the importance of forecasts and incorporate them into their decisions. Too often, operational demands—the daily business of organizations, from weighty decisions to the mundane—fix attention on the current moment.

Overcoming the tyranny of the present requires high-level action and broad, sustained effort. Leaders across the U.S. government must cultivate the cognitive habits of top forecasters throughout their organizations, while also institutionalizing the imaginative processes of scenario planners. The country’s prosperity, its security, and, ultimately, its power all depend on policymakers’ ability to envision long-term futures, anticipate short-term developments, and use both projections to inform everything from the budget to grand strategy. Giving the future short shrift only shortchanges the United States.

## Too Big to Fail

### AT: Econ---1NC

#### 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.

### Don’t Solve---1NC

#### The aff doesn’t change the incentive structure of the banking system---that’s the root cause of their impacts.

Chris Arnade 16. Former Wall Street trader, 2/19/16. “What Breaking Up the Banks Wouldn't Fix.” https://www.theatlantic.com/business/archive/2016/02/too-big-too-fail-kashkari/464184/

One of his proposed solutions—breaking up the banks—puts him in the same company as Bernie Sanders and a handful of other politicians. Doing so would go some of the way toward improving bank governance: If the government turns Citibank into ten smaller Citibanks, they will probably be better managed, since too big to fail is also too big to manage. Additionally, some might start doing things differently from the rest, even innovating.

But it wouldn’t address the other major ongoing failure of our financial system, namely that banks are taking on too much risk, and in the process endangering the entire economy and necessitating occasional bailouts. When the economy gets into trouble those 10 smaller Citibanks will probably all get into trouble exactly at the same time, requiring 10 smaller bailouts, or one large bailout of the “markets.”

It's crucial to remember in all of this that banks are not just victims of economic downturns—they also cause them with their reckless behavior. To stop that government needs to address their compensation structure, not just their size. Bankers today have little financial interest in their banks’ health, which leads them to irresponsible behavior.

The old Wall Street, prior to 30 years of deregulation, was filled with partnerships. Employees were required to keep their money in the company, so if the firm failed, bankers failed, resulting in a degree of self-policing. Wall Street bankers were personally invested in the strength and integrity of their decisions, because if they went wrong, they themselves lost big.

Bankers today get paid mostly in cash bonuses. Many on Wall Street, certainly those who work at the big banks, have a fantastic win-win deal: They get paid if they win and they don’t have to give anything back if they lose. Often, the incentives are actually structured to encourage taking on reckless levels or risk.

That was certainly the case during the run-up to the financial crisis 10 years ago. Not only did nobody go to jail for the crisis, not only did few lose their jobs, but the real dirty secret of Wall Street is that many of the bankers did very well because of it. I know: When Citibank was plummeting towards bankruptcy I assumed I would lose my job. When our stock fell below three dollars per share, I texted my wife, “ready to become farmers?” I didn’t have to become a farmer, and neither did anybody around me. Thanks to a government bailout, not only didn’t we lose our jobs, but we also got paid well over the next few years. Really well.

The crisis was good for many bankers, and not just the ones who bet against housing blowing up like in The Big Short, but for many who had behaved recklessly, and were responsible for the crisis. Including some of the CEOs of banks that got bailed out or blew up. That needs to change, by forcing bankers’ compensation to be locked up in the company and letting them know they will face prosecution for any crimes.

Both are central to a word that didn’t appear in Kashkari’s speech: fairness. A system that bails out bankers, that doesn’t impose costs on them (money or jail), and actually rewards some of them, is simply unfair. Breaking up the banks won’t stop the bailouts, because banks are still incentivized to behave badly, and that’s true if it is one big bank, or 10 small banks. Bankers, when they fail, need to lose their money, their jobs, and sometimes, their freedom.

### Size Irrelevant---1NC

#### Breakup is silly because size is irrelevant to their impacts---08 proves.

MICHAEL GRUNWALD 15. senior staff writer for POLITICO Magazine and editor-at-large of The Agenda, 5/27/15. “Don’t break up the megabanks.” https://www.politico.com/agenda/story/2015/05/sanders-dont-break-up-the-big-banks-000054/

That doesn’t mean it would be smart.

Breaking up the banks is one of those ideas that sound great in theory but less so in reality, a no-brainer until you run it through your brain. It’s not that size doesn’t matter at all, but the debate over size has been absurdly one-sided, ignoring the benefits of bigness, the potential costs of breakups, and what’s already been done to address the too-big-to-fail problem. With Wall Street salaries and bonuses once again as exorbitant as they were before the recent financial crisis, there will be huge pressure on 2016 candidates to prove their hostility to financial elites; on the Democratic side, Sanders and Martin O’Malley are already calling for bank breakups, so Hillary Clinton will surely be tempted to join them. But before financial disintegration becomes a populist litmus test, people ought to understand what it would mean.

For example: Did you know that the financial institutions at the heart of the 2008 crisis were not the very biggest banks? That the very biggest banks were actually indispensable to defusing the crisis? That the U.S. banking system is far less top-heavy than its foreign counterparts? It’s possible to know those facts and still support the Too Big to Fail, Too Big to Exist Act, the chainsaw of a bill that Senator Sanders and Congressman Brad Sherman filed in early May. But they’re important facts.

### Circumvention---1NC

#### Circumvention---big banks evade regulations.

ICIJ 20. International consortium of investigative journalists, 9/20/20. “Global banks defy U.S. crackdowns by serving oligarchs, criminals and terrorists.” https://www.icij.org/investigations/fincen-files/global-banks-defy-u-s-crackdowns-by-serving-oligarchs-criminals-and-terrorists/

Secret U.S. government documents reveal that JPMorgan Chase, HSBC and other big banks have defied money laundering crackdowns by moving staggering sums of illicit cash for shadowy characters and criminal networks that have spread chaos and undermined democracy around the world.

The records show that five global banks — JPMorgan, HSBC, Standard Chartered Bank, Deutsche Bank and Bank of New York Mellon — kept profiting from powerful and dangerous players even after U.S. authorities fined these financial institutions for earlier failures to stem flows of dirty money.

U.S. agencies responsible for enforcing money laundering laws rarely prosecute megabanks that break the law, and the actions authorities do take barely ripple the flood of plundered money that washes through the international financial system.

### Antitrust Fails---1NC

#### Antitrust fails to control too big to fail – alt causes

Jesse W. Markham Jr., 11. Marshall P. Madison Professor of Law, The University of San Francisco School of Law. "Lessons for Competition Law from the Economic Crisis: The Prospect for Antitrust Responses to the Too-Big-to-Fail Phenomenon." Fordham J. Corp. & Fin. L. 16 (2011): 261-321.

This article examines whether, and the extent to which, antitrust law could contribute to a broader regulatory effort to control the too-big-to-fail problem. The article begins by exploring the nature of the problem. Against this backdrop, it considers antitrust policy and rules to evaluate whether antitrust might play a meaningful role. The article concludes that antitrust law, if vigorously enforced with an emphasis on avoiding too-big-to-fail problems, can be a useful public policy tool to address the problem. However, it can come nowhere near solving it or preventing recurrences of recent systemic failures. The narrowed focus antitrust developed under the influence of the Chicago School greatly limits its potential utility in this context and it is worth serious reconsideration. Nevertheless, the dynamism of antitrust policy in adjusting to intellectual movements and economic conditions could be harnessed to re-establish the broad reach of antitrust and thus forge a reasonably useful public policy weapon to direct at the too-big-to-fail problem. Antitrust law could make a greater contribution in resolving this public policy problem if Congress enacted or the judiciary forged more robust rules preventing and dismantling unwieldy corporate size in excess of any plausible scale efficiency justification. Such rules would be consistent with the historic purposes of antitrust law: to protect consumers against the output, innovation and price effects of catastrophic failures. It is worth noting at the outset that the thesis here is not that antitrust law, even if more vigorously interpreted and enforced, could have made much difference in averting any part of the recent global financial crisis. There is no real consensus about the causes of that crisis, but recent changes in the business of global banking and finance beyond the mere size of financial enterprises contributed to a systemic weakness, rather than isolated weakness in one or a few participants. When Bear Stearns was rescued, the intent presumably was to prevent that domino from toppling into others and knocking down too many others. Since holding that domino upright did not prevent systemic failure, it seems probable that the causes do not merely reside in one or a few too-big-to-fail enterprises, but, rather, underlie the system.

#### Plan fails – doesn’t eliminate systemic risk on an international level

1ac Sharon E. Foster 10, Associate Professor, University of Arkansas School of Law, “Too Big To Fail - Too Small To Compete: Systemic Risk Should be Addressed Through Antitrust Law but such a Solution Will Only Work if it is Applied on an International Basis,” 22 Fla. J. Int'l L. 31, April 2010, lexis.

IV. THE ANTITRUST ANTIDOTE FOR Too BIG TO FAIL IS UNLIKELY TO WORK IF THE END RESULT IS DOMESTIC FINANCIAL SERVICE FIRMS THAT ARE Too SMALL TO COMPETE IN THE GLOBAL ECONOMY There is no doubt that de facto and de jure deregulation of the financial services sector in the United States was based, in part, on a reaction to foreign competition concerns. The history of de facto deregulation establishes a parallelism of behavior with regulators in the United States allowing financial service firms to conduct more questionable business in order to compete with their under regulated European counterparts. For example, the 1989 CFTC Swap Policy Statement, effectively deregulating most swap transactions, came out the same year as the European Union's Second Banking Directive which deregulated European Union financial services firms. Then, there was the permission granted to J.P. Morgan in 1990 to conduct investment banking along with its commercial banking business which European Union commercial banks were allowed to do under the Second Banking Directive; or perhaps the example of de jure deregulation in the United States in 1994 with the passage of the RiegleNeal Interstate Banking and Branching Efficiency Act allowing commercial banks to engage in interstate banking similar to commercial banks in the European Union being allowed to do cross border banking under the Second Banking Directive. One may argue that such parallelism of behavior is insufficient circumstantial evidence to establish the connection between deregulation in the United States and the European Union. Perhaps, but then again there is more direct evidence. During the 1990s the congressional record is replete with comments regarding the urgency in passing financial services reform repealing Glass-Steagall so financial services firms in the United States could compete with foreign competitors. 206 Additionally, law review articles addressed the issue of foreign competition in financial services20 7 and some called for deregulation in the name of international competition. 20 8 Given the regulatory-deregulatory merry-go-round pattern that appears on a domestic and international scale, there is cause to be skeptical about a long term resolution to the financial crisis based, primarily, upon domestic re-regulation. What is needed is an elimination of systemic risk through divestiture and merger review but this must be done on an international level or it will not be done at all. A. International Competition and Too Big to Fail Let us assume, hypothetically, that antitrust law in the United States does address the too big to fail problem, and through divestiture and refusal to allow certain mergers to go through, reduces the too big to fail financial services firms to a manageable size. Domestic systemic risk is solved, but what about international competition and systemic risk? The U.S. financial services sector has contributed significantly to the domestic economy over the years and its ability to do so in the future may be hampered by its inability to compete with foreign financial services firms that are too big to fail.20 This is the very concern that contributed to the deregulatory cycle and ultimate financial meltdown. Given the domestic economic ramifications and the interconnectedness of the global economy2 0 it is unlikely that the United States can go it alone - use antitrust law to break-up its financial services sector when other countries fail to do so. The antitrust authorities and courts in the United States could use antitrust laws on foreign firms that are too big to fail in merger approvals under the doctrine of extraterritorial jurisdiction, ' preventing financial services mergers that cause an effect in the United States, but this is a very contentious course of action.2 12 If antitrust, as an antidote is going to work, it must be done on an international scale. B. Harmonized Antitrust (Competition) Law Harmonized antitrust law would require an international agreement whereby the parties accept a uniform international antitrust law. 2 13 The concept of harmonized antitrust law takes us down a road well traveled but not well received.214 During most of the 1990s the United States and European Union discussed the concept but had little agreement. The United States preferred a course of cooperation and coordination between competition authorities rather than harmonization. 215 The reason for the reluctance was based, in part, on the differing economic conditions of the various states and issues of sovereignty regarding domestic economic policy.216 From 2000 to the present there has been little further discussion on the topic. It is unlikely that the difficulties of the past relating to harmonized antitrust law could be overcome today; however, it is possible to have partial harmonization where there is an international agreement to integrate systemic risk analysis in domestic antitrust laws. There seems to be international consensus that systemic risk must be avoided.217 The financial meltdown caused, in part, by systemic risk, harmed many domestic economies as well as the global economy.2 18 It is evident that a free market cannot exist in an environment where a few firms can bring the global economy to its knees. 2 19 Accordingly, united action is necessary. As Benjamin Franklin once said, "We must all hang together, or assuredly we shall hang separately." 22 0

#### Plan fails – other states don’t address systemic risk

1ac Sharon E. Foster 10, Associate Professor, University of Arkansas School of Law, “Too Big To Fail - Too Small To Compete: Systemic Risk Should be Addressed Through Antitrust Law but such a Solution Will Only Work if it is Applied on an International Basis,” 22 Fla. J. Int'l L. 31, April 2010, lexis.

V. CONCLUSION

The financial crisis of 2008-2009 has generated a considerable amount of discussion in both the popular press and academia. One obvious solution to this complex problem is to eliminate systemic risk through antitrust divestiture and merger review for systemic risks. Unfortunately, it would seem that most world leaders are content to enter, yet again, the regulatory cycle with promises of better regulation, especially for the too big to fail firms. Regulations may work but what happens when, somewhere down the road regulators don't regulate? What happens when there is a change in economic and political philosophy regarding regulations? Will we, yet again, deregulate? Are we doomed to a never ending regulatory cycle with similar booms and busts like the business cycle? Since we have identified a critical problem of systemic risk is it not advisable to eliminate that risk rather than hopefully reduce it through regulations? In the United States, domestic antitrust law does provide a mechanism to eliminate systemic risk. Systemic risk analysis may be used to establish power to control prices or exclude competition for purposes of Sherman § 2 and may be used to show that a merger may substantially lessen competition as required under Clayton § 7. So, on a domestic front, antitrust law can eliminate the too big to fail problem but, as a practical matter, this will never happen so long as other states refuse to address systemic risk through antitrust laws. It was international competition that created a lack of regulatory oversight and financial service firms that are now too big to fail for fear that they would be too small to compete. Accordingly, unless there is an international response that too big to fail is too big to exist we shall continue down this road to Calvary.

## FinTech

### Reg Barriers---1NC

#### Regulatory barriers stop fintech---aff can’t solve because its not business conduct.

Rory Van Loo 18, Associate Professor, Boston University School of Law and Affiliated Fellow, Yale Law School Information Society Project, “Making Innovation More Competitive: The Case of Fintech,” UCLA Law Review, 232, 2018, hein.

The second major category of entry barriers comes not from business conduct, but from government gatekeepers that issue licenses. Federal banking licenses are important in part because they give banks preemption from many state laws. The burden of complying with fifty different states’ laws and bank examination processes would be heavy. For example, to move funds on their own as nonbanks, fintechs would need to obtain money transfer licenses in each state.65 Preemption is also becoming increasingly meaningful as some states—especially those with many traditional financial institutions, such as New York and Connecticut—erect licensing barriers targeted at blocking fintech startups.66 Finally, bank licenses provide the ability to receive customer deposits, which can be used to originate a loan or other credit product at a lower cost.

Some fintechs surely decide not to seek bank licenses out of a strategic choice between bank and nonbank regulation.67 Still, those wanting to compete head-on with banks have limited prospects because the extension of new banking licenses has slowed to a near halt.68 A rare fintech entrepreneur who went through the license application process was rejected multiple times and endured a much lengthier timeline than would a traditional bank.69 Although some regulatory caution is warranted for new business models, a freeze in licensing is counter to market interests and may ultimately increase systemic risk.70

Amazon did not need help from Walmart, Target, and other retailers to sell directly to consumers. Uber did not need existing taxi companies, nor did Airbnb need existing hotels, to operate.71 In contrast, entry barriers have so far largely meant that fintechs “are not going to get anywhere unless they find a federally chartered bank. . . . The banks are holding the cards.”72

### China Loses---1NC

#### China loses the fin tech race---too many barriers.

Steven Ehrlich 20. Forbes Staff Writer with a focus on Crypto & Blockchain. Not A Cold War: China Is Using A Digital Currency Insurgency To Unseat The US Dollar. Forbes. 10-15-2020. https://www.forbes.com/sites/stevenehrlich/2020/10/15/not-a-cold-war-china-is-using-a-digital-currency-insurgency-to-unseat-the-us-dollar/?sh=1d05db27748a

Who Will Win?

Most insurgencies fail because they falter from within, cannot expand their base behind core followers, or they are beaten by their adversary. Those that succeed often do not proceed to victory in a linear path, and investors need to anticipate an uncertain path.

There are roadblocks, potholes, and challenges along the way. For instance, it must have been disheartening to Chinese officials to see investors and central banks across the globe rush into the dollar when markets crashed in March. Additionally, right now China has been plucking the low-hanging fruit—like the initiation of swap agreements and issuance of RMB-denominated loans to emerging markets—when it comes to internationalizing the yuan. The hard stuff will come later, when it will face pressure to relax control over its capital markets and financial sector to build investor confidence. These types of transitions can be very difficult, especially in a one-party state with an economy that remains under duress and relies on economic prosperity for legitimacy. Additionally, China’s global reputation has been battered, especially among developed economies, in light of widespread criticism for how it has handled the pandemic.

#### Their entire scenario is fearmongering---no “race” OR digital authoritarianism.

Sara Hsu 7-26. Dr. Sara Hsu is an expert in Chinese fintech, economic development, informal finance, and shadow banking. She is the author of “China’s Fintech Explosion.”. Reality Check: China’s Digital Yuan Is Not a Threat to the West. The Diplomat. 07-26-2021. https://thediplomat.com/2021/07/reality-check-chinas-digital-yuan-is-not-a-threat-to-the-west/

**ALL SECTIONSSEARCH**

There is an enormous amount of misinformation about the Chinese digital currency these days. For example, Kyle Bass of Hayman Capital Management recently stated about China’s sovereign digital currency that “the digital yuan is the largest threat to the West that we’ve faced in the last 30, 40 years. It allows China to get their claws into everyone in the West and allows them to export their digital authoritarianism.” This fearmongering does not help to clarify the complex issues between the United States and China, in which there are real points of contention.

Some points of clarification:

First, China is not trying to get its claws into Westerners. For one thing, there are many Chinese Americans, of which I am one; thus, the perceived stark division between people in China and “the West” is not reality. More importantly, China and the U.S. had a productive relationship for several decades before animosity became pervasive in recent years. While certainly there have been serious issues that required more adept handling, particularly the issue of forced technology transfer, the relationship between the two countries was mutually beneficial and self-reinforcing. Many multinational firms continue to produce in China because it is a win-win connection. The implication in the statement above is that China wants to “use” or “destroy” the West, whereas this has not been borne out in reality.

Second, China is not exporting “digital authoritarianism.” Perhaps this phrase implies a means of surveilling the populace. It is true that the digital currency will allow the Chinese government to track which digital wallets are holding the currency. The main goal of this is to reduce the incidence of money laundering. China has struggled with this phenomenon, which takes place in cash through underground banks and other channels. The digital currency will replace part, not all, of the cash reserves and will therefore reduce but not eliminate the incidence of money laundering. The digital currency cannot be used for accounts that accrue interest, and will not replace most fund accounts.

Third, the issue of cross-border banking has not been entirely fleshed out. It is not clear whether or to what extent Westerners can use the digital currency if they do not have a digital wallet associated with the major Chinese banks and fintech firms that have the ability to issue digital currency. It is more likely that the Chinese digital currency will have to be exchanged across borders, which means that the Chinese government is unlikely to track the currency throughout the globe.

# 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.

#### 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.

### Case Outweighs

#### 1. Extraction replaces production and zeros innovation.

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As we have seen, when corporations do not invest their economic surplus in new capital formation—primarily due to vanishing investment opportunities in an economy characterised by excess capacity—they are left with abundant free cash that is partly returned to the shareholders through share buybacks and, to a lesser degree, dividends. It is also used for speculation, including mergers, acquisitions, and the panoply of corporate “cash management” techniques that amount to the leveraging of free cash to enhance returns. This gives rise to a whole alphabet soup of 19 financial instruments, in which corporations use the cash at their disposal partly as collateral for debt leverage, with non-financial corporate debt rising rapidly as a share of national income. Predictably recurring internal corporate funds in the form of free cash constitute a “flow collateral” allowing for further leverage, feeding speculation. A speculative economy relies on borrowed funds for leverage, backed up in part by cash. Expanding cash reserves are also needed as hedges in case of financial defaults. The whole system is a house of cards.

The progressive financialisation of the capitalist economy, whereby the financial superstructure continues to expand as a share of the underlying productive economy, has led to ever-greater asset price bubbles and growing threats of world economic meltdown. So far, a complete meltdown has been headed off by central banks, as in the 2000 and 2008 financial crashes. At every major recurring disturbance, and with serious economic repercussions, the monetary authorities pump massive amounts of cash into the financial superstructure of the economy only to give rise to greater bubbles in the future.

Theoretically, stock values represent future expected streams of earnings arising primarily from production. Nowadays, 20 however, finance has become increasingly autonomous from production (or the “real economy”), relying on its own speculative “self-financing,” leading to financial bubbles, contagions, and crashes, with the monetary authorities intervening to keep the whole house of cards from collapsing. This serves to reduce the risk to speculators, thereby keeping the value of stocks and other financial assets rising on a long-term basis, along with the overall wealth/income ratio. In these circumstances, so-called asset accumulation by speculative means has replaced actual accumulation or productive investment as a route to the increase of wealth, generating a condition of “profits without production.”21

In order to grasp the full significance of the financialisation of the economy, it is useful to look at the two conceptions of capital (relative to national income) depicted in Chart 3. One of these, the numerator of the lower line, is the 22 traditional conception of capital as fixed investment stock (physical structures and equipment) at historical cost minus depreciation. This is called the fixed capital stock of the nation and is tied directly to economic growth. It represents 23 what economic theorists from Adam Smith to Karl Marx to Keynes have referred to as the accumulation of capital. Capital formation and national income are closely related, generally rising and falling together, producing the relatively flat line, representing the ratio of fixed capital stock to national income, shown in Chart 3.24

Yet, capital, as Marx noted very early in the process, has more and more taken on the “duplicate” form of “fictitious capital,” that is, the structure of financial claims (in monetary values) produced by the formal title to this real capital. Insofar as economic activity is directed to the appreciation of such financial claims to wealth relatively independently of the accumulation of capital at the level of production, it has metamorphosed into a largely speculative form.25

This can be seen by looking again at Chart 3. In contrast to the lower line, the upper line depicts what is traditionally seen as the wealth/income ratio (which some economic theorists, such as Thomas Piketty, conflate with the capital/ income ratio, treating wealth as capital). The numerator here is the value of corporate stocks. Since the mid–1980s, the 26 ratio of stock value to national income has increased more than 300 percent. This marks an enormous growth of financial wealth, with speculation-induced asset growth sidelining the role of productive investment or capital accumulation as such in the amassing of wealth. This is associated with a massive redistribution of wealth to the top of society. The top 10 percent of the U.S. population owns 88 percent of the value of stocks, while the top 1 percent owns 56 percent. Rising stock values relative to national income thus mean, all other things being equal, rapidly rising 27 wealth (and income) inequality.28

The existence of the two conceptions of capital (and of capital/income ratios) presented here—one representing historical investment cost minus depreciation, and conforming to the notion of accumulated capital stock, the other the monetary value of stock equities (in economics traditionally treated as wealth rather than capital)—is often downplayed within establishment economics under the assumption that in the long run they will simply fall in line with each other, and with national income. As leading mainstream economic growth theorist Robert Solow writes: “Stock market values, the financial counterpart of corporate productive capital, can fluctuate violently, more violently than national income. In a recession the wealth-income ratio may fall noticeably, although the stock of productive capital, and even its expected future earning power, may have changed very little or not at all. But as long as we stick to longer-run trends…this difficulty can safely be disregarded.”29

But can the divergence of stock values from income (and from fixed capital stock) in reality be so easily disregarded? Chart 3 depicts a sharp increase in stock values relative to national income, which has now continued for over a third of a century, with decreases in total stock values as a ratio of national income (output) occurring during recessions, then rebounding during recoveries. The 30 overall movement is clearly in the direction of compounded financial hyperextension. This conforms to the general pattern of the financialisation of the capitalist economy, constituting a structural change in the system associated with the growth of monopoly-finance capital. This has gone hand in hand with a bubblier economy, with financial bubbles bursting in 1987, 1991, 2001, and 2008, but ultimately shored up by the Federal Reserve and other central banks.

Today, vast amounts of free cash are spilling over into waves of mergers and acquisitions, typically aimed at acquiring mega-monopoly positions in the economy. A major focus is the tech sector, much of which is directed at commodifying all information in society, in the form of a ubiquitous surveillance capitalism. All financial bubbles derive their animus 31 from some common rationale, which claims that this time is different, discounting the reality of a bubble. In the present case, the rationale is that the advance of the FAANG stocks (Facebook, Apple, Amazon, Netflix, and Google), which now comprise almost a quarter of the value of Standard and Poor 500’s total capitalisation, is unstoppable, reflecting the dominance of technology. Apple alone has reached a stock market valuation of $2 trillion. All of this is feeding a massive increase in income and wealth inequality in the United States, as the gains from financial assets rise relative to income. Yet, like all previous bubbles, this one too will burst.32

Kalecki determined that the export surplus on the U.S. current account increased free cash, as did the federal deficit.33 However, the current account deficit cannot be seen, in today’s overall structural context, as simply reducing free cash, because of the changed role of multinational corporations in late imperialism, which alters other parts of the equation. Due to globalisation and the rise of the global labor arbitrage, U.S. multinational corporations in their intra-firm relations have in effect substituted production overseas by their affiliates for parent company exports, thereby decreasing their investment in fixed capital in the United States. The sales abroad of goods by majority-owned affiliates of U.S. 34 multinational corporations in 2018 were 14.5 times the exports of goods to majority-owned affiliates. Foreign profits of 35 U.S. corporations as a proportion of U.S. domestic corporate profits rose from 4 percent in 1950 to 9 percent in 1970 to 29 percent in 2019. This mainly reflects the shift in production to low unit labor cost countries in the Global South. Samir Amin described the vast expropriation of surplus from the Global South, based on the global labor arbitrage, as a form of “imperialist rent.”36

This expansion of global labor-value chains is also associated with an epochal increase in what is called the non-equity mode of production, or arm’s length production. Companies like Apple and Nike rely not on foreign direct investment abroad, but instead draw on subcontractors overseas to produce their goods at extremely low unit labor costs, often generating gross profit margins on shipping prices on the order of 50 to 60 percent.37

The loss of investment in the United States, as U.S. multinational corporations have substituted production overseas, coupled with the growth of foreign profits of U.S. mega firms, has further increased the free cash at the disposal of corporations (even with a growing deficit in the current account), thereby intensifying the all-around contradictions of over-accumulation, stagnation, and financialisation in the U.S. economy. Much of this free cash is parked in tax havens overseas to escape U.S. taxes.38

Washington uses its printing press, through the federal deficit, to compensate for the U.S. current account deficit. Foreign governments cooperate, providing the “giant gift” of accepting dollars in lieu of goods, thereby acquiring massive dollar reserves. At some point, however, these contradictions are bound to undermine the hegemony of the dollar as the 39 world’s reserve currency, with dire ramifications for the U.S.-based world empire.

#### 2. 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.

#### 3. Capitalism is the root cause of the cementing of populism, nativism, and fascism.

Kelly Wilkins 8-15-19. Kelly Wilkins is interviewing Henry A. Giroux M.A. in history at Appalachian State University and a D.A. (Doctor of Arts) in history at [Carnegie-Mellon](https://en.wikipedia.org/wiki/Carnegie-Mellon). Honorary Doctorate of Humane Letters degree from [Chapman University](https://en.wikipedia.org/wiki/Chapman_University). "Henry A. Giroux: Neoliberal Capitalism Sets the Stage for Fascism," Truthout, https://truthout.org/articles/henry-a-giroux-neoliberal-capitalism-sets-the-stage-for-fascism/

**Henry A. Giroux:** What we need to understand is that neoliberalism does a couple of things that set the groundwork for a fascist politics. But behind all of that, there is a comment that Horkheimer mentioned once, and which always sticks in my mind. He said that if you can’t talk about capitalism, you can’t talk about fascism. I think that we have to keep that in the background. But what neoliberalism has done since the 1970s is it has created such economic misery, it has so accentuated levels of inequality, it has created such suffering, it has dismantled entire towns, it has concentrated wealth in the hands of the financial elite, and it has legitimated an enormous culture of cruelty. And it operates off the assumption that the market can solve all problems — not simply in the economy, but in all of social life — so it becomes a template and a model for all social relations. In doing so, it is at odds with any notion of the welfare state, any notion of labor unions, any notion of workers’ rights, and any notion of economic rights. It privatizes, deregulates, and commodifies everything. It sets up a series of competitive attitudes that degrades collaboration. It highlights self-interest at the expense of modes of solidarity. It so accentuates matters of inequitable relations in wealth and power that you have an enormous concentration of wealth and power in the hands of the financial elite, and this is enacted by all kinds of policies that undermine the foundations of a democracy — all of its basic institutions, from the press, to public goods such as schools and media, to politics itself. Money drives politics. We all know that now. But the other side of this is that it’s not just an economic system, it’s also an ideological system. As an ideological system, what it generally does is three things that are pernicious and which set the groundwork for a kind of right-wing populism and a fascist politics. First, it operates off the assumption that all social problems are individual problems. Therefore whatever problems people face, the blame for those problems rests with themselves — whether we’re talking about ecological disasters, about poverty, about homelessness, about ignorance and illiteracy, and so forth and so on. Secondly, in doing so it tends to depoliticize people, and by depoliticizing them it becomes very difficult for people — operating under that notion of self-interest, a brutal form of competition, and this heightened notion of rugged individualism — to translate private troubles into larger systemic issues. Hence they find it very hard to understand the conditions in which they find themselves. Thirdly, it creates an enormous culture of ignorance. You have these cultural apparatuses like Fox News, conservative talk radio, and digital online platforms, that constantly pump out conspiracy theories, lies, and attacks on the truth as ‘fake news’. This creates a level of ignorance in which ignorance is not innocent; ignorance actually becomes a form of depoliticization. People become very susceptible to simplistic answers, and they become very susceptible in their anger and their frustration to turning over their sense of agency to the strongman. They get wooed by appeals to ultra cultural sovereignty — shorthand for racism and nativism — and ultra cultural nationalism. They fall into the trap of believing in the friend/enemy divide. And in the United States, now under Trump and prior to Trump, with the rise of fascist politics that’s been going on for a long time, the friend/enemy divide translates into a racial divide. It’s a divide that basically supports xenophobia and a politics of racial cleansing. It says that people at the border are the enemy, it says that blacks are the enemy, it says that women cannot have certain reproductive rights. And so with the anger coupled with the misery, you have a perfect storm between that and the appropriation of what I want to call white supremacy, white nationalism, and this despicable notion of racial cleansing.

#### 4. Capitalism makes digital authoritarianism inevitable.

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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.

#### 5. It incentivizes China towards fin tech focus.

Cecilia Rikap 21. Professor of Economics and Coordinator of YSI States and Markets Working Group, Institute for New Economic Thinking. “The Interplays of the United States, China and their Intellectual Monopolies.” *Capitalism, Power and Innovation Intellectual Monopoly Capitalism Uncovered*. Routledge. 2021. 77-80.

As Strange (1996) anticipated, the decline of the state’s power vis-à-vis corporations can be partly explained by the acceleration of technological change, which tilts the scale in favour of corporations. As identified by Feenberg (2010, p. 5) “political democracy is largely overshadowed by the enormous power wielded by the masters of technical systems”. Indeed, we should consider that powerful intellectual monopolies pass over their home states in specific contexts or respects.11 With this in mind we reconceived core states as one of capitalism’s multiple powerful actors.

Beyond explicit confrontations, since intellectual monopolies organize and plan production and innovation networks taking place in different countries, they generate an overlap of political realms with sometimes contradictory rules and norms. Who oversees production and innovation inside the networks organized by intellectual monopolies? The latter or the different states where intellectual monopolies’ production or innovation networks are based? To whom subordinate firms and other organizations are accountable for their actions? Their state or the intellectual monopoly coordinating the network? The simple answer is both. The complicated part is to identify what happens when they are in contradiction, and what are the consequences of this complex set of power structures for workers and subordinated organizations.

Intellectual monopolies have replaced state functions as policymakers. An extreme example recently disclosed is Eric Schmidt, Alphabet’s former executive chairman, advising the US federal government while still managing Alphabet. He was the chair of the US Defense Innovation Board, which recommended the use of artificial intelligence to the US Department of Defense. He also chaired the National Security Commission on Artificial Intelligence which advises the US Congress on analogous topics (Klein, 2020).

The government’s threat over China is – at least to some extent – driven by US data-driven intellectual monopolies’ concern over Chinese rivals like Alibaba, Tencent and Huawei. The CEOs of Google, Amazon, Facebook and Apple made this clear in their testimonies in the 2020 US Congress Hearing. As a remedy, Schmidt had been pushing for more public investment in research related to artificial intelligence and tech-enabling infrastructure (such as 5G) (Klein, 2020). Furthermore, these data-driven intellectual monopolies make their own rules and norms for their digital republics and, to some degree, replace the role of states. Facebook’s founder and chief executive, Mark Zuckerberg, states it clearly

Every day, platforms like Facebook have to make trade-offs on important social values – between free expression and safety, privacy and law enforcement, and between creating open systems and locking down data.12

(Mark Zuckerberg, Feb 16, 2020)

And immediately afterwards, he advocates for more public regulations and informs that Facebook is working together with different governments to that end. A similar claim was raised by Sundar Pichai, arguing that artificial intelligence needs to be regulated.13

The division of power is not clear, given that corporate power and planning capacities go beyond national frontiers and beyond the capital they own. Overall, there is a legal vacuum in the reach of each state’s power and where the power of the intellectual monopoly controlling a portion of global production and innovation begins. This vacuum allows intellectual monopolies to expand their power and profits.

Another source of conflict between intellectual monopolies and core states concerns the relative absence of the usual benefits of being home to big corporations: employment generation and tax payments. Considering their earnings, global leading corporations do not generate in their home countries expected employment due to outsourcing and offshoring (of production and innovation), which is particularly the case of US and also European intellectual monopolies. This has contributed to the rise in inequalities in these regions. The consequent social distress put pressure on stringent regulations. In the US, we referred in Section 2.1 to the 2017 Tax and Jobs Act (Public Law 115-97), but changes have not been significant.

US intellectual monopolies are masters of tax avoidance. As we mentioned before, operations leading to lower tax bills and financialized profits are easier for companies with higher shares of intangible over tangible assets. Offshoring IPRs to countries where corporations are not required to pay taxes for their intellectual property is a mechanism frequently used to divert profits to tax havens (Bryan et al., 2017) (see Chapter 7 on Apple’s case). By the end of 2016, the top ten companies in terms of offshored savings were: Apple, Microsoft, Cisco, Oracle, Alphabet, Johnson & Johnson, Pfizer, Qualcomm, Amgen and Merck (Pozsar, 2018).

In China, whose global intellectual monopolies sprang from the sustained stimulus and protection of its state, the latter’s central planning capacity is starting to find limits vis-à-vis new intellectual monopolies. These corporations were not born as the chosen ones by the state, but still enjoyed the benefits of China’s protectionism. The recent case of Bytedance provides a good example. The company was spending its Chinese profits to expand its unprofitable business in the US when the US government banned its blockbuster TikTok app. Bytedance was not among Beijing’s favoured companies, among others, because of the difficulties in controlling the videos uploaded to TikTok (Yang, 2020). Regardless of the end of the story between TikTok, the US and Chinese governments and US intellectual monopolies as potential buyers for part of TikTok’s business, what the case put forward was a possible surge of clashes between emerging Chinese (data-driven) intellectual monopolies and their state. Indeed, in late 2020 the Chinese state delayed Ant Group’s IPO, followed by the introduction of antitrust regulation for digital companies.

Meanwhile, Europe remained focused on increasing regulations on foreign data-driven intellectual monopolies, including different accusations of excessive market power and unfair competition. Unlike previous stages in capitalism, Europe risks playing in the subordinate side, where the peripheries have historically been and generally remain. Germany’s fear of falling behind the US and China’s tech giants should also be read as a broader European concern to lag (far) behind those core economies.14 Overall, Europe and Japan are latecomers of the digital economy, and this space is being filled primarily by China, emerging as a digital technological power (UNCTAD, 2019). Moreover, with a drop of eight companies between March 2009 and December 2019, Europe’s share of global top 100 corporations in market capitalization fell from 27% to 15%. This drop was taken over by the US (PWC, 2020). Regulating the digital economy could thus be seen as Europe’s geopolitical rebalancing move.15

5 Final remarks

In this chapter, we argued that core states and certain corporations built a mutually beneficial relationship. We identified US and Chinese policies that contributed to the emergence and spread of global intellectual monopolies. Likewise, we elaborated on how these corporate leaders sustain and expand their respective countries’ geopolitical power. Nevertheless, we also addressed states’ concerns and the overall tensions of the juxtaposition of power between core states and intellectual monopolies.

The US state cannot afford to lose its intellectual monopolies since its global hegemon power significantly depends on those companies. Likewise, it cannot afford to let its intellectual monopolies be given their consequences for income and wealth concentration resulting in increasing social unrest. From the US state perspective, the technological war with China is necessary to remain the only superpower. Nevertheless, this conflict is also a powerful device to redirect public attention and blame – as it has always been the case of the United States – an “other” of the internal consequences of home (and global) capitalism.

Neither can the Chinese state afford to lose its alliance with its intellectual monopolies. Its national innovation system and geopolitical power are based on a strong partnership – although not without tensions – between China’s state and intellectual monopolies, the only ones challenging the US and its intellectual monopolies.

All in all, the US and Chinese states have benefited from their respective intellectual monopolies to build and reinforce their geopolitical power. Meanwhile, in the rest of the world, knowledge and data extractivisms are further expanding inequalities, diminishing social well-being and curtailing development opportunities (see Chapters 11–13). The resulting world scenario is a ticking bomb.

#### 5. It also controls the internal link to fish wars---the Parker evidence is about how self-interest drives behavior towards deforestation. The alternative removes the profit incentive that results in that over consumption.

Pigott 18 [Anna, Postdoctoral Research Fellow in Environmental Humanities, Swansea University. Capitalism is killing the world's wildlife populations, not 'humanity'. Conversation. 11-1-2018. https://theconversation.com/capitalism-is-killing-the-worlds-wildlife-populations-not-humanity-106125

The latest Living Planet report from the WWF makes for grim reading: a 60% decline in wild animal populations since 1970, collapsing ecosystems, and a distinct possibility that the human species will not be far behind. The report repeatedly stresses that humanity’s consumption is to blame for this mass extinction, and journalists have been quick to amplify the message. The Guardian headline reads “Humanity has wiped out 60% of animal populations”, while the BBC runs with “Mass wildlife loss caused by human consumption”. No wonder: in the 148-page report, the word “humanity” appears 14 times, and “consumption” an impressive 54 times.

There is one word, however, that fails to make a single appearance: capitalism. It might seem, when 83% of the world’s freshwater ecosystems are collapsing (another horrifying statistic from the report), that this is no time to quibble over semantics. And yet, as the ecologist Robin Wall Kimmerer has written, “finding the words is another step in learning to see”.

Although the WWF report comes close to finding the words by identifying culture, economics, and unsustainable production models as the key problems, it fails to name capitalism as the crucial (and often causal) link between these things. It therefore prevents us from seeing the true nature of the problem. If we don’t name it, we can’t tackle it: it’s like aiming at an invisible target.

Why capitalism?

The WWF report is right to highlight “exploding human consumption”, not population growth, as the main cause of mass extinction, and it goes to great lengths to illustrate the link between levels of consumption and biodiversity loss. But it stops short of pointing out that capitalism is what compels such reckless consumption. Capitalism – particularly in its neoliberal form – is an ideology founded on a principle of endless economic growth driven by consumption, a proposition that is simply impossible.

Industrial agriculture, an activity that the report identifies as the biggest single contributor to species loss, is profoundly shaped by capitalism, not least because only a handful of “commodity” species are deemed to have any value, and because, in the sole pursuit of profit and growth, “externalities” such as pollution and biodiversity loss are ignored. And yet instead of calling the irrationality of capitalism out for the ways in which it renders most of life worthless, the WWF report actually extends a capitalist logic by using terms such as “natural assets” and “ecosystem services” to refer to the living world.

By obscuring capitalism with a term that is merely one of its symptoms – “consumption” – there is also a risk that blame and responsibility for species loss is disproportionately shifted onto individual lifestyle choices, while the larger and more powerful systems and institutions that are compelling individuals to consume are, worryingly, let off the hook.

### AT: Sustainable (Hsu)

#### 1. We’re not past the tipping point.

Kenneth P Tucker 21. Senior [lecturer at the Fletcher School](mailto:ken.pucker@tufts.edu) at Tufts University and a lecturer at Boston University’s Questrom School of Business. Advisory director at Berkshire Partners and was formerly the chief operating officer of Timberland. "Overselling Sustainability Reporting," Harvard Business Review May-June 2021. https://hbr.org/2021/05/overselling-sustainability-reporting

**Where to Focus** Most of the sustainability effort at Timberland went into measuring and improving areas where the company had some control. For example, it put solar arrays on some of its buildings, installed LED light bulbs in its offices and retail stores, and limited workers’ hours in contractor factories. Other companies that have made sincere attempts to improve their social and environmental performance have generally behaved similarly: They’ve focused on what systems thinkers call *parameters*—dials that can be turned up and down to change performance without altering the structure of the larger system. However, researchers have found that those parameters are rarely sources of real impact. The late Donella Meadows, the primary author of The Limits to Growth and a distinguished professor of system dynamics at Dartmouth, analyzed 12 types of intervention that would affect system performance and concluded that parameters are the least powerful. Probably 99% of efforts go to parameters, she wrote, “but there is not a lot of leverage in them.” High-leverage interventions that would move the needle are largely outside the control of individual corporations. Such interventions wouldn’t be popular in the corporate world because they require changes in the rules governing companies’ behavior, a repricing of resources to address market failures, and a reorientation of how public assets are allocated and how power is distributed. Unfortunately, Sustainability Inc.’s focus on measurement and reporting—and the underlying premise that market-based change would be sufficient—has likely helped to delay these much-needed structural transformations. So has misplaced faith in overhyped approaches such as “creating shared value” and “the circular economy”; these are touted as win-win, pain-free solutions, but supporters invoke case studies, not empirical research, as evidence. In her speech at COP25, in 2019, the climate-change activist Greta Thunberg astutely noted, “The biggest danger is not inaction. The real danger is when politicians and CEOs are making it look like real action is happening when in fact almost nothing is being done, apart from clever accounting and creative PR.” This is not to say that investors and companies can’t make a difference. Corporate commitments to science-based goals are one promising path to improvement. It is good news that companies such as Apple and Microsoft are committing to net-zero trajectories, including for their scope 3 emissions, on a timeline that’s consistent with the planetary boundaries framework. Just recently BMW announced that its suppliers’ carbon footprints will be a key factor in procurement decisions going forward, and Climate TRACE, a coalition funded partly by Google, is developing a satellite-based tool to measure all emissions, including scope 3, in real time. These are welcome advances. But if we are to bend the global emissions curve downward and address growing environmental and social challenges effectively, a more aggressive approach is needed. The following suggestions are places to begin. **Measure less, better.** The current plethora of authorities and frameworks for ESG measurement is unwieldy, confusing, and burdensome for companies. It’s encouraging that five of the leading standard setters and measurement bodies—including GRI and the Sustainability Accounting Standards Board—are collaborating to streamline and harmonize standards for reporting. The European Commission and the International Financial Reporting Standards Foundation are undertaking other efforts to improve reporting practices. My hope is that what emerges will include a commitment to a transparent application of rigorous science-based targets in line with nature’s limits. No matter what standard ultimately prevails, sustainability reports must be mandated and audited by an empowered referee. **“The real danger is when politicians and CEOs are making it look like real action is happening when in fact almost nothing is being done.” Mobilize.** Vested interests and system inertia have been formidable obstacles to progress. Attempts to self-regulate have delivered incremental gains that have been subsumed by business as usual and the unyielding pressure to grow. However, with mounting evidence that climate change is harmful and accelerating, grassroots global movements for action—such as the Sunrise Movement and 350.org—are making what the civil rights hero John Lewis called “good trouble.” **Spend government funds on the right things.** According to the IMF, global subsidies for fossil fuels topped $5 trillion in 2017. In the United States, tens of billions of dollars have gone to subsidies for biofuels, including ethanol. This makes no sense. We are using taxpayer money to subsidize energy sources that accelerate future environmental damage. Imagine if governments instead invested those resources in R&D for carbon capture, incentives for retrofitting buildings, or infrastructure to spur faster growth in renewable energy. Change the system. Executives and investors operate in keeping with the rules and incentives of the system. If their behavior is to change, the rules that governments set and enforce also need to change. More specifically, as a partial list, corporations should be prevented from co-opting the regulatory apparatus; carbon emissions should be capped or taxed to account for their social costs; the agriculture industry should be incentivized to transition from spewing carbon to sequestering it; and lawmakers should ban the building of new thermal coal plants as a source of primary energy. In addition, as Meadows pointed out when discussing leverage points for system intervention, our mindsets, and assumptions about how the world works are potential sources of profound impact. A sustainable system will ultimately require a paradigm shift from the prevailing goal of wealth creation to one of well-being, and a shift in focus away from GDP and toward something akin to the OECD’s Better Life Index. Commitments to concepts such as regenerative agriculture, reuse, and collective value represent first steps in the right direction. **. . .** After two decades of trying, it should be clear that the market alone will not address worsening social and environmental challenges. The British economist Sir Paul Collier summed up the situation well when he said that capitalism “doesn’t work on autopilot. Periodically throughout its 250-year history, capitalism has derailed. And when that happens, it’s been up to public policy to get it back on the rails—public policy and the efforts of private citizens, of firms and families.” Ultimately, corporations exist within a broader system. The obsession with shareholder primacy has served executives and investors well, but it has left younger generations with a staggering bill. This past-due invoice includes environmental degradation, biodiversity loss, income inequality, and climate change. Going forward, stability and prosperity require that executive leaders advocate for structural changes that enable them to focus beyond the next quarter’s numbers. After all, like the members of Sustainability Inc., they, too, want to pass on a better world than the one they inherited.

#### 2. We can’t capture carbon.

Tim McDonnell 20. Reporter covering global climate change and energy issues, 8-13-2020, “The business model for carbon capture is broken,” <https://qz.com/1891765/the-uss-only-clean-coal-system-got-shuttered-by-covid-19/>

In the months since the pandemic cratered the price of oil, the financial fallout has spread from drilling companies to refineries and oilfield maintenance companies. Now the crash has claimed another, more unlikely victim: The only system built to capture carbon emissions from a coal plant in the US, one of only two worldwide.

The $1 billion system, known as Petra Nova, was built in 2017 to catch CO2 from one unit of a coal plant near Houston. That plant is one of the dirtiest in Texas, both in terms of climate and air quality impacts, according to a Rice University study. Petra Nova was meant to cut the unit’s carbon footprint by about a third—roughly the equivalent of taking 300,000 cars off the road each year.

But on July 28, E&E News broke the story that the facility has been shuttered since May. And while the plant’s owners have said they plan to get it running again once the economy improves, Petra Nova’s shutdown exposes the weird market dynamics that could threaten the sustainability of carbon capture facilities in progress around the world.

The case for carbon capture

Capturing the carbon emissions from power plants and other industrial facilities is widely considered a key part of any successful climate strategy. The trouble is, there’s not a whole lot you can do with the CO2 after you capture it. That makes the economic case for installing a big, expensive piece of equipment a bit shaky. Some companies are helping create a market for CO2 by using it to make mattresses, cement, and other manufactured products. But the use with the greatest market potential today is, ironically for a climate project, oil drilling. That’s what Petra Nova went after.

So-called “enhanced oil recovery” (EOR) projects inject CO2 into oil wells to shake loose the dregs stuck in subterranean rocky pores. The technology is decades old, but has traditionally relied on CO2 pulled from natural sources underground. If the CO2 comes from a power plant’s emissions, though, it can reduce the climate impact of drilling. A barrel of oil produced with EOR using captured CO2 is, on net, about 37% less carbon-intensive than a normal barrel, according to the International Energy Agency. “EOR is a stepping stone,” said John Thompson, technology and markets director at the Clean Air Task Force, a research group. “If you have to choose between oil produced the conventional way or one that’s reduced, you’d like all your oil to come from that.”

The coal plant conundrum

Large-scale carbon capture and storage (CCS) systems, many of which rely on EOR, have been rolled out at nearly two dozen facilities worldwide, from chemical and fertilizer factories to natural gas processing plants. But they’ve remained elusive for power plants. In large part, that’s because the CO2 in power plant emissions is relatively diffuse. And that means it’s more expensive to capture.

One groundbreaking coal plant CCS project in Mississippi turned into an infamous $8 billion boondoggle before it was scrapped in 2018. The world’s only other power plant CCS project, in Canada, has fared better: It claims to have captured 3 million tons of CO2 since 2014, and has managed to stay open despite the low oil price because the country’s strict limits on coal pollution make the economics more favorable. The $1 billion Petra Nova project was supposed to top them all. But according to a report the plant’s owners filed to the Department of Energy in March, the results have been mixed. The technology itself appears to be working: It managed to capture 92.4% of the CO2 that passed through it since 2017. It experienced outages on 367 days, but a majority were either planned for routine maintenance or the result of something outside the system—for example, the entire coal plant being switched off for weeks following Hurricane Harvey.

But in part because of those outages, the system fell 17% short of its capture goal. Ultimately, it only captured about 7% of the plant’s total carbon emissions, according to the Energy and Policy Institute. Then the pandemic tossed the project’s whole business model on its head. In order to operate, the system requires oil prices of at least $75 per barrel. Otherwise, it’s not worth the oil company’s money to bother purchasing CO2 for EOR. Even before the pandemic, the oil price was around $60; after briefly dipping below zero in April, it’s now around $40. Few experts expect the price to return to pre-pandemic levels anytime soon, if ever.

“Petra Nova was a success in terms of technology,” said Daniel Cohan, a civil engineering professor at Rice who co-authored the power plant study. “But the premise behind it no longer makes sense environmentally or financially.” Petra Nova’s portent Arij van Berkel, director of research for the consulting firm Lux Research, agrees: The chances of an economical EOR model of carbon capture get smaller every year, he said. It’s not just coal plants feeling the pinch: A solar power farm in Oman that produced concentrated steam for oil drilling was liquidated in May because of the low oil price. Some of the oil price issues could be smoothed out with a new carbon capture tax credit, known as 45Q, that Petra Nova was just filing paperwork to tap before the pandemic struck. That credit is even higher if a company chooses to inject the CO2 directly into underground reservoirs, rather than sell it for EOR.

But oil prices aren’t the only vulnerability for other coal CCS projects coming down the pike, including one in New Mexico and another in North Dakota. The pandemic also crushed demand for electricity—and coal plants, which are expensive to run, are often the first to get switched off. Decreased demand means fewer emissions, and therefore fewer tax credits to keep an operation afloat.

It’s a Catch-22: A promising technology for reducing emissions from coal requires both high oil prices (aka, more oil being produced) and a lot of coal consumption. “Proponents of these projects are selling an unproven dream that in all likelihood will become a nightmare for unsuspecting investors,” Dennis Wamsted, an analyst at the Institute for Energy Economics and Financial Analysis, said in a recent report on Petra Nova. “Investors would do well to conduct their due diligence before investing in any coal-fired carbon capture project anywhere.”

#### 3. Electric vehicles---can’t power.

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.

### Permutation---2NC

#### 3. Band-aid solutions that focus solely on U.S. banks fail. Now is a genuine moment to demand solutions outside of capitalist finance. State-owned finance is key. Post-plan, the banks still make the decisions and control the economy. The idea that increased competition will blunt the harm of that power is a fantasy.

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Unfortunately, Barofsky’s unwitting role in the drama was to provide cover for the very institutions that had caused the crisis, “foaming the runway” for the banks so they could return to business as usual. And return they have. Today, America’s financial behemoths are bigger than ever.

On the tenth anniversary of TARP’s founding, another man has decided to take on the banks. Bernie Sanders introduced a bill in Congress last week — the “Too Big To Fail, Too Big to Exist Act” — to cut America’s biggest financial institutions down to size and, hopefully, prevent a second Great Recession. The primary aim of the legislation is to force the “breakup of any financial institution with a total exposure greater than 3 percent of our nation’s GDP, $584.5 billion.” It targets JP Morgan Chase, Citigroup, Wells Fargo, Goldman Sachs, Bank of America, and Morgan Stanley — which, according to the bill’s summary, control over $10 trillion in assets or 54 percent of the US gross domestic product.

Sanders’s bill is a step in the right direction. But if we want to transfer power from Wall Street to Main Street, we’re going to have to think bigger.

Preventing the Next Crisis

The timing of Too Big’s release commemorates more than just the debacle of Wall Street fat cats getting paid while millions lost their homes, jobs, and pensions in the 2008 crisis. It’s also a reminder that even though a decade has passed since the financial meltdown, the country is still in crisis. The US economy is doing well by many accounts — low official unemployment and inflation, strong corporate profits and stock market — yet we feel an overwhelming sense of foreboding. Hand wringing and murmurs about getting out ahead of the next big one have checkered the pink pages for months.

Getting out ahead is a central aim of Sanders’s bill. The logic is simple: if we don’t let banks get too big, they won’t bankrupt us if (and when) they fail. The bill compels banks to shrink down (within two years), and limits their freedom to gamble with insured deposits while they restructure. It also requires insurance companies and other “near-bank” financial institutions to publicly report their exposure, and increases oversight from the Federal Reserve vice-chair for supervision and the Financial Stability Oversight Council.

So would Sanders’s bill prevent a catastrophe like the 2007–8 US crisis and bailout? The experts will no doubt weigh in. It’s worth remembering, however, that the 2007–8 crisis was a “black swan” event. Even observers who were deeply uneasy about the housing bubble had little sense of the magnitude or the mechanisms of the coming crash. When Lehman Brothers tanked, nearly everyone (except maybe that guy in The Big Short) was stunned.

While it’s impossible to say how the next big financial crisis will play out, the global financial system remains highly integrated and unstable — so it’s a safe bet that the conflagration won’t be contained to a handful of big US banks. As a bill focused primarily on American financial institutions, Too Big does little to address the global nature of financialization, making no attempt to restructure global financial markets or regulate capital flows. This is likely to limit its efficacy, especially considering how the ripple effects of the 2008 financial crisis were felt in nearly every corner of the world. It’s hard to imagine how we could prevent or ameliorate the next big one without addressing the interlocking nature of global finance.

Tackling global financial hegemony is a tall order, however, so it’s unfair to dismiss the bill for not doing so. Sanders is right to go after the big US banks. They should be reined in. But we should also be clear-eyed about Too Big’s limitations.

The bill’s supporters — including left-liberal heavyweights like James Galbraith, Robert Hockett, and Dean Baker — view it as a big step in the effort to “revitalize Main Street and cut Wall Street back down to size.” Brad Sherman, a cosponsor and fellow break-up-the-banks advocate, says, “By breaking up these institutions long before they face a crisis, we ensure a healthy financial system where medium-sized institutions can compete in the free market.”

Proponents of the bill further contend that by limiting the size of financial institutions, credit will flow more widely and smaller banks will multiply, serving Main Street instead of Wall Street and ameliorating the annoying fact that big banks would rather earn a profit on hedges and derivatives than lend money to communities and households. If we just restore competition, the “free market” will work its magic.

This is a fantasy. A “healthy financial system” would force banks (no matter their size) to loan money to ordinary people at low interest rates. It would place strict limits on how banks could use federally insured (and publicly backed) deposits. It would guarantee community access to affordable loans. It would ban the predatory practices of banks in poor neighborhoods, especially poor neighborhoods of color, and expand basic affordable financial services to the millions of American households who are either unbanked or are forced to rely on financial predators. The bill does none of these things.

Sanders’s bill is perfectly fine as a stopgap measure. But if our goal is to reduce the power of financial logic to shape life according to the needs of the rich, we need a bigger vision. Too Big, alongside legislation like New York senator Kirsten Gillibrand’s postal banking bill (which Sanders and others support), could be part of this bigger vision — but they can’t be the anchor point of radical reform.

Rethinking Finance

As Jacobin authors have repeatedly argued (here, here, and here — for a start), we need a more expansive understanding of finance’s role in everyday life. Finance makes the economy go. It allows countries, communities, households, and individuals to plan, build, and grow. It is central to capitalism and would be just as central to socialism.

As such, finance should be a central part of any socialist vision. Instead of band-aid reforms and free-market fantasies, we should socialize finance, re-envisioning it as a public utility rooted in decommodified institutions that enable us to collectively decide upon and enact projects oriented toward people instead of profit.

Neoliberal capitalism is in the midst of a deep crisis of legitimacy. This crisis has exacerbated long-standing divides, putting a monster in the White House and people in the streets. It is also why, for the first time in decades, we have a genuine political opening in which to demand something better than a return to the status quo. Now is the moment to rethink finance so it can be used to build a better society, rather than settling for solutions that “restore competition” in the banking sector in the hope that next time will be different.

4. It’s particularly true of their antitrust prescription to the problem. The history of antitrust as a tool to quell the working class. It is a strategy used by the bourgeoise to pacify dissent, it abdicates responsibility for the current conditions of neoliberalism. Elites are able to wipe their hands and say that they’ve regulated banks, which is a strategy to defend themselves against criticisms of structural unsustainability. Antitrust is historically followed by deregulation, slashing of social welfare, and excessive market consolidation. No broader changes are made because antitrust can always be pointed to as the key to making the unsustainable system sustainable. That’s Wolff.

### Alt---2NC

#### 6. A focus on policy solutions is “status-quo reproducing.” You should flip your evaluation for solvency from the bottom up, not the top down.

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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.

### AT: Populism

#### 1. They vote neg.

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State roles and eco-social policies in the transformation to a steady-state economy Here I apply the materialist state perspective to the issue of how existing states could assist and initiate a transformation from a capitalist growth economy to a sustainable post-growth one. Raising this issue is somewhat against the growth-critical mainstream since neither state theories nor policies are especially popular in post-growth/degrowth circles. In fact much green thought has tended to view states as part of the problem rather than as the solution (Cosme et al. [2017](https://www-tandfonline-com.proxy.library.emory.edu/doi/full/10.1080/09644016.2019.1684738)). Yet Cosme et al. also demonstrate that most concrete policy proposals tabled by growth-critical scholars are traditional ‘top-down’ and state-led measures rather than ‘bottom up’ and community-led. I would argue that this contradiction – between conceptualising the state as an external power, incapable of initiating change in an ecological and social direction, and politically appealing to it to do precisely this – can be overcome through an application of materialist state theory. In particular, Poulantzas’ concept of ‘condensation’ of wider societal struggles within the state indicates that the political actions of the state are far from independent of what goes on beyond it. If mobilisation by socio-ecological and growth-critical groups reached a critical momentum (Buch-Hansen [2018](https://www-tandfonline-com.proxy.library.emory.edu/doi/full/10.1080/09644016.2019.1684738)), the existing state apparatus could be used to initiate a transition that breaks the glass ceiling of current environmental states. This would require a combination of bottom-up mobilisations and action and top-down regulation, resulting in a new mix of property forms including communal, state, and individual property and a new division of labour between market, state, and ‘commons’. The top-down aspect of this transition would presuppose an ‘active interventionist “innovation state”, with substantial public investment, state banking, subsidies, and other incentives to private investment and greater regulation and planning’ (Gough [2017](https://www-tandfonline-com.proxy.library.emory.edu/doi/full/10.1080/09644016.2019.1684738), p. 197). A range of policies concerning taxation and/or caps on wealth and/or income to offset regressive impacts on lower-income groups would be required to reverse growing levels of inequality that are likely to accompany an economic retraction (Buch-Hansen and Koch [2019](https://www-tandfonline-com.proxy.library.emory.edu/doi/full/10.1080/09644016.2019.1684738)). At the same time, the investment functions of social policy would need to be enlarged and reconciled with environmental investment. If integrated into a comprehensive strategy, the following state policy initiatives could facilitate the transition to an economy beyond the growth imperative.

### AT: Block Chain

#### Block chain argument---zero reason the alternative doesn’t solve this. It’s not degrowth and it’s not a critique of technology. They have no reason the government can’t creates critical technologies in the transition outside of capitalism.

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Jeremy Rifkin makes the case that the GPL could be considered a digital version of the regulation of the limited access commons, inasmuch as it incorporates many of Ostrom’s principles: the conditions of inclusion; the restrictions of exclusion; the rights governing access; withdrawal, enhancement and stewardship of the resources; and so on (Rifkin 2014: 175). The difference here is that FOSS is open access rather than limited access. Similar efforts are underway to implement Ostrom’s principles on Blockchain, which is a decentralised ledger on the Internet, allowing for numerous applications with as yet uncertain potential (Rozas et al. 2018). Blockchain is one of the applications of peer production, which makes use of the end-to-end principle of the Internet, allowing content (file sharing, processing cycles, etc.) to be delivered by equal computers along the network. FOSS, Blockchain and the digital commons are instances of peer production, supported by the architecture of the Internet. The general idea behind distributed ledgers such as Blockchain is to use peer to-peer networks to verify the authenticity of a token of value (money), an indicator of personal reputation, a recognised legal agreement among parties or a group encapsulated in smart contracts, or a tool for voting and decision making (Bollier and Helfrich 2019, 326). Distributed ledgers can support the creation of community currencies that enable people to coordinate the terms of their cooperation at scale, without the threat of enclosure. Instead of making decisions through rigid hierarchies with centralised direction and relying on property rights vested in a few people, distributed ledgers can support transparency and democratic decision making. Holochain is another example of a lighter, far more energy-efficient and versatile set of software applications than Blockchain, since there is no single ledger in Holochain to store data. Holochain is based on an open data, distributed architecture that allows every user to have his or her own secure ledger to store their personal data (Bollier and Helfrich 2019, 326). The core idea of Holochain is to enable the ‘renting out’ of user-computing capacity in exchange for Holo Fuel currency to circulate within the network and kick-start a new parallel economy of services (Bollier and Helfrich 2019, 328–332). This establishment of Holo Fuel currency basically constitutes a mutual credit system backed by an asset (computing power). As more enterprises join Holochain and back its value with actual assets and services such as food, transport, energy or elderly care services, a commons-based economy will emerge. Holochain can be further used to build decentralised applications for peer governance, social networks, platform cooperatives, open supply chains, community resource management as well as tokenless mutual-credit cryptocurrencies and reputation systems. Thus, Holochain can express the flows of value that market prices cannot represent such as positive (social relationships and contributions to the commons) and negative externalities (waste, pollution).

#### Propriety rights, no incentive for R&D

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But prioritizing profit is a double-edged sword that can hamper innovation. Owning the proprietary rights allows private firms to block workers—through anti-competitive tools like non-compete agreements, patents, and licenses—who put labor into the innovation process from applying the extensive technical expertise and intimate understanding of the product to improve the innovation substantially. This becomes especially relevant once the workers leave the firm division in which they worked, or leave the firm altogether. Understandably, this lack of control and ownership will cause some workers, however passionate they may be about a project, to be less willing to maximize their contribution to the innovation.

Of course, the so-called nimbleness that allows firms to make drastic changes like mass layoffs is extremely harmful to the workers. This is no fluke. The capitalist economy thrives on a reserve army of labor. Inching closer to full employment makes workers scarcer, which empowers the labor force as a whole to bargain for higher wages and better work conditions. These threaten the firm’s bottom line. So, the capitalist economy is structured to maintain the balance of power towards the owners of capital. Positions that pay well (and less than well) come with the precariousness of at-will employment and disappearing union power. A constant pool of unemployed labor is maintained through layoffs and other tactics like higher interest rates, which the government will compel to help slow growth and thereby hiring. This system harms the potential for innovation, too.

The fear of losing work can dissuade workers from taking risks, experimenting, or speaking up as they identify items that could improve a taken approach—all actions that foster innovation. Meanwhile, thousands of individuals who could be contributing to the innovative process are instead involuntarily un-employed. This model also encourages monopolization, as concentrating market power gives private firms the most control over how much profit they can extract. But squashing competition that could contribute fresh ideas hurts every phase of the innovation process, while giving workers in fewer workplaces space to innovate.

Deferring to profit causes many areas of R&D to go unexplored. Private firms have less reason to invest in innovations likely to be made universally available for free if managers or investors do not see much upside for the firm’s bottom line. In theory, the slack in private research can be picked up by the public sector. In reality, however, decades of austerity measures  threaten the public’s ability to underwrite risky and inefficient research. Both the Democratic and Republican parties increasingly adhere to a neoliberal ideology that vilifies “big government,” promotes running government like a business, pretends that government budgets should mirror household budgets or the private firm’s balance sheet, and rams privatization under the guises of so-called public-private partnerships and private subcontractors.

In the United States, public investment in R&D has been trending downward. As documented in a 2014 report from the Information Technology & Innovation Foundation, “[f]rom 2010 to 2013, federal R&D spending fell from $158.8 to $133.2 billion … Between 2003 and 2008, state funding for university research, as a share of GDP, dropped on average by 2 percent. States such as Arizona and Utah saw decreases of 49 percent and 24 percent respectively.” Even if public investment in the least profitable aspect of research suddenly surged, in our current model, the private sector continues to be the primary driver of development, production, and distribution. Where there remains little potential for profit, private firms will be reluctant to advance to the next phases of the innovation process. Public-private projects raise similar concerns. Coordinated efforts can increase private investment by spreading some costs and risk to the public. But to attract private partners in the first place, the public sector has a greater incentive to prioritize R&D projects with more financial upsides.

This is how the quest for profits and tight grip over proprietary rights, both important features of the capitalist model, discourage risk. Innovations are bound for plateauing after a few years, as firms increasingly favor minor aesthetic tweaks and updates over bold ideas while preventing other avenues of innovation from blossoming. At the same time, massive amounts of capital continue to float into the hands of a few. The price of innovating under capitalism is then both decreased innovation and decreased equality. The idea that this approach to innovation must be our best and only option is a delusion.

## 1NR

### Overview---2NC

#### The impact is linear which means any DA to the perm outweighs---even small forecasting differences prevent war.

J. Peter Scoblic and Philip E. Tetlock 16. Scoblic, Fellow in the international security program at New America. "We didn’t see Donald Trump coming. But we could have.". Washington Post. 2-12-2016. https://www.washingtonpost.com/opinions/we-didnt-see-donald-trump-coming-but-we-could-have/2016/02/12/46ece26a-d0db-11e5-abc9-ea152f0b9561\_story.html

The answer lies in measuring a forecaster’s performance over many predictions. Do the things you say will happen 5 percent of the time actually happen about that often? Do you assign high probabilities to events that happen and low probabilities to those that don’t, as opposed to playing it safe with middle-of-the-road predictions? By answering these questions, we can find out whose forecasts are generally the most accurate — even if we can’t say they were “right” — and use the results to refine our beliefs and plan for the future.

Individuals, businesses and policymakers often face choices involving competing priorities and limited resources. Probabilistic predictions, especially from forecasters who have proved their accuracy over time, can enable better decisions, and even small improvements in predictive ability can mark the difference between danger and security, recession and growth, war and peace. Imagine that the intelligence community had been more circumspect in 2002, saying there was a 75 percent chance that Iraq had weapons of mass destruction (and a 25 percent chance it did not) instead of bluntly stating, “Baghdad has chemical and biological weapons.” Would Congress still have authorized the use of force? No one knows for sure, but lawmakers might have been more cautious. Decreasing the odds of multi-trillion-dollar mistakes is not something to sniff at.

What about supposed black swans, though? It’s true that judging the accuracy of forecasts involving extremely unlikely events is harder, because they could take decades or even millennia to play out. But there are still standards we can use to benchmark those odds, especially compared with other unlikely events. So even if we can’t assign an objective probability to an alien invasion, we can presumably say it’s less likely than, say, war with Russia and prepare accordingly.

A purely black swan is, by definition, a completely unforeseeable event, and there are relatively few of those. The 9/11 attacks are often cited as an example, but there were many data points suggesting that al-Qaeda wanted to attack the United States and that terrorists might use airplanes as weapons. (Tom Clancy had even published a book in which a pilot intentionally crashes a jetliner into the Capitol.) As the 9/11 Commission Report put it, the attacks “were a shock, but they should not have come as a surprise.”

Likewise, the intelligence community considered the possibility of the Soviets placing missiles in Cuba, of Islamists overthrowing the shah of Iran and of the Soviet Union collapsing under the weight of communism. That does not mean that its forecasts were accurate! But if these scenarios were imaginable, then they were predictable in a ballpark probabilistic sense. And the accuracy of those predictions could have been used to refine the intelligence community’s models of the world.

Prediction is not positivism: We need to be humble about what we know and what we don’t know — and always remember that a probability is just that. There are limits to our foresight, but better prediction can reduce the uncertainty that erodes confidence in the future. Trump is wrong: America doesn’t need to be made great again. But prediction just might make it better.

#### Outweighs and turns every impact---forecasting models are key to action on all existential risks.

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Conclusion

Uncertainty surrounds every major foreign policy debate. As of this writing, for example, the US public is sharply divided in assessing the extent to which restricting immigration from Muslim-majority countries could reduce (or potentially exacerbate) the risk of terrorism. One of the foremost controversies facing the United Nations Security Council concerns the extent to which economic sanctions can reduce the probability that North Korea will continue expanding its nuclear arsenal. Debates over policy responses to climate change revolve around different perceptions of the risks that climate change poses and of the extent to which regulations could feasibly reduce those risks. At the broadest level, it is logically impossible to support a high-stakes decision without believing that its probability of success is large enough to make expected benefits outweigh expected costs. For that reason, it makes little sense to ask whether foreign policy analysts should assess probability. The question is rather how they can assess probability in the most meaningful way possible.

We have seen throughout this article how many scholars and practitioners are deeply skeptical of probability assessment. It is easy to understand why this is the case. Many of the events that have shaped world politics over the past two decades—such as the September 11, 2001 terrorist attacks, mistaken judgments of Iraq's presumed weapons of mass destruction programs, the 2008 financial crisis, the Arab Spring, the rise of ISIS, Brexit, and the election of Donald Trump—were outcomes that most political analysts failed to see coming or cases in which experts confidently stated that the opposite would be true. Our ability to predict world politics is clearly less accurate than we would like it to be.

This article nevertheless shows that it is a mistake to believe that probabilistic reasoning is meaningless in world politics or to think there is no cost to leaving these judgments vague. By examining nearly one million geopolitical forecasts, we find that foreign policy analysts could consistently assess probability with numeric precision. We find that rounding off these forecasts into qualitative expressions—including qualitative expressions currently recommended for use by US intelligence analysts—systematically sacrifices predictive accuracy. We see no evidence that these returns to precision hinged on extreme forecasts, short time horizons, particular scoring rules, or question content. We also see little indication that the ability to parse probabilities belonged primarily to respondents who possess special educational backgrounds or strong quantitative skills.

These findings speak to both academic and practical concerns. Great scholars such as Popper, Keynes, and Mill have all expressed doubts about the value of assessing subjective probability. Aristotle himself argued that justifiable precision declines as questions become more complex. Yet, even if that is true, it does not tell us where the frontier of justifiable precision lies in foreign policy analysis or in any other discipline. That is ultimately an empirical question, and to our knowledge, this article represents the first attempt to address that question directly. The results of our analysis are relevant not only for intelligence analysts and military planners, but also for scholars, pundits, and any other participants in the broader marketplace of ideas. In short, our data indicate that it is possible to improve the quality of foreign policy discourse on a widespread and immediate basis, simply by raising standards of clarity and rigor for assessing uncertainty.

### AT: PDB---2NC

#### Adding durability is bad---revision is key to policy accuracy.

Jeffrey A. Friedman et al. 18. Assistant Professor of Government at Dartmouth College. Joshua D. Baker is a Ph.D Candidate in Psychology & Marketing at the University of Pennsylvania. Barbara A. Millers is the I. George Heyman University Professor at the University of Pennsylvania. Philip E. Tetlock is the Leonore Annenberg University Professor at the University of Pennsylvania. Richard Zeckhauser is the Frank P. Ramsey Professor of Political Economy at Harvard University. “The Value of Precision in Probability Assessment: Evidence from a Large-Scale Geopolitical Forecasting Tournament”. International Studies Quarterly, Volume 62, Issue 2, June 2018, Pages 410–422, https://doi.org/10.1093/isq/sqx078

We also find that respondents’ experience making forecasts and their willingness to revise those forecasts consistently predict higher returns to precision (though the latter finding fell short of the p < 0.05 threshold in some models). These findings provide additional grounds for optimism that professional forecasters could replicate and potentially exceed the returns to precision shown in GJP's data. Many national security professionals assess uncertainty on a daily basis over many years. Professional foreign policy analysts also have much more opportunity and incentive to refine and revise their forecasts in light of new information than did GJP respondents, who revised their forecasts less than twice per question, on average.

#### Reversion key to superforecasting.

Brad Keywell 17. Uptake Technologies, Founder & CEO. "What Makes a Good Forecaster? ". 7-12-2017. https://www.linkedin.com/pulse/what-makes-good-forecaster-brad-keywell

They admit when they’re wrong: When accused of being inconsistent, the legendary British economist John Maynard Keynes is said to have once quipped back: “When the facts change, I change my mind. What do you do, Sir?” Many people (who are not superforecasters) do not change their mind when the facts change. Instead, they fall into a downward spiral of defensiveness and stubbornness. This is dangerous! Opinions in any organization or business must be open to discussion, distillment, disagreement, and, dissent and discard. Opinions may be ours, but they are not us, and they do not define us. Facts are meant to be discovered. They are not screaming out at us. Rather, we must be diligent explorers and searchers to find those relevant facts that matter most. And if we find a fact that makes our opinion wrong, embrace it! Be wrong – being disproven by a new fact is excellent. It’s normal, and it’s valued in a fact-driven drama-free environment. Doing this serves us well as forecasters.

I believe that intellectual curiosity is at the core of a purpose-driven life. The authors of Superforecasting illustrate intellectual curiosity with a simple example: Do you take the question “Who will win the presidential election in Ghana?” as pointless, or as an opportunity to learn something about Ghana?

This may sound corny, but I constantly try to remind the people who work at Uptake, the company I run—as well as, myself—to “be super”: super in our efforts to tenaciously learn and discover the unarguable facts; super in our refusal to rush to judgement about the quality of our opinions or the quality of the opinions of others; super in seeing both the outside and the inside; super in our refusal to allow the easy big ideas to define our actions in how we pursue the complicated small steps; and super in seeing when we’re right, or super in admitting when we’re wrong, and then gracefully transitioning to the more probable path of success.

### AT: PDCP---2NC

#### It’s most predictable---we have the common and precise definition.

Dictionary.com “Inhibit vs. Prohibit”. https://www.dictionary.com/e/inhibit-vs-prohibit/

Prohibit is a transitive verb that means to forbid or prevent. Unlike inhibit, the word prohibit means that an action is being completely prevented. For example: “Angie’s coat was so tight, it prohibited any arm movement.” In this case, Angie isn’t able to move her arms at all. Prohibit is often used to describe the actions of authority figures. It can explain a rule or law. For example, “School rules prohibit cellphone use during class.” A street sign may say “Parking prohibited,” while a sign in a building lobby might say “Smoking prohibited by law.” All of these cases mean that cell phone use, parking in a certain area, or smoking are completely forbidden by their given authority figures, and can’t be done at all.

#### Prohibitions are absolute bans without exemption.

PEDIAA 15. “Difference Between Prohibited and Restricted”. https://pediaa.com/difference-between-prohibited-and-restricted/

Main Difference – Prohibited vs. Restricted

Prohibited and Restricted are used in reference to limitations and prevention. However, they cannot be used interchangeably as there is a distinct difference between them. Prohibited is used when we are talking about an impossibility. Restricted is used when we are talking about something that has specific conditions. The main difference between prohibited and restricted is that prohibited means something is formally forbidden by law or authority whereas restricted means something is put under control or limits.

What Does Prohibited Mean

Prohibited is a variant of the verb prohibit. Prohibited can be taken as the past tense and past participle of prohibiting as well as an adjective. Prohibited means that something is formally forbidden by law or authority. When we say ‘smoking is prohibited’, it means that smoking is not allowed at all, there are no exceptions. Prohibit indicates an impossibility. This gives out the idea that it is not at all possible under any condition or circumstance. The term Prohibited goods is used to refer to items that are not allowed to enter or exit certain countries. For example, the government of South America lists Narcotic and habit-forming drugs in any form, Poison and other toxic substances, Fully automatic, military and unnumbered weapons, explosives and fireworks as prohibited goods. The following sentences will further explain the use of prohibited.

Inter-racial marriages were not prohibited by the government.

He was proved guilty of using prohibited substances.

No one was allowed to enter the grounds; entry was prohibited.

Prohibited imports are the items that are not allowed to enter a country.Difference Between Prohibited and Restricted

What Does Restricted Mean

Restrict means to put under limits or control. Restricted can be either used as the past tense of restrict or as an adjective meaning limited. When we say something is restricted, it means that limits or conditions have been added to it. It does not mean that it is completely impossible. For example, Restricted goods are allowed to enter or exit a country under certain circumstances. A written permission can help you to import or export that item. Likewise, a restricted area does not mean that people are not allowed to enter; it means that a special permission is required to enter the place. Restricted information refers to information that are not disclosed to the general public for security purposes.

The new regulations restricted the free movement of people.

The club was restricted to its members and their family members.

Only the highest military personnel had access to the restricted area.

American scientists had only restricted access to the area.Main difference - Prohibited vs Restricted

Difference Between Prohibited and Restricted

Meaning

Prohibited means banned or forbidden.

Restricted means limited in extent, number, scope, or action

Possibility

Prohibited means that there is no possibility of doing something.

Restricted means that something can be done under certain conditions.

Adjective

Prohibited functions as an adjective derived from prohibit.

Restricted functions as an adjective derived from restrict.

Past tense

Prohibited is the past tense and past participle of prohibit.

Restricted is the past tense and past participle of restrict.

#### Temporary doesn’t “increase” prohibitions.

United States Court of Appeals, Federal Circuit 02. John F. DAVIS, Claimant-Appellant, v. Anthony J. PRINCIPI, Secretary of Veterans Affairs, Respondent-Appellee. No. 01-7029. Decided: January 11, 2002. https://caselaw.findlaw.com/us-federal-circuit/1332961.html

38 C.F.R. § 4.126(a).   Thus, the Secretary's regulation recognizes that psychiatric disorders abate and recur.   The regulations thus reasonably set the level of disability, not by reference to isolated periods of activity or remission, but by assessing the effects of the disease or injury over the history of the condition.   Thus, “increase in disability” is not assessed by the Secretary in terms of a temporary flare-up or a passing change in symptoms.

The Secretary has adopted other regulations concerning aggravation under § 1153:  “Aggravation may not be conceded where the disability underwent no increase in severity during service on the basis of all the evidence of record pertaining to the manifestations of the disability prior to, during, and subsequent to service.”  38 C.F.R. § 3.306(b).   In sum, the Secretary has adopted a reasonable interpretation of “disability” and “increase in disability” to which this court defers.  Chevron, U.S.A., Inc. v. Natural Res. Def. Council, Inc., 467 U.S. 837, 844, 104 S.Ct. 2778, 81 L.Ed.2d 694 (1984).   Indeed this court has similarly stated that § 1153 “requires some increase in the severity of the preexisting condition causally related to military service.”  Jensen v. Brown, 19 F.3d 1413, 1416 (Fed.Cir.1994).   Accordingly, § 1153 requires an increase in the severity of the preexisting condition, as distinguished from the mere recurrence of manifestations of the pre-service condition.   Evidence of a temporary flare-up, without more, does not satisfy the level of proof required of a non-combat veteran to establish an increase in disability.

#### That means the counterplan is plan minus---it could find the activity procompetitive.

AMC 07. Antitrust Modernization Commission. Deborah A. Garza, Chair. Bobby R. Burchfield ,Commissioner. W. Stephen Cannon, Commissioner. Dennis W. Carlton, Commissioner. Makan Delrahim, Commissioner. Jonathan M. Jacobson, Commissioner. Jonathan R. Yarowsky, Vice-Chair. Donald G. Kempf, Jr., Commissioner. Sanford M. Litvack, Commissioner. John H. Shenefield, Commissioner. Debra A. Valentine, Commissioner. John L. Warden, Commissioner. “Report and Recommendations.” https://govinfo.library.unt.edu/amc/report\_recommendation/amc\_final\_report.pdf

Economic learning has provided the foundation for updated antitrust analysis in part by revealing the potential procompetitive benefits of some business conduct previously assumed to be anticompetitive. The accommodation of such advances in economic learning has increased the flexibility of antitrust law, with courts and the antitrust agencies now considering a wide variety of economic factors in their analyses. Improved economic understanding and greater analytical flexibility have increased the potential for a sound competitive assessment of business conduct in all industries, including those characterized by innovation, intellectual property, and technological change.

### AT: Doesn’t Solve

#### Economic changes outpace the aff---only the counterplan solves.

AMC 07. Antitrust Modernization Commission. Deborah A. Garza, Chair. Bobby R. Burchfield ,Commissioner. W. Stephen Cannon, Commissioner. Dennis W. Carlton, Commissioner. Makan Delrahim, Commissioner. Jonathan M. Jacobson, Commissioner. Jonathan R. Yarowsky, Vice-Chair. Donald G. Kempf, Jr., Commissioner. Sanford M. Litvack, Commissioner. John H. Shenefield, Commissioner. Debra A. Valentine, Commissioner. John L. Warden, Commissioner. “Report and Recommendations.” https://govinfo.library.unt.edu/amc/report\_recommendation/amc\_final\_report.pdf

Indeed, the evolution of antitrust law—both through case law and agency guidelines—has shown that new or improved economic learning can be incorporated into antitrust analysis as appropriate. Allowing the ongoing incorporation of economic learning into antitrust case law and agency guidelines is preferable to attempts at legislative change to specify different antitrust analyses for industries characterized by innovation, intellectual property, and technological change. Industries that fall into those categories will keep changing over time; attempts to define them would likely be difficult and impermanent at best. Furthermore, economic learning continues to evolve, and antitrust law needs to be able to incorporate this new learning as appropriate. It is important that antitrust develops through mechanisms, such as case law development in the courts and agency guidelines, that allow ongoing reassessments of existing law and economic principles relevant to antitrust analysis.

#### GJP Super-forecasters will get it right---40% better than other teams.

Philip E. Tetlock et al. 14. Barbara A. Mellers, Nick Rohrbaugh and Eva Chen “Forecasting Tournaments: Tools for Increasing Transparency and Improving the Quality of Debate”. Current Directions in Psychological Science. August 2014, Vol. 23, No. 4 (August 2014), pp. 290-295. https://www.jstor.org/stable/pdf/44318787.pdf?casa\_token=wfbfNUGCPzIAAAAA:q6nZlMF41JAuqZ8MAmDMeGSDCcyVWSW0oY3Qlxa6ETEzu6sFTPU3WiMF9Kw-wU6KeTxhUbUuQvm8Sq6pV1TJPZ4nH6227\_OLmBvkQRfAqEKICJL3H4xP

The Good Judgment Project (GJP)1 won the IARPA tournament: Its best wisdom-of-the-crowd algorithms were on the right side of 50/50 on 86.2% of all daily forecasts, outperforming the simple average of the control group (forecasters randomly assigned to a working-alone, no- training condition) by 60% and other teams by 40%. The tournament was not, however, just a horse race. GJP randomly assigned its forecasters to cells in factorial designs that tested hypotheses about the psychological drivers of accuracy. We discovered four such drivers: (a) recruitment and retention of better forecasters (accounting for roughly 10% of the advantage of GJP forecasters over those in other research programs); (b) cognitive-debiasing training (accounting for about a 10% advantage of the training con- dition over the no-training condition); (c) more engaging work environments, in the form of collaborative teamwork and prediction markets (accounting for a roughly 10% boost relative to forecasters working alone); and (d) better statistical methods of distilling the wisdom of the crowd - and winnowing out the madness (the log-odds-extremiz- ing algorithm of Satopää, Baron, et al., 2014, Satopää, Jensen, Meilers, Tetlock, & Ungar, in press, and Baron, Ungar, Meilers, and Tetlock, 2014, which contributed an additional 35% boost above unweighted averaging of forecasts).

GJP also added a controversial twist to its winning strategy. It created "super-forecaster" teams by skimming off the top 2% of forecasters each year of the tournament and assigning them to elite teams. We say "controversial" because GJP informally surveyed experts and found flatly contradictory opinions on the wisdom of this strategy, from the bearish "Expect nothing. Your lucky 'supers' will soon regress toward the mean" (e.g., in the spirit of Hartzmark, 1991) and "The 'super' label will swell their heads" (e.g., Levitt & March, 1988) to the bullish "Expect good things. The best predictors of future performance are past performance and IQ - and your supers have both factors going for them" (e.g., in the spirit of Hunter & Hunter, 1984) and "Supers will also get a self-fulfilling- prophecy boost - and derive the benefits that tracking confers on high-ability students" (i.e., stimulation from peers; e.g., Betts & Shkolnik, 2000).

The experts were divided, but the data were unequivocal: Super forecasters performed superbly. Averaged forecasts of GJP's super forecasters (five teams of 12 fore- casters each) in Year 2 handily beat the Brier-score goals that the IARPA set for Year 4, and all other research pro- grams. They showed no regression toward the mean from one year to the next, and they improved on all the standard psychometric indices of judgmental accuracy, including calibration, discrimination, and area under the curve (Meilers, Ungar, et al., 2014).

#### Super-forecasters with updated evidence are comparatively more accurate and less partisan.

Philip E. Tetlock, Barbara A. Mellers, and J. Peter Scoblic 17. Tetlock & Mellers, Department of Psychology, University of Pennsylvania. Scoblic, Harvard Business School, Harvard University. "Bringing probability judgments into policy debates via forecasting tournaments". Science. 2-3-2017. https://science.sciencemag.org/content/355/6324/481.full

Leveraging these findings allowed GJP to generate forecasts that outperformed—by roughly 30%—a prediction market run by the U.S. intelligence community in which the players were professional analysts with access to classified information (3–5, 9–11). By producing a superior forecasting methodology, the ACE tournament yielded an important public policy tool: If policy-makers have access to more accurate forecasts, they can better anticipate the consequences of their actions and therefore make better decisions.

“Forecasting tournaments—contests among individuals or teams—[incentivize] competitors to make accurate predictions about specific events.”

More generally, the IARPA contest demonstrated the utility of tournaments as a tool for knowledge production. GJP’s tournaments within the ACE competition allowed randomized-control trials of how best to boost accuracy. These experiments demonstrated the surprising effectiveness of short training or debiasing exercises that taught forecasters how to ground probability estimates in base rates and to update their beliefs in a roughly Bayesian fashion in response to new evidence. Other experiments demonstrated the power of well-choreographed forms of teamwork. Training team members how to precisely but diplomatically question each other’s assumptions—how to disagree without being disagreeable—helped groups outperform the same number of individuals working alone. Tournaments thus proved themselves a useful method for conducting experiments outside the laboratory.

We suspect that tournaments can do even more by providing a framework for resolving public policy debates. A key feature of tournaments is accountability—participants in the GJP tournaments were publicly ranked according to the accuracy of their forecasts—and research has shown that predecisional accountability prompts individuals to engage in preemptive self-criticism (12, 13). Faced with the prospect of having to justify a position or decision, they consider the ways in which their audience might react. This effort increases cognitive complexity, by which individuals contemplate a greater number of germane factors—or, in the case of a political problem, arguments for or against a particular position. Having considered a wider range of views and anticipating a critical audience, individuals may moderate their beliefs. Were political opponents to participate in a forecasting tournament, they might well temper their predictions and, by implication, the extremeness of their policy positions.

#### It’s more likely that all aff experts and pundits are wrong---vote neg on presumption---random chance is better.

Louis Menand 05. Staﬀ writer at The New Yorker. Teacher at Harvard University. “Everybody’s an Expert: Putting predictions to the test.” https://www.newyorker.com/magazine/2005/12/05/everybodys-an-expert

It is the somewhat gratifying lesson of Philip Tetlock’s new book, “Expert Political Judgment: How Good Is It? How Can We Know?” (Princeton; $35), that people who make prediction their business—people who appear as experts on television, get quoted in newspaper articles, advise governments and businesses, and participate in punditry roundtables—are no better than the rest of us. When they’re wrong, they’re rarely held accountable, and they rarely admit it, either. They insist that they were just off on timing, or blindsided by an improbable event, or almost right, or wrong for the right reasons. They have the same repertoire of self-justifications that everyone has, and are no more inclined than anyone else to revise their beliefs about the way the world works, or ought to work, just because they made a mistake. No one is paying you for your gratuitous opinions about other people, but the experts are being paid, and Tetlock claims that the better known and more frequently quoted they are, the less reliable their guesses about the future are likely to be. The accuracy of an expert’s predictions actually has an inverse relationship to his or her self-confidence, renown, and, beyond a certain point, depth of knowledge. People who follow current events by reading the papers and newsmagazines regularly can guess what is likely to happen about as accurately as the specialists whom the papers quote. Our system of expertise is completely inside out: it rewards bad judgments over good ones.

“Expert Political Judgment” is not a work of media criticism. Tetlock is a psychologist—he teaches at Berkeley—and his conclusions are based on a long-term study that he began twenty years ago. He picked two hundred and eighty-four people who made their living “commenting or offering advice on political and economic trends,” and he started asking them to assess the probability that various things would or would not come to pass, both in the areas of the world in which they specialized and in areas about which they were not expert. Would there be a nonviolent end to apartheid in South Africa? Would Gorbachev be ousted in a coup? Would the United States go to war in the Persian Gulf? Would Canada disintegrate? (Many experts believed that it would, on the ground that Quebec would succeed in seceding.) And so on. By the end of the study, in 2003, the experts had made 82,361 forecasts. Tetlock also asked questions designed to determine how they reached their judgments, how they reacted when their predictions proved to be wrong, how they evaluated new information that did not support their views, and how they assessed the probability that rival theories and predictions were accurate.

Tetlock got a statistical handle on his task by putting most of the forecasting questions into a “three possible futures” form. The respondents were asked to rate the probability of three alternative outcomes: the persistence of the status quo, more of something (political freedom, economic growth), or less of something (repression, recession). And he measured his experts on two dimensions: how good they were at guessing probabilities (did all the things they said had an x per cent chance of happening happen x per cent of the time?), and how accurate they were at predicting specific outcomes. The results were unimpressive. On the first scale, the experts performed worse than they would have if they had simply assigned an equal probability to all three outcomes—if they had given each possible future a thirty-three-per-cent chance of occurring. Human beings who spend their lives studying the state of the world, in other words, are poorer forecasters than dart-throwing monkeys, who would have distributed their picks evenly over the three choices.

Tetlock also found that specialists are not significantly more reliable than non-specialists in guessing what is going to happen in the region they study. Knowing a little might make someone a more reliable forecaster, but Tetlock found that knowing a lot can actually make a person less reliable. “We reach the point of diminishing marginal predictive returns for knowledge disconcertingly quickly,” he reports. “In this age of academic hyperspecialization, there is no reason for supposing that contributors to top journals—distinguished political scientists, area study specialists, economists, and so on—are any better than journalists or attentive readers of the New York Times in ‘reading’ emerging situations.” And the more famous the forecaster the more overblown the forecasts. “Experts in demand,” Tetlock says, “were more overconfident than their colleagues who eked out existences far from the limelight.”

### AT: Killins 19

#### More evidence.

Rory Van Loo 18, Associate Professor, Boston University School of Law and Affiliated Fellow, Yale Law School Information Society Project, “Making Innovation More Competitive: The Case of Fintech,” UCLA Law Review, 232, 2018, hein.

The DOJ and FTC options have several shortcomings. Unlike the CFPB, they lack substantial financial expertise. Both entities cover many other industries. If a financial bureau were housed within the existing competition agencies, financial competition might receive inadequate internal independence. Cuts to antitrust resources, or shifts in policy, would affect financial competition. If other industries needed attention, financial competition resources could be redirected. In the alternative, if the financial competition bureau were completely independent of the current competition offices, the co-location synergies would be less, reducing the benefits of housing it in those agencies. Nor do either of these agencies have strong rulemaking cultures,275 which could inhibit even a separate financial bureau’s rulemaking activities.

#### 4---Absolute certainty is bad---always revise.

Walter Frick 15. Harvard Business Review. “What Research Tells Us About Making Accurate Predictions”. https://hbr.org/2015/02/what-research-tells-us-about-making-accurate-predictions

Revision leads to better results. This isn’t quite the same thing as open-mindedness, though it’s probably related. Forecasters had the option to go back later on and revise their predictions, in response to new information. Participants who revised their predictions frequently outperformed those who did so less often.

Together these findings represent a major step forward in understanding forecasting. Certainty is the enemy of accurate prediction, and so the unstated prerequisite to forecasting may be admitting that we’re usually bad at it. From there, it’s possible to use a mix of practice and process to improve.

#### 5---Complexity means adaptation and change are key.

Neel Kashkari 16, President and CEO Federal Reserve Bank of Minneapolis, “Lessons from the Crisis: Ending Too Big to Fail,” Brookings, 2/16/16, https://www.brookings.edu/wp-content/uploads/2016/02/KashkariBrookings2162016.pdf

Given the complexity of this issue, any bold plan will be imperfect, and there will be unanswered questions that skeptical experts can point to as a reason for inaction: How can we precisely define which firms are dangerous and need to change? How can our plan adapt and endure as the financial system evolves over decades? What if strictly regulating some firms just pushes risk onto other, less regulated firms? How will new rules impact families’ and businesses’ ability to make important investments, and what will that mean for employment and economic growth?

Experts also correctly point out that there is always the possibility that an economic shock could hit us in the future that is so large, or so different from anything we have considered, that it overwhelms all of our efforts. In that scenario, only the balance sheet of the federal government would be strong enough to stabilize the financial system, as was required in 2008.