# 1AC---Competitive Standard---NDT

## 1AC

### Plan---1AC

#### Plan: The United States federal government should prohibit private sector business practices that violate an effective competition antitrust standard.

### Economy---1AC

#### The advantage is the economy:

#### Antitrust law is failing now---current market consolidation undermines innovation, slows growth, and suppresses productivity---promoting competition solves

Fiona M. Scott Morton 20. Theodore Nierenberg Professor of Economics at the Yale University School of Management. “Reforming U.S. antitrust enforcement and competition policy,” https://equitablegrowth.org/reforming-u-s-antitrust-enforcement-and-competition-policy/.

Evidence that antitrust laws are falling short is plentiful. Many cartels go undiscovered, and tacit collusion is probably even more prevalent because it is harder for antitrust enforcers to prosecute and deter.9 Anticompetitive horizontal mergers (between rivals) appear to be underdeterred.10 A variety of clever strategies used by incumbents to exclude entrants, either by purchasing them when they are nascent or using tactics to confine them to a less threatening niche or forcing them to exit have been successfully deployed in recent years, often when antitrust enforcement is late or absent.11

Each of these sources of concern can be critiqued, but together they make a compelling case. Some of the evidence may have benign explanations in part, such as the growing importance of fixed costs, for example, when creating software or pharmaceuticals that leads naturally to higher markups, or the increasing benefit of being on the same platform with other users (known as “network effects” in the case of a social media site). Firms in industries with high fixed costs or large network externalities may exhibit high profits and productivity and low labor shares, and may earn high profits because they had a good idea early and executed well, thereby getting adoption from many consumers.12 Nonetheless, the overall picture is clear that market power has been growing in the United States for decades. Moreover, even where the explanation for growing market power is benign, we must ensure that companies do not use anticompetitive tactics to protect their position.

Firms with market power need not compete aggressively to sell their products, so they tend to raise prices, reduce quality, and/or innovate less. Market power can also contribute to slowed economic growth by, for example, suppressing productivity increases.13 Theoretical and empirical economic studies convincingly show that innovation is harmed by anticompetitive conduct.14

This is why antitrust enforcement is such a terrific policy tool to strengthen competition—it does not come with an efficiency downside, as do most policies that redistribute income. Policies that enhance competition are unambiguously beneficial for efficiency, as well as inclusive prosperity, with minor qualifications.15 Other policies for addressing inequality, in particular, such as labor market and tax policies, may create disincentives or allocative efficiency losses that must be weighed against their distributional benefits. Policies to enhance competition, by contrast, offer what is close to a free lunch.16

#### The plan solves---an effective competition standard reinvigorates antitrust

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America, as legal and economic scholars are increasingly noting, has a market power problem. The emerging evidence points to less competition, higher markups, greater concentration, and widening wealth and income inequality. The current state of competition law benefits the select few—at the expense of nearly everyone else.

Our antitrust laws are supposed to deal with concentrated economic power. The problem is that the laws have been hijacked in two ways. First, ideologues narrowed the substance of antitrust from addressing a variety of goals to focusing solely on the concept of consumer welfare—namely, that harm to competition within the legal meaning of the antitrust laws consists solely of harm to consumers and their welfare, as measured almost exclusively by price and quantity effects in output markets. Second, some courts and enforcers went even further, declining to find antitrust liability in conduct that harms consumers on the theory that it carries other benefits, like long-run economic growth. Recent US Supreme Court decisions, including Ohio v American Express Co, and the US District Court’s decision to allow the AT&T/Time Warner merger illustrate how antitrust, under the prevailing consumer welfare standard, has been weakened and distorted beyond all recognition. Courts have elevated the burden of proof on the government and other antitrust plaintiffs to such an extent that the Sherman and Clayton Antitrust Acts have become unenforceable for many anticompetitive practices, other than cartels.

If the United States continues with a light-if-any-touch antitrust review of mergers and turns a blind eye to abuses by dominant firms, concentration and crony capitalism will likely increase, competition and our well-being will decrease further, and power and profits will continue to fall into fewer hands. Startups, small and midsize firms, and Americans more broadly—as workers, consumers, and democratic citizens—will be left to the beneficence or spite of a few powerful, but arbitrary, corporations.

This trend is reversible if we restore antitrust as a guarantor of effective competition. To tackle today’s market power problem, we offer an effective competition antitrust standard to replace the prevailing consumer welfare standard, which courts and scholars have interpreted differently (and at times inconsistently). The effective competition standard restores the primary aim of the antitrust laws—namely, the dispersion and deconcentration of significant private power wherever in the economy it is to be found, including throughout supply chains and in the labor market.

#### It's enforceable and sufficient.

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The effective competition standard differs from both the consumer welfare standard and the total welfare standard in that it expressly departs from the partial-equilibrium analysis of a single market as the basis for antitrust analysis. The effective competition standard further differs from the consumer welfare standard in four important ways:

• First, a substantial lessening of competition suffices for liability. Enforcers and courts need not demonstrate how the lessening of competition harms consumers, nor balance the harms to one set of stakeholders against the supposed benefits for another. In this respect, the effective competition standard makes antitrust more enforceable.

• Second, it recognizes that competition needs competitors. Thus, it takes a tougher stance on monopolistic, predatory, and exclusionary practices, which often reduce the competitive opportunities for entrants and rivals.

• Third, unlike the consumer welfare standard, which considers the impact only on consumers, the effective competition standard protects market participants throughout the supply chain, including workers and sellers.

• Finally, by eliminating the precarious step of how the lessening of competition will harm consumers’ welfare, the effective competition standard restores the purpose of the Clayton Act to “arrest restraints of trade in their incipiency and before they develop into full-fledged restraints violative of the Sherman Act.” As Congress noted, “A requirement of certainty and actuality of injury to competition is incompatible with any effort to supplement the Sherman Act by reaching incipient restraints.”

To promote competition and innovation in our heavily concentrated markets, the effective competition standard would depart from today’s light-touch antitrust policies in the following areas.

#### State-based market interventions are key to sustainable growth---the alternative to well-measured corrections is an unfettered and regressive free market.

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There is a positive correlation between long-term growth and poverty alleviation. More specifically, Lant Pritchett argues, based on cross-country patterns, that “broad-based growth, defined as the process that raises median income, is far and away the most important source of poverty reduction.”9 The sharp decline in poverty rates in China (about 800 million people escaped poverty) amid the two decades of break-neck growth is the starkest illustration. As discussed, innovation-based growth based on Schumpeterian creative destruction is key to productivity gains and sustained growth. The question is how to achieve broad-based, high and sustained growth which means to spur the emergence of good paying jobs. This is perhaps one of the most difficult and debated questions in economics.

The standard view shared by most economists over the last few decades is that “horizontal policies”, that is improvements in education, the quality of institutions, infrastructure, business environment, and regulations are key. Many of these policies tackle what is known as “government failures” as described in Rodrik (2005). In other words, state intervention should limit itself to providing public goods and the provision of a good environment while crucially ensuring an adequate level of competition. In this context, firms would have the incentive to invest and deploy efforts to be competitive through improvements in productivity and innovation to offer new and better-quality goods among others.

However, growth can be harmed by anti-competitive behaviors or distortive policies which can take different and subtle forms and are not always easy to gauge. Among these, imposing barriers to entry or helping non-performing firms remain in business, could have a substantial negative effect. Hsieh and Klenow (2009) emphasize the importance of input reallocation effects. They show that aggregate productivity differentials can be explained by differences in terms of the distribution of firms’ productivity. This means that relatively less productive firms have access to a considerable share of the resources. They argue that it is harder for a more productive firm to grow but also easier for a less productive firm to survive in India than in the U.S. for example. In the same vein, Aghion (2016) suggests that that there is more business dynamism in the U.S. than India, that is more firms enter and exit, which would explain input misallocation and differences in income per capita.

Compared to the U.S., potential constraints in developing economies such as India include more rigid capital markets and labor/product markets, the lower supply of skills, the poorer quality of infrastructure, and the lower quality of institutions to protect property rights and to enforce contracts. However, even if markets are perfectly competitive and an adequate environment is ensured, the economy may still not reach its full potential. This is because of “market failures,” which typically happen in the presence of externalities. They are at play when firms and workers do not fully internalize the effects of their decisions on the broader economy and their dynamic implications. Typically, they are learning externalities, coordination failures, or information asymmetries (Rodrik 2005).

As argued by many, (e.g., Arrow 1962) and Matsuyama 1992) some activities entail higher productivity gains, or more learning potential, for an economy compared to other traditional activities such as non-tradable services or agriculture. Firms may not be fully aware of these productivity gains, leading to lower output in high-productivity sectors and lower relative incomes over time. The coordination failure is based on the idea that a critical size of the modern sector is needed for a firm to enter it. It would be profitable for a firm to invest in a modern sector only if there are enough firms investing simultaneously in other modern sectors. If many firms invest together in modern sectors, described as the “big push,” economy reaches a higher level of productivity and development (Rosenstein-Rodan 1943, Murphy et al. 1989). Lastly, information asymmetries exist if there is imperfect information about new markets and products, and firms underinvest as a result (Hausman and Rodrik 2003). This is clearly seen in firms trying to export and penetrate new geographical markets with their products.

In theory, tackling these externalities would necessitate a state intervention, broadly defined as industrial policy. However, the scope, the tools and whether it could in practice be superior to a more “laissez-faire” approach, leaving the outcome to unfettered competition, is the object of an ongoing debate. At the heart of the debate lies the definition of what constitutes a “modern” sector, which is conducive to productivity gains and spillovers to the rest of the economy. While it is typically associated with manufacturing (Matsuyama 1992 and Krugman 1987) or related to the concept of sophistication (Hausman, Hwang and Rodrik 2007 and Cherif and Hasanov 2019), others argue that service sectors could also play a role (IMF 2018). More important for inclusive growth, if a sector is to be targeted, it should help achieve broad-based growth to contribute to poverty alleviation. In practice it means that it should also generate (directly or indirectly) enough employment, and the level of skills to fill those jobs should be realistically met over the medium term.

The other key question relates to how state intervention to tackle externalities could curtail or distort competition. Indeed, state interventions of the past typically followed the model of import-substitution policies. The main idea was to protect domestic producers from international competition by imposing barriers to trade, such as high tariffs. In many cases, the curtailment of competition went further and encompassed the domestic market as countries relied on one or very few “champions” to achieve import-substitution goals. The many past failed cases in Latin America and the Middle East imply that such policies may be counterproductive in general (Cherif and Hasanov 2019). The comparison of Malaysia’s foray into automotive industry in the 1970s with its champion Proton to the success of Korea’s Hyundai is a case in point (Cherif and Hasanov 2019b). After decades of support and protection from domestic and international competition, Proton depended on imports of critical inputs, including the engine. The high tariffs to protect it also meant that consumers had to pay higher prices for lower quality products. In comparison, although Hyundai benefitted from state support as well, it was also forced early on to compete both on the domestic and international markets. It could be argued that competition provided Hyundai with an incentive to innovate and take advantage of economies of scale.

Moreover, support for firms could be pursued without necessarily implying less competition. Aghion and others (2015) develop a simple model showing that targeted subsidies can be used to induce several firms to operate in the same sector, and that the more competitive the sector is, the more it will induce firms to innovate in order to “escape competition” (Aghion et. al. 2005). Of course, a lot depends upon the design of industrial policy. Such policy should target sectors, not particular firms (Aghion 2016). Using Chinese firm-level panel data, Aghion and others (2015) look at the interaction between state subsidies to a sector and the level of product market competition in that sector. They show that TFP, TFP growth, and product innovation (defined as the ratio between output value generated by new products to total output value) are all positively correlated with the interaction between state aid to the sector and market competition in the sector. In other words, the more competitive the recipient sector is, the more positive the effects of targeted state subsidies to that sector are. Infact, for sectors with low degree of competition the effects are negative, whereas the effects become positive in sectors with sufficiently high degree of competition. Finally, the interaction between state aid and product market competition in the sector is more positive when state aid is less concentrated.

Yet, there are externalities that can be tackled without curtailing competition with the potential to have a sizable contribution to broad-based growth and poverty alleviation. These are typically related to informational asymmetries. Bloom and Van Reenen (2010), f or example, show that interventions to improve management practices in Indian small firms can significantly improve productivity. So did the productivity missions of the Marshall Plan in Europe after the WWII (Giorcelli 2019). In the same vein, Atkin et al. (2017) showed that Egyptian rug producers can be helped to access export markets by tackling informational asymmetries and coordination failures. In other words, they showed that interventions such as export promotion agencies can help SMEs advertise their products in foreign markets and act as a communication channel between them and customers. They also showed that export activities helped small producers improve their quality and value added which confirms the importance of export orientation. This focus on SMEs can help increase productivity and tackle inequality at the same time.

The trade-off between the benefits and costs of state intervention suggests that the way the state intervenes in the economy is crucial. This intervention needs to be cognizant of exacerbating government failures such as rent-seeking and corruption. Moreover, even if these interventions are successful in the sense that they create competitive industries and contribute to growth, they should avoid creating “islands” of relatively advanced sectors. If these sectors are disconnected from the rest of the economy, broad-based growth may not be sustained, and it would exacerbate inequality. For example, thanks to interventions and targeted policies, Costa Rica managed to foster a high-tech sector in electronics and health instruments (Spar 1998). Although it led to higher growth and declining poverty as well as productivity improvements in agricultural sectors, high inequality persisted while growth policies for inclusiveness were missing (Ferreira, Fuentes, and Ferreira 2018).

#### That causes extreme poverty and war---economic recovery is key.

Mathew Burrows and Robert A. Manning 20. Mathew Burrows Director Of Foresight, Scowcroft Strategy Initiative and Robert A. Manning Senior Fellow. "The top ten risks and opportunities for 2021". Atlantic Council. 12-16-2020. https://www.atlanticcouncil.org/blogs/new-atlanticist/the-top-ten-risks-and-opportunities-for-2021/

Perhaps the world’s top achievement of the last three decades was the rise of millions out of extreme poverty and the growth of a global middle class. This may be jeopardized unless there is a strong recovery from the COVID crisis in 2021 and beyond. Experts believe that for the first time in half a century, the middle class has started to shrink—potentially by 52 million people in Latin America alone. At the same time, the World Bank predicts that by the end of 2021 up to 150 million additional people will fall into extreme poverty, defined as those living on less than $1.90 a day. Lower than expected economic growth next year would increase that figure. Historically, the erosion of the middle class correlates with political instability, democratic backsliding, and greater conflict.

#### Recovery is key to the global economy---shocks spillover.

M. Ayhan Kose et al. 17. 27 February 2017 M. Ayhan Kose, Chief Economist of EFI and Director of Prospects Group, World Bank. Csilla Lakatos, Senior Economist, World Bank. Franziska Ohnsorge, Lead Economist in the Development Economics (DEC) Vice Presidency, World Bank. Marc Stocker, Senior Economist, Development Prospects Group, World Bank. “Understanding the global role of the US economy”. https://voxeu.org/article/understanding-global-role-us-economy

Because of its size and interconnectedness, developments in the US economy are bound to have important effects around the world. The US has the world’s single largest economy, accounting for almost a quarter of global GDP (at market exchange rates), one-fifth of global FDI, and more than a third of stock market capitalisation. It is the most important export destination for one-fifth of countries around the world. The US dollar is the most widely used currency in global trade and financial transactions, and changes in US monetary policy and investor sentiment play a major role in driving global financing conditions (World Bank 2016).

At the same time, the global economy is important for the US as well. Affiliates of US multinationals operating abroad, and affiliates of foreign companies located in the US account for a large share of US output, employment, cross-border trade and financial flows, and stock market capitalisation. Recent studies have examined the importance of global growth for the US economy (Shambaugh 2016), the global impact of changes in US monetary policy (Rey 2013), or the global effect of changing US trade policies (Furman et al. 2017, Crowley et al. 2017).

It is likely that there will be shifts in US growth, monetary and fiscal policies, as well as uncertainty in US financial markets. What will be the global spillovers? Our recent work (Kose et al. 2017) attempts to answer these questions:

* How synchronised are US and global business cycles?
* How large are global spillovers from US growth and policy shocks?
* How important is the global economy for the US?
* How synchronised are US and global business cycles?

Business cycles in the US, other advanced economies (AEs), and emerging market and developing economies (EMDEs) have been highly synchronous (Figure 1.A). This partly reflects the strength of global trade and financial linkages of the US economy with the rest of the world, but also that global shocks drive common cyclical fluctuations. This was particularly the case at the time of the 2008-09 Global Crisis. It is not a new phenomenon, however. Although the four recessions the global economy experienced since 1960 (1975, 1982, 1991, and 2009) were driven by many problems in many places, they all overlapped with severe recessions in the US (Kose and Terrones 2015).

Other countries tend to be in the same business cycle phase as the US roughly 80% of the time (Figure 1.B). The degree of synchronisation with US financial cycles is slightly lower, but still significant – credit, housing, and equity price cycles are in the same phase about 60% of the time. Although it is difficult to establish empirically whether the US economy leads business and financial cycle turning points in other economies, recent research indicates that the US appears to influence the timing and duration of recessions in many major economies (Francis et al. 2015).

Figure 1 Synchronisation of business cycles

A. Correlations with US business cycles

[FIGURE OMITTED]

Sources: Haver Analytics; World Bank; Kose and Terrones (2015); IMF.

Notes: Contemporaneous correlations between cyclical component of US real GDP and cyclical component of real GDP of advanced economies and EMDEs.

B. Concordance with US business and financial cycles

[FIGURE OMITTED]

Sources: Haver Analytics; World Bank; Kose and Terrones (2015); IMF.

Notes: Average share of years in which business cycles in the US and all economies were in the same phase. A higher share suggests more synchronization between two countries.

How large are global spillovers from US growth and policy shocks?

A surge in US growth – whether due to expansionary fiscal policies or other reasons – could provide a significant boost to the global economy. Shocks to the US economy transmit to the rest of the world through three main channels.

An acceleration in US activity can lift growth in trading partners directly through an increase in import demand, and indirectly by strengthening productivity spillovers embedded in trade.

Financial market developments in the US may have even wider global implications. US bond and equity markets are the largest and most liquid in the world and the US dollar is the currency mostly widely used in trade and financial transactions. This makes US monetary policy and investor confidence important drivers of global financial conditions (Arteta et al. 2015, IMF2015).

Given its role in global commodity markets (the US is both the world’s largest gas and oil consumer and producer), changes in US growth prospects can affect global commodity prices. This affects activity, fiscal and balance of payment developments in commodity exporters.

Estimates indicate that a percentage-point increase in US growth could boost growth in advanced economies by 0.8 of a percentage point, and in emerging market and developing economies by 0.6 of a percentage point after one year (Figure 2.A). Investment could respond even more strongly. A boost to investment could come for instance from fiscal stimulus measures – but the effect would largely depend on the circumstances of the implementation of these measures, including the amount of remaining economic slack, the response of monetary policy, and the adjustment of household and business expectations to the prospect of higher deficit and debt levels. A faster tightening of US monetary policy than previously expected could, for instance, lead to sudden increases in borrowing costs, currency pressures, financial market volatility, and capital outflows for more vulnerable emerging market and developing economies.

#### Collapse causes regional and global war---consensus of studies.

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The link between financial crises and a deterioration in democracy, peace and security has been highlighted by several studies. As noted by Matthias Goldmann, 'in recent years, more and more data has become available which reveals a correlation between sovereign debt crises and the outbreak of civil wars. 225 Thomas Piketty and Branko Milanović have stressed the link between financial crisis, inequality and social collapse. 226 In addition to economic recession and falling trade volumes, global economies are strongly affected by chronic deflation. Historically, there is a correlation between inflation-deflation cycles and the debt cycles: deflationary pressure increases during peace years, and inflationary, during war years. 227 Writing for The Economist, Qian Liu has warned that the next economic crisis could cause a 'global conflict'.228 This is concerning, particularly in the context of the current debate on a new 'cold war' brewing between the US and China, in the paradigm of a 'Thucydides's trap'.229

The combination of global social risks, increased international tensions due to rising protectionism and the Covid-19 pandemic, has raised some concerns regarding the risk of a repetition of the 1930s scenario, which eventually led to World War II. 230 The US 'America first' protectionist trade policy developed under former president Donald Trump could reignite under Joe Biden's stimulus package. Under the Biden administration, protectionism may be more targeted and subtle, but it is not going to disappear. Furthermore, high rates of unemployment, and unconventional monetary policy measures, including possible 'modernisation' of the main central banks' legal mandates and their impact on debt cycles and inequality, have all been cited as causes for concern. 231 The dangerous link between the state of the global economy and peace has, once more, come to the fore – this time as a result of the 21st century's gravest health crisis. Massive stimuli by central banks and governments, such as US$120billion in monthly bond purchases by the US Federal Reserve, or the $1.9 trillion stimulus bill adopted by US Congress (American Rescue Plan Act of 2021) awoke, in January 2021, not only hope of economic growth but also fears of rising inflation. The US Treasury yield curve has steepened to four-year high and, as noted by Standard & Poor's Global Market Intelligence Unit, 'A steep yield curve – when there is a large spread in interest rates between shorter-term Treasury bonds to longer-term bonds – often precedes a period of economic expansion, as investors bet that a central bank will be forced to raise rates in the future to tamp down higher inflation'.

#### Regional economic wars escalate---history proves miscalc is likely.

Deborah Haynes 20. Security and Defence Editor. "Risk of new world war is real, head of UK armed forces warns". Sky News. 11-8-2020. https://news.sky.com/story/risk-of-new-world-war-is-real-head-of-uk-armed-forces-warns-12126389

Economic crises in the past have led to security crises and General Carter said he was worried this could happen again given the blow inflicted on the world economy by the pandemic.

"I think we are living at a moment in time where the world is a very uncertain and anxious place," he said.

"I think the real risk we have, with quite a lot of regional conflicts that are going on at the moment, is you could see escalation lead to miscalculation and that is a thing I think we have to guard against."

Explaining what he meant by miscalculation, the military chief said: "The protagonists, either because they don't realise the implications of their actions, lead to an escalation, which means that more people perhaps get involved, more weaponry gets involved and before you can contain it, it leads the sides ending up in a full-blown war.

"We have to remember history might not repeat itself but it has a rhythm and if you look back at the last century, before both world wars, I think it was unarguable that there was escalation that led to the miscalculation which ultimately led to war at a scale we would hopefully never see again."

Asked whether he was saying the threat of another world war was real, General Carter said: "I am saying it's a risk and I think we need to be conscious of those risks and that's why Remembrance matters because if you look back at history, hopefully you learn from their experience, and you make sure you're very cautious about how you manage the sorts of regional conflicts that we see playing out in the world today."

#### Economic decline cascades and goes nuclear---their defense doesn’t assume post-COVID shifts.

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Various scholars and institutions regard global social instability as the greatest threat facing this decade. The catalyst has been postulated to be a Second Great Depression which, in turn, will have profound implications for global security and national integrity. This paper, written from a broad systems perspective, illustrates how emerging risks are getting more complex and intertwined; blurring boundaries between the economic, environmental, geopolitical, societal and technological taxonomy used by the World Economic Forum for its annual global risk forecasts. Tight couplings in our global systems have also enabled risks accrued in one area to snowball into a full-blown crisis elsewhere. The COVID-19 pandemic and its socioeconomic fallouts exemplify this systemic chain-reaction. Onceinexorable forces of globalization are rupturing as the current global system can no longer be sustained due to poor governance and runaway wealth fractionation. The coronavirus pandemic is also enabling Big Tech to expropriate the levers of governments and mass communications worldwide. This paper concludes by highlighting how this development poses a dilemma for security professionals.

Key Words: Global Systems, Emergence, VUCA, COVID-9, Social Instability, Big Tech, Great Reset

INTRODUCTION

The new decade is witnessing rising volatility across global systems. Pick any random “system” today and chart out its trajectory: Are our education systems becoming more robust and affordable? What about food security? Are our healthcare systems improving? Are our pension systems sound? Wherever one looks, there are dark clouds gathering on a global horizon marked by volatility, uncertainty, complexity and ambiguity (VUCA).

But what exactly is a global system? Our planet itself is an autonomous and selfsustaining mega-system, marked by periodic cycles and elemental vagaries. Human activities within however are not system isolates as our banking, utility, farming, healthcare and retail sectors etc. are increasingly entwined. Risks accrued in one system may cascade into an unforeseen crisis within and/or without (Choo, Smith & McCusker, 2007). Scholars call this phenomenon “emergence”; one where the behaviour of intersecting systems is determined by complex and largely invisible interactions at the substratum (Goldstein, 1999; Holland, 1998).

The ongoing COVID-19 pandemic is a case in point. While experts remain divided over the source and morphology of the virus, the contagion has ramified into a global health crisis and supply chain nightmare. It is also tilting the geopolitical balance. China is the largest exporter of intermediate products, and had generated nearly 20% of global imports in 2015 alone (Cousin, 2020). The pharmaceutical sector is particularly vulnerable. Nearly “85% of medicines in the U.S. strategic national stockpile” sources components from China (Owens, 2020).

An initial run on respiratory masks has now been eclipsed by rowdy queues at supermarkets and the bankruptcy of small businesses. The entire global population – save for major pockets such as Sweden, Belarus, Taiwan and Japan – have been subjected to cyclical lockdowns and quarantines. Never before in history have humans faced such a systemic, borderless calamity.

COVID-19 represents a classic emergent crisis that necessitates real-time response and adaptivity in a real-time world, particularly since the global Just-in-Time (JIT) production and delivery system serves as both an enabler and vector for transboundary risks. From a systems thinking perspective, emerging risk management should therefore address a whole spectrum of activity across the economic, environmental, geopolitical, societal and technological (EEGST) taxonomy. Every emerging threat can be slotted into this taxonomy – a reason why it is used by the World Economic Forum (WEF) for its annual global risk exercises (Maavak, 2019a). As traditional forces of globalization unravel, security professionals should take cognizance of emerging threats through a systems thinking approach.

METHODOLOGY

An EEGST sectional breakdown was adopted to illustrate a sampling of extreme risks facing the world for the 2020-2030 decade. The transcendental quality of emerging risks, as outlined on Figure 1, below, was primarily informed by the following pillars of systems thinking (Rickards, 2020):

• Diminishing diversity (or increasing homogeneity) of actors in the global system (Boli & Thomas, 1997; Meyer, 2000; Young et al, 2006);

• Interconnections in the global system (Homer-Dixon et al, 2015; Lee & Preston, 2012);

• Interactions of actors, events and components in the global system (Buldyrev et al, 2010; Bashan et al, 2013; Homer-Dixon et al, 2015); and

• Adaptive qualities in particular systems (Bodin & Norberg, 2005; Scheffer et al, 2012) Since scholastic material on this topic remains somewhat inchoate, this paper buttresses many of its contentions through secondary (i.e. news/institutional) sources.

ECONOMY

According to Professor Stanislaw Drozdz (2018) of the Polish Academy of Sciences, “a global financial crash of a previously unprecedented scale is highly probable” by the mid- 2020s. This will lead to a trickle-down meltdown, impacting all areas of human activity.

The economist John Mauldin (2018) similarly warns that the “2020s might be the worst decade in US history” and may lead to a Second Great Depression. Other forecasts are equally alarming. According to the International Institute of Finance, global debt may have surpassed $255 trillion by 2020 (IIF, 2019). Yet another study revealed that global debts and liabilities amounted to a staggering $2.5 quadrillion (Ausman, 2018). The reader should note that these figures were tabulated before the COVID-19 outbreak.

The IMF singles out widening income inequality as the trigger for the next Great Depression (Georgieva, 2020). The wealthiest 1% now own more than twice as much wealth as 6.9 billion people (Coffey et al, 2020) and this chasm is widening with each passing month. COVID-19 had, in fact, boosted global billionaire wealth to an unprecedented $10.2 trillion by July 2020 (UBS-PWC, 2020). Global GDP, worth $88 trillion in 2019, may have contracted by 5.2% in 2020 (World Bank, 2020).

As the Greek historian Plutarch warned in the 1st century AD: “An imbalance between rich and poor is the oldest and most fatal ailment of all republics” (Mauldin, 2014). The stability of a society, as Aristotle argued even earlier, depends on a robust middle element or middle class. At the rate the global middle class is facing catastrophic debt and unemployment levels, widespread social disaffection may morph into outright anarchy (Maavak, 2012; DCDC, 2007).

Economic stressors, in transcendent VUCA fashion, may also induce radical geopolitical realignments. Bullions now carry more weight than NATO’s security guarantees in Eastern Europe. After Poland repatriated 100 tons of gold from the Bank of England in 2019, Slovakia, Serbia and Hungary quickly followed suit.

According to former Slovak Premier Robert Fico, this erosion in regional trust was based on historical precedents – in particular the 1938 Munich Agreement which ceded Czechoslovakia’s Sudetenland to Nazi Germany. As Fico reiterated (Dudik & Tomek, 2019):

“You can hardly trust even the closest allies after the Munich Agreement… I guarantee that if something happens, we won’t see a single gram of this (offshore-held) gold. Let’s do it (repatriation) as quickly as possible.” (Parenthesis added by author).

President Aleksandar Vucic of Serbia (a non-NATO nation) justified his central bank’s gold-repatriation program by hinting at economic headwinds ahead: “We see in which direction the crisis in the world is moving” (Dudik & Tomek, 2019). Indeed, with two global Titanics – the United States and China – set on a collision course with a quadrillions-denominated iceberg in the middle, and a viral outbreak on its tip, the seismic ripples will be felt far, wide and for a considerable period.

A reality check is nonetheless needed here: Can additional bullions realistically circumvallate the economies of 80 million plus peoples in these Eastern European nations, worth a collective $1.8 trillion by purchasing power parity? Gold however is a potent psychological symbol as it represents national sovereignty and economic reassurance in a potentially hyperinflationary world. The portents are clear: The current global economic system will be weakened by rising nationalism and autarkic demands. Much uncertainty remains ahead. Mauldin (2018) proposes the introduction of Old Testament-style debt jubilees to facilitate gradual national recoveries. The World Economic Forum, on the other hand, has long proposed a “Great Reset” by 2030; a socialist utopia where “you’ll own nothing and you’ll be happy” (WEF, 2016).

In the final analysis, COVID-19 is not the root cause of the current global economic turmoil; it is merely an accelerant to a burning house of cards that was left smouldering since the 2008 Great Recession (Maavak, 2020a). We also see how the four main pillars of systems thinking (diversity, interconnectivity, interactivity and “adaptivity”) form the mise en scene in a VUCA decade.

ENVIRONMENTAL

What happens to the environment when our economies implode? Think of a debt-laden workforce at sensitive nuclear and chemical plants, along with a concomitant surge in industrial accidents? Economic stressors, workforce demoralization and rampant profiteering – rather than manmade climate change – arguably pose the biggest threats to the environment. In a WEF report, Buehler et al (2017) made the following pre-COVID-19 observation:

The ILO estimates that the annual cost to the global economy from accidents and work-related diseases alone is a staggering $3 trillion. Moreover, a recent report suggests the world’s 3.2 billion workers are increasingly unwell, with the vast majority facing significant economic insecurity: 77% work in part-time, temporary, “vulnerable” or unpaid jobs.

Shouldn’t this phenomenon be better categorized as a societal or economic risk rather than an environmental one? In line with the systems thinking approach, however, global risks can no longer be boxed into a taxonomical silo. Frazzled workforces may precipitate another Bhopal (1984), Chernobyl (1986), Deepwater Horizon (2010) or Flint water crisis (2014). These disasters were notably not the result of manmade climate change. Neither was the Fukushima nuclear disaster (2011) nor the Indian Ocean tsunami (2004). Indeed, the combustion of a long-overlooked cargo of 2,750 tonnes of ammonium nitrate had nearly levelled the city of Beirut, Lebanon, on Aug 4 2020. The explosion left 204 dead; 7,500 injured; US$15 billion in property damages; and an estimated 300,000 people homeless (Urbina, 2020). The environmental costs have yet to be adequately tabulated.

Environmental disasters are more attributable to Black Swan events, systems breakdowns and corporate greed rather than to mundane human activity.

Our JIT world aggravates the cascading potential of risks (Korowicz, 2012). Production and delivery delays, caused by the COVID-19 outbreak, will eventually require industrial overcompensation. This will further stress senior executives, workers, machines and a variety of computerized systems. The trickle-down effects will likely include substandard products, contaminated food and a general lowering in health and safety standards (Maavak, 2019a). Unpaid or demoralized sanitation workers may also resort to indiscriminate waste dumping. Many cities across the United States (and elsewhere in the world) are no longer recycling wastes due to prohibitive costs in the global corona-economy (Liacko, 2021).

Even in good times, strict protocols on waste disposals were routinely ignored. While Sweden championed the global climate change narrative, its clothing flagship H&M was busy covering up toxic effluences disgorged by vendors along the Citarum River in Java, Indonesia. As a result, countless children among 14 million Indonesians straddling the “world’s most polluted river” began to suffer from dermatitis, intestinal problems, developmental disorders, renal failure, chronic bronchitis and cancer (DW, 2020). It is also in cauldrons like the Citarum River where pathogens may mutate with emergent ramifications.

On an equally alarming note, depressed economic conditions have traditionally provided a waste disposal boon for organized crime elements. Throughout 1980s, the Calabriabased ‘Ndrangheta mafia – in collusion with governments in Europe and North America – began to dump radioactive wastes along the coast of Somalia. Reeling from pollution and revenue loss, Somali fisherman eventually resorted to mass piracy (Knaup, 2008).

The coast of Somalia is now a maritime hotspot, and exemplifies an entwined form of economic-environmental-geopolitical-societal emergence. In a VUCA world, indiscriminate waste dumping can unexpectedly morph into a Black Hawk Down incident. The laws of unintended consequences are governed by actors, interconnections, interactions and adaptations in a system under study – as outlined in the methodology section.

Environmentally-devastating industrial sabotages – whether by disgruntled workers, industrial competitors, ideological maniacs or terrorist groups – cannot be discounted in a VUCA world. Immiserated societies, in stark defiance of climate change diktats, may resort to dirty coal plants and wood stoves for survival. Interlinked ecosystems, particularly water resources, may be hijacked by nationalist sentiments. The environmental fallouts of critical infrastructure (CI) breakdowns loom like a Sword of Damocles over this decade.

GEOPOLITICAL

The primary catalyst behind WWII was the Great Depression. Since history often repeats itself, expect familiar bogeymen to reappear in societies roiling with impoverishment and ideological clefts. Anti-Semitism – a societal risk on its own – may reach alarming proportions in the West (Reuters, 2019), possibly forcing Israel to undertake reprisal operations inside allied nations. If that happens, how will affected nations react? Will security resources be reallocated to protect certain minorities (or the Top 1%) while larger segments of society are exposed to restive forces? Balloon effects like these present a classic VUCA problematic.

Contemporary geopolitical risks include a possible Iran-Israel war; US-China military confrontation over Taiwan or the South China Sea; North Korean proliferation of nuclear and missile technologies; an India-Pakistan nuclear war; an Iranian closure of the Straits of Hormuz; fundamentalist-driven implosion in the Islamic world; or a nuclear confrontation between NATO and Russia. Fears that the Jan 3 2020 assassination of Iranian Maj. Gen. Qasem Soleimani might lead to WWIII were grossly overblown. From a systems perspective, the killing of Soleimani did not fundamentally change the actor-interconnection-interaction adaptivity equation in the Middle East. Soleimani was simply a cog who got replaced.

#### Global economic wars escalate---collapse overcomes traditional barriers to conflict.

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

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

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

Crisis responses limited

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

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

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

From bust to bubble

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

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

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

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

Liberalization’s discontents

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

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

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

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

Insecurity, populism, conflict

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

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

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

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

Avoiding Thucydides’ iceberg

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

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

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

#### AND they draw-in great powers.

Lawrence H. Summers 17. US Secretary of the Treasury (1999-2001) and Director of the US National Economic Council (2009-2010), former president of Harvard University, where he is currently University Professor. “Will the Center Hold?” <https://www.project-syndicate.org/onpoint/recession-or-financial-crisis-political-fallout-by-lawrence-h--summers-2017-12?a_la=english&a_d=5a37edac78b6c709b8d260dd&a_m=&a_a=click&a_s=&a_p=%2Fsection%2Feconomics&a_li=recession-or-financial-crisis-political-fallout-by-lawrence-h--summers-2017-12&a_pa=section-commentaries&a_ps>=.

The risk from a purely economic point of view is that the traditional strategy for battling recession – a reduction of 500 basis points in the federal funds rate – will be unavailable this year, given the zero lower bound on interest rates. Nor is it clear that the will or the room for fiscal expansion will exist.

This means that the next recession, like the last, may well be protracted and deep, with severe global consequences. And the political capacity for a global response, like that on display at the London G-20 Summit in 2009, appears to be absent as well. Just compare the global visions of US President Barack Obama and UK Prime Minister Gordon Brown back then with those of Trump and Prime Minister Theresa May today.

I shudder to think what a serious recession will mean for politics and policy. It is hard to imagine avoiding a resurgence of protectionism, populism, and scapegoating. In such a scenario, as with another financial crisis, the center will not hold.

But the greatest risk in the next few years, I believe, is neither a market meltdown nor a recession. It is instead a political doom loop in which voters’ conclusion that government does not work effectively for them becomes a self-fulfilling prophecy. Candidates elected on platforms of resentment delegitimize the governments they lead, fueling further resentment and even more problematic new leaders. Cynicism pervades.

How else can one explain how the candidacy of Roy Moore for a US Senate seat? Moore, who was twice dismissed for cause from his post on the Alabama Supreme Court, and who is credibly charged with sexually assaulting teenage girls when he was in his 30s, could enter the US Senate as many of his colleagues look the other way.

If a country’s citizens lose confidence in their government’s ability to improve their lives, the government has an incentive to rally popular support by focusing attention on threats that only it can address. That is why in societies pervaded by anger and uncertainty about the future, the temptation to stigmatize minority groups increases. And it is why there is a tendency for officials to magnify foreign threats.

We are seeing this phenomenon all over the world. Russian President Vladimir Putin, Turkish President Recep Tayyip Erdoğan, and Chinese President Xi Jinping have all made nationalism a central part of their governing strategy. So, too, has Trump, who has explicitly rejected the international community in favor of the idea that there is only a ceaseless struggle among nation-states for competitive advantage.

When the world’s preeminent power, having upheld the idea of international community for nearly 75 years, rejects it in favor of ad hoc deal making, others have no choice but to follow suit. Countries that can no longer rely on the US feel pressure to provide for their own security. America’s adversaries inevitably will seek to fill the voids left behind as the US retrenches.

#### Nuclear war causes extinction—nuclear winter.

Steven Starr 14. Senior Scientist for Physicians for Social Responsibility and Director of the Clinical Laboratory Science Program at the University of Missouri, has published in the Bulletin of the Atomic Scientists and the Strategic Arms Reduction (STAR) website of the Moscow Institute of Physics and Technology. “There Can be No Winners in a Nuclear War.” 6/11/14. <https://truthout.org/articles/there-can-be-no-winners-in-a-nuclear-war/>

Nuclear war has no winner. Beginning in 2006, several of the world’s leading climatologists (at Rutgers, UCLA, John Hopkins University, and the University of Colorado-Boulder) published a series of studies that evaluated the long-term environmental consequences of a nuclear war, including baseline scenarios fought with merely 1% of the explosive power in the US and/or Russian launch-ready nuclear arsenals. They concluded that the consequences of even a “small” nuclear war would include catastrophic disruptions of global climate and massive destruction of Earth’s protective ozone layer. These and more recent studies predict that global agriculture would be so negatively affected by such a war, a global famine would result, which would cause up to 2 billion people to starve to death.

These peer-reviewed studies – which were analyzed by the best scientists in the world and found to be without error – also predict that a war fought with less than half of US or Russian strategic nuclear weapons would destroy the human race. In other words, a US-Russian nuclear war would create such extreme long-term damage to the global environment that it would leave the Earth uninhabitable for humans and most animal forms of life.

A recent article in the Bulletin of the Atomic Scientists, “Self-assured destruction: The climate impacts of nuclear war,” begins by stating: “A nuclear war between Russia and the United States, even after the arsenal reductions planned under New START, could produce a nuclear winter. Hence, an attack by either side could be suicidal, resulting in self-assured destruction.”

In 2009, I wrote “Catastrophic Climatic Consequences of Nuclear Conflicts” for the International Commission on Nuclear Non-proliferation and Disarmament. The article summarizes the findings of these studies. It explains that nuclear firestorms would produce millions of tons of smoke, which would rise above cloud level and form a global stratospheric smoke layer that would rapidly encircle the Earth. The smoke layer would remain for at least a decade, and it would act to destroy the protective ozone layer (vastly increasing the UV-B reaching Earth) as well as block warming sunlight, thus creating Ice Age weather conditions that would last 10 years or longer.

Following a US-Russian nuclear war, temperatures in the central US and Eurasia would fall below freezing every day for one to three years; the intense cold would completely eliminate growing seasons for a decade or longer. No crops could be grown, leading to a famine that would kill most humans and large animal populations.

Electromagnetic pulse from high-altitude nuclear detonations would destroy the integrated circuits in all modern electronic devices, including those in commercial nuclear power plants. Every nuclear reactor would almost instantly meltdown; every nuclear spent fuel pool (which contain many times more radioactivity than found in the reactors) would boil off, releasing vast amounts of long-lived radioactivity. The fallout would make most of the US and Europe uninhabitable. Of course, the survivors of the nuclear war would be starving to death anyway. Once nuclear weapons were introduced into a US-Russian conflict, there would be little chance that a nuclear holocaust could be avoided. Theories of “limited nuclear war” and “nuclear de-escalation” are unrealistic. In 2002 the Bush administration modified US strategic doctrine from a retaliatory role to permit preemptive nuclear attack; in 2010, the Obama administration made only incremental and miniscule changes to this doctrine, leaving it essentially unchanged. Furthermore, Counterforce doctrine – used by both the US and Russian military – emphasizes the need for preemptive strikes once nuclear war begins. Both sides would be under immense pressure to launch a preemptive nuclear first-strike once military hostilities had commenced, especially if nuclear weapons had already been used on the battlefield.

Both the US and Russia each have 400 to 500 launch-ready ballistic missiles armed with a total of at least 1800 strategic nuclear warheads, which can be launched with only a few minutes warning. Both the US and Russian Presidents are accompanied 24/7 by military officers carrying a “nuclear briefcase,” which allows them to transmit the permission order to launch in a matter of seconds.

Yet top political leaders and policymakers of both the US and Russia seem to be unaware that their launch-ready nuclear weapons represent a self-destruct mechanism for the human race. For example, in 2010, I was able to publicly question the chief negotiators of the New START treaty, Russian Ambassador Anatoly Antonov and (then) US Assistant Secretary of State Rose Gottemoeller, during their joint briefing at the UN (during the Non-Proliferation Treaty Review Conference). I asked them if they were familiar with the recent peer-reviewed studies that predicted the detonation of less than 1% of the explosive power contained in the operational and deployed US and Russian nuclear forces would cause catastrophic changes in the global climate, and that a nuclear war fought with their strategic nuclear weapons would kill most people on Earth. They both answered “no.”

More recently, on April 20, 2014, I asked the same question and received the same answer from the US officials sent to brief representatives of the NGOS at the Non-Proliferation Treaty Preparatory Committee meeting at the UN. None of the US officials at the briefing were aware of the studies. Those present included top officials of the National Security Council. It is frightening that President Obama and his administration appear unaware that the world’s leading scientists have for years predicted that a nuclear war fought with the US and/or Russian strategic nuclear arsenal means the end of human history. Do they not know of the existential threat these arsenals pose to the human race . . . or do they choose to remain silent because this fact doesn’t fit into their official narratives? We hear only about terrorist threats that could destroy a city with an atomic bomb, while the threat of human extinction from nuclear war is never mentioned – even when the US and Russia are each running huge nuclear war games in preparation for a US-Russian war.

Even more frightening is the fact that the neocons running US foreign policy believe that the US has “nuclear primacy” over Russia; that is, the US could successfully launch a nuclear sneak attack against Russian (and Chinese) nuclear forces and completely destroy them. This theory was articulated in 2006 in “The Rise of U.S. Nuclear Primacy,” which was published in Foreign Affairs by the Council on Foreign Relations. By concluding that the Russians and Chinese would be unable to retaliate, or if some small part of their forces remained, would not risk a second US attack by retaliating, the article invites nuclear war.

Colonel Valery Yarynich (who was in charge of security of the Soviet/Russian nuclear command and control systems for 7 years) asked me to help him write a rebuttal, which was titled “Nuclear Primacy is a Fallacy.” Colonel Yarynich, who was on the Soviet General Staff and did war planning for the USSR, concluded that the “Primacy” article used faulty methodology and erroneous assumptions, thus invalidating its conclusions. My contribution lay in my knowledge of the recently published (in 2006) studies, which predicted even a “successful” nuclear first-strike, which destroyed 100% of the opposing side’s nuclear weapons, would cause the citizens of the side that “won” the nuclear war to perish from nuclear famine, just as would the rest of humanity.

#### Extinction outweighs.

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

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

#### Every degree of growth matters---slower recovery increases populist conflict---140 years of data proves.

James Pethokoukis 6/4/21. The DeWitt Wallace Fellow at the American Enterprise Institute where he runs the AEIdeas blog. "Biden's budget predicts the Roaring Twenties will end in 2022. Uh oh.". https://theweek.com/politics/1001118/the-populist-political-warning-in-the-biden-budget

But there's a big non-economic reason to hope for growth faster than the pace predicted in the Biden budget. The historically slow recovery out of the Great Recession coincided with a rise of nativist populism, both here and in other rich countries. When economic growth falters, bad things often happen. In the study "Going to extremes: Politics after financial crises, 1870 – 2014," researchers found after a severe financial crisis, "voters seem to be particularly attracted to the political rhetoric of the extreme right, which often attributes blame to minorities or foreigners." This reaction equates to a 30 percent increase, on average, in the vote share going to far-right parties. A similar cause-and-effect is suggested in "Populist psychology: economics, culture, and emotions," which finds that economic crises "cause emotional reactions that activate cultural discontent. This, in turn, activates populist attitudes."

#### Even if growth is imperfect, the transition away fails.

Hubert Buch-Hansen 18. Associate Professor, Department of Business and Politics, Copenhagen Business School. “The Prerequisites for a Degrowth Paradigm Shift: Insights from Critical Political Economy.” *Ecological Economics* 146: 157-63. Emory Libraries.

Still, the degrowth project is nowhere near enjoying the degree and type of support it needs if its policies are to be implemented through democratic processes. The number of political parties, labour unions, business associations and international organisations that have so far embraced degrowth is modest to say the least. Economic and political elites, including social democratic parties and most of the trade union movement, are united in the belief that economic growth is necessary and desirable. This consensus finds support in the prevailing type of economic theory and underpins the main contenders in the neoliberal project, such as centre-left and nationalist projects. In spite of the world's multidimensional crisis, a pro-growth discourse in other words continues to be hegemonic: it is widely considered a matter of common sense that continued economic growth is required.

It is also noteworthy that economic and political elites, to a large extent, continue to support the neoliberal project, even in the face of its evident shortcomings. Indeed, the 2008 financial crisis did not result in the weakening of transnational financial capital that could have paved the way for a paradigm shift. Instead of coming to an end, neoliberal capitalism has arguably entered a more authoritarian phase (Bruff, 2014). The main reason the power of the pre-crisis coalition remains intact is that governments stepped in and saved the dominant fraction by means of massive bailouts. It is a foregone conclusion that this fraction and the wider coalition behind the neoliberal paradigm (transnational industrial capital, the middle classes and segments of organized labour) will consider the degrowth paradigm unattractive and that such social forces will vehemently oppose the implementation of degrowth policies (see also Rees, 2014: 97).

While degrowth advocates envision a future in which market forces play a less prominent role than they do today, degrowth is not an antimarket project. As such, it can attract support from certain types of market actors. In particular, it is worth noting that social enterprises, such as cooperatives (Restakis, 2010), play a major role in the degrowth vision. Such enterprises are defined by being ‘organisations involved at least to some extent in the market, with a clear social, cultural and/or environmental purpose, rooted in and serving primarily the local community and ideally having a local and/or democratic ownership structure’ (Johanisova et al., 2013: 11). Social enterprises currently exist at the margins of a system, in which the dominant type of business entity is profit-oriented, shareholder-owned corporations. The further dissemination of social enterprises, which is crucial to the transitions to degrowth societies, is – in many cases – blocked or delayed as a result of the centrifugal forces of global competition (Wigger and Buch-Hansen, 2013). Overall, social enterprises thus (still) constitute a social force with modest power.

Ougaard (2016: 467) notes that one of the major dividing lines in the contemporary transnational capitalist class is between capitalists who have a material interest in the carbon-based economy and capitalists who have a material interest in decarbonisation. The latter group, for instance, includes manufacturers of equipment for the production of renewable energy (ibid.: 467). As mentioned above, degrowth advocates have singled out renewable energy as one of the sectors that needs to grow in the future. As such, it seems likely that the owners of national and transnational companies operating in this sector would be more positively inclined towards the degrowth project than would capitalists with a stake in the carbon-based economy. Still, the prospect of the “green sector” emerging as a driving force behind degrowth currently appears meagre. Being under the control of transnational capital (Harris, 2010), such companies generally embrace the “green growth” discourse, which ‘is deeply embedded in neoliberal capitalism’ and indeed serves to adjust this form of capitalism ‘to crises arising from contradictions within itself’ (Wanner, 2015: 23).

In addition to support from the social forces engendered by the production process, a political project ‘also needs the political ability to mobilize majorities in parliamentary democracies, and a sufficient measure of at least passive consent’ (van Apeldoorn and Overbeek, 2012: 5–6) if it is to become hegemonic. As mentioned, degrowth enjoys little support in parliaments, and certainly the pro-growth discourse is hegemonic among parties in government.5 With capital accumulation being the most important driving force in capitalist societies, political decision-makers are generally eager to create conditions conducive to production and the accumulation of capital (Lindblom, 1977: 172). Capitalist states and international organisations are thus “programmed” to facilitate capital accumulation, and do as such constitute a strategically selective terrain that works to the disadvantage of the degrowth project.

The main advocates of the degrowth project are grassroots, small fractions of left-wing parties and labour unions as well as academics and other citizens who are concerned about social injustice and the environmentally unsustainable nature of societies in the rich parts of the world. The project is thus ideationally driven in the sense that support for it is not so much rooted in the material circumstances or short-term self-interests of specific groups or classes as it is rooted in the conviction that degrowth is necessary if current and future generations across the globe are to be able to lead a good life. While there is no shortage of enthusiasts and creative ideas in the degrowth movement, it has only modest resources compared to other political projects. To put it bluntly, the advocates of degrowth do not possess instruments that enable them to force political decision-makers to listen to – let alone comply with – their views. As such, they are in a weaker position than the labour union movement was in its heyday, and they are in a far weaker position than the owners and managers of large corporations are today (on the structural power of transnational corporations, see Gill and Law, 1989).

6. Consent

It is also safe to say that degrowth enjoys no “passive consent” from the majority of the population. For the time being, degrowth remains unknown to most people. Yet, if it were to become generally known, most people would probably not find the vision of a smaller economic system appealing. This is not just a matter of degrowth being ‘a missile word that backfires’ because it triggers negative feelings in people when they first hear it (Drews and Antal, 2016). It is also a matter of the actual content of the degrowth project.

Two issues in particular should be mentioned in this context. First, for many, the anti-capitalist sentiments embodied in the degrowth project will inevitably be a difficult pill to swallow. Today, the vast majority of people find it almost impossible to conceive of a world without capitalism. There is a ‘widespread sense that not only is capitalism the only viable political and economic system, but also that it is now impossible to even imagine a coherent alternative to it’ (Fisher, 2009: 2). As Jameson (2003) famously observed, it is, in a sense, easier to imagine the end of the world than it is to imagine the end of capitalism. However, not only is degrowth – like other anti-capitalist projects – up against the challenge that most people consider capitalism the only system that can function; it is also up against the additional challenge that it speaks against economic growth in a world where the desirability of growth is considered common sense.

Second, degrowth is incompatible with the lifestyles to which many of us who live in rich countries have become accustomed. Economic growth in the Western world is, to no small extent, premised on the existence of consumer societies and an associated consumer culture most of us find it difficult to completely escape. In this culture, social status, happiness, well-being and identity are linked to consumption (Jackson, 2009). Indeed, it is widely considered a natural right to lead an environmentally unsustainable lifestyle – a lifestyle that includes car ownership, air travel, spacious accommodations, fashionable clothing, an omnivorous diet and all sorts of electronic gadgets. This Western norm of consumption has increasingly been exported to other parts of the world, the result being that never before have so many people taken part in consumption patterns that used to be reserved for elites (Koch, 2012). If degrowth were to be institutionalised, many citizens in the rich countries would have to adapt to a materially lower standard of living. That is, while the basic needs of the global population can be met in a non-growing economy, not all wants and preferences can be fulfilled (Koch et al., 2017). Undoubtedly, many people in the rich countries would experience various limitations on their consumption opportunities as a violent encroachment on their personal freedom. Indeed, whereas many recognize that contemporary consumer societies are environmentally unsustainable, fewer are prepared to actually change their own lifestyles to reverse/address this.

At present, then, the degrowth project is in its “deconstructive phase”, i.e., the phase in which its advocates are able to present a powerful critique of the prevailing neoliberal project and point to alternative solutions to crisis. At this stage, not enough support has been mobilised behind the degrowth project for it to be elevated to the phases of “construction” and “consolidation”. It is conceivable that at some point, enough people will become sufficiently discontent with the existing economic system and push for something radically different. Reasons for doing so could be the failure of the system to satisfy human needs and/or its inability to resolve the multidimensional crisis confronting humanity. Yet, various material and ideational path-dependencies currently stand in the way of such a development, particularly in countries with large middle-classes. Even if it were to happen that the majority wanted a break with the current system, it is far from given that a system based on the ideas of degrowth is what they would demand.

#### Capitalist growth is locked in---alternatives cause social and populist conflict.

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3. ‘Locked’ into growth and rising wellbeing expectations?

Having set out in the previous sections the discussion about wellbeing in the degrowth discourse so far, we now examine two additional wellbeing related challenges to the political feasibility of degrowth. First, it can be argued that the dominance of growth-based economics has taken on a ‘structural’ quality in current societies. This means that a transition to degrowth that can successfully support wellbeing would need to involve very fundamental social, economic, political, cultural and technological changes – some of which are difficult to achieve through political means. Second, these changes would ideally need to happen very fast, to present a meaningful response to the climate change crisis. We argue here that the process of transition itself is likely to bring about challenges for achieving aspired wellbeing outcomes. Third, and based on the argument that the framework of universal basic needs is most appropriate for discussing wellbeing in a degrowth context, we raise the question how well (or not) applying this framework to think about wellbeing aligns with current societies’ wellbeing expectations.

3.1. Growth ‘lock in’

Economic growth, as an attribute of market capitalism, has structural properties – it is needed to stabilise modern societies as it provides employment, public sector provision through tax revenues, rising wages, and hence social stability (Petridis et al., 2015: 178, Rosa et al., 2017). Economic growth is organised around and shapes a range of tightly coupled structures, including institutions, norms, discourses, culture, technologies, competences, identities, etc. Historically speaking, growth is a fairly recent phenomenon which only picked up in the 19th century together with the industrialisation of Western economies. In a co-evolutionary process, a range of institutions developed which are now coupled to a growth-based capitalist economy, including the nation state, representative democracy, the rule of law and current legal, financial, labour market, education, research, and welfare systems. These are based on philosophies which emerged to justify and give meaning to these institutions, for instance on individualism, freedom, justice, sovereignty, or power. The embeddedness of the growth-based capitalistic economic system in these co-evolved institutions and ways of thinking makes it difficult to transition to a degrowth system because the change of the economic system would need to involve a parallel transformation of those coupled systems. In Luhmann’s words, the constitution of the current system “defuturises” (Luhmann, 1976: 141) the future, it reduces the “openness” of the future; “path dependency” or even “lock-in” are related expressions that capture this idea. Two examples which directly link to people’s wellbeing can illustrate this point: the relationship between welfare states and growth, and between growth and people’s mind-sets and identities.

The satisfaction of needs is influenced by the character of socio-economic institutions, including the ways in which work, welfare, retirement, health, education and family life are governed; as well as by the structure of the distribution of a range of resources that support health and wellbeing. Welfare state institutions play an important role in these areas in high income economies, and they are closely coupled with economic growth (Bailey, 2015). Rising economic prosperity in the post Second World War period provided the resources for establishing welfare states in Europe and elsewhere, and the funding of current welfare state institutions is closely coupled to economic growth as it largely depends on income-related taxes and social security contributions. The positive relationship between economic growth and welfare states in many ways also works the other way round: welfare states support growth by enhancing the population’s health and education levels, providing unemployment and minimum income benefits for people out of work. This helps to increase productivity, maintain consumer demand, and more generally contain and minimise social conflict through redistribution and institutionalised conflict resolution between employers and employees.

Evidently, a fundamental reorganisation of the economic and welfare system would be required under degrowth to sustain investments in health, education, and the reduction of poverty and inequality. This will be crucial in a context of decreasing material and financial resources, because if left unmanaged, this could provide fertile ground for new social conflicts with potentially detrimental implications for wellbeing. Various degrowth authors have made suggestions for alternative welfare institutions and policies, including working time reduction and redistribution as mentioned above (Victor & Rosenbluth, 2007), a basic income (Gorz, 1980; Dietz & O’Neill, 2013: 94), and, from a Marxian perspective, the establishment of a cooperative economy in which businesses will be worker-owned and managed (Blauwhof, 2012). These are all relevant suggestions, however, it should not be underestimated how radical the changes to existing social systems are that these new institutions represent. They challenge deeply entrenched ways of thinking about rights, justice, freedom, private property, individual responsibility, etc. A change of these deeply rooted ‘logics’ on which these institutions are based is not impossible, but very difficult to steer with political means.

This point closely links to the idea that economic growth is not only at the core of various socio-economic institutions but is also very deeply anchored in people’s minds, bodies and identities which is likely to make the transition to degrowth additionally challenging. The concept of social practices helps us understand the ways in which agents (and their mind-sets and bodies) and broader social structures are continuously implicated and reproduced in the performance of social life (Büchs & Koch, 2017: ch. 6). From this perspective, economic growth is not just an external premise that actors can decide to act upon or not, but it is a principle with structural properties that is engrained in ways of thinking and acting – for the most part habitually. Growth thus becomes something that is perceived as ‘natural’ by the vast majority of actors. A range of scholars have argued that the growth paradigm is deeply embedded in people’s minds and bodies (Göpel, 2016; Lane, 1991; Welzer, 2011; Büchs & Koch, 2017: ch. 6). This implies that people’s identities and life goals are closely aligned with the idea of growth – shaped by ideas of social progress, personal status and success through careers, rising income and consumption. Even seemingly alternative goals such as ‘personal fulfilment’ can be infused with ideas that remain tied to the growth paradigm, for instance if fulfilment is sought through high consumption and high emissions practices such as extensive long haul travel or expensive hobbies and gadgets. As Meadows (1999) has pointed out, the most effective, but also the most difficult step in system transformation is the shift of paradigms that underpin the system. Again, since this is difficult to influence politically, it presents a major hurdle for a departure from growth-based systems that also maintains wellbeing.

3.2. Implications of rapidly transforming social systems

The social practices lens is also useful for thinking about possible wellbeing implications of rapid social change more generally, and a transition away from a growth-based economy specifically. While the concept of social practices inherently implies the possibility of change (with its focus on agency and creativity), it equally strongly highlights the structural aspects of practices which provide stability and orientation. During times of rapid social transitions, social norms and ‘mental infrastructures’ often lag behind, creating disorientation, social conflict, and negative impacts on wellbeing (Büchs & Koch, 2017: ch. 6).

Stability of structural dimensions of social practices offers orientation and some extent of predictability of how oneself and other people are likely to act in the future, providing a framework within which flexibility and change are possible. This orienting function of structural dimensions of practices is likely to be an important condition for people to form reasonably stable identities and relationships – key ingredients for wellbeing. Examples from classical and contemporary sociological and psychological research suggest that different speeds of changing social structures can establish misalignments and disruptions of social practices which can, in turn, negatively influence health and other wellbeing outcomes. For instance, in his classical study, Durkheim presents suicide at least partly as an outcome of a failure of cultural resources to provide meaning and orientation in the context of other, more rapid social changes (Durkheim, 2006; Vega & Rumbaut, 1991: 375). This idea also links to Bourdieu’s concept of the “hysteresis effect”. Here, Bourdieu emphasises that, especially during phases of social transition, people’s habitus and “objective” social circumstances can become disjointed: as a result of hysteresis, dispositions can be “out of line with the field and with the ‘collective expectations’ which are constitutive of its normality. This is the case, in particular, when a field undergoes a major crisis and its regularities (even its rules) are profoundly changed” (Bourdieu, 2000: 160). This can contribute to a deterioration of people’s wellbeing as it makes them feel “out of place” or let them be perceived that way, “plung[ing] them deeper into failure” (Bourdieu, 2000: 161) because they cannot make use of new opportunities or are mistreated or socially excluded by others.

Empirical research which partly builds on the idea of hysteresis has shown that wide-ranging organisational change can have a range of negative effects on people’s health and mortality (Ferrie et al., 1998; McDonough & Polzer, 2012). One study found that across 174 countries, several measures of wellbeing and social performance, including life satisfaction, health, safety and trust, voice and accountability, were highest in periods of economic stability, but lower in times of GDP growth or contraction (O’Neill, 2015); and other studies concluded that life expectancy can be negatively affected by both rapid economic growth and contraction (Notzon et al., 1998; Szreter, 1999).

Several scholars have recently highlighted the potential for social conflict inherent in (rapid) social change. For instance, Maja Göpel (2016: 49) remarks: “Unsurprisingly, the navigation or transition phase in shifting paradigms as well as governance solutions is marked by chaos, politicization, unease and power-ridden struggles”. Wolfgang Streeck has issued similar warnings (Streeck et al., 2016: 169). It is not difficult to see how such scenarios bear the potential of undermining some of the fundamental conditions that are necessary for the satisfaction of basic needs as discussed above, and hence the danger of generating substantial wellbeing losses for current and near-future generations.

In the current context, it is very difficult to imagine that we might be able to observe a rapid and radical cultural change in which people adopt identities and related lifestyles that value intrinsically motivated activities over pursuing satisfaction and status through careers and consumption. Even more worryingly, political events in Europe, the United States and elsewhere since the ‘Great Crash’ of 2008 indicate that times of negative or stagnant growth can provide a breeding ground for populist, nationalistic and anti-democratic movements. Economic insecurity, a perceived threat of established identities through migrants, and deep mistrust against ‘elite’ politicians are amongst the main explanations for previously unimaginable events such as the Brexit vote, Trump presidency, and recent electoral successes for far right-wing parties in a range of European countries.

#### Regulated capitalism is key---alternative systems fail to innovate sufficiently.

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Nonetheless, the abolition of capitalism is not the solution. The last century witnessed a large-scale experiment with an alternative system—a system of central planning in the Soviet Union and other communist countries of Central and Eastern Europe. This system failed to offer individuals the freedom and economic incentives necessary for frontier innovation, and so these nations were unable to get beyond an intermediate level of development. Henri Weber, a well-known figure of the French movement of May 1968, was a former Trotskyist leader in the 1960s and 1970s but later became a leader of the French Socialist Party and Socialist member of the European Parliament. He explained his personal conversion to the free market economy and social democracy, looking to the Scandinavian experience: “Having witnessed from a front-row seat the disaster of collectivization of agriculture and firms in the Soviet Union, the Scandinavian Socialists were the first to break with the dogma of socializing means of production and managing the economy by a central planning committee. To control and humanize the economy, it is altogether unnecessary to expropriate management, to nationalize firms, or to eradicate the market . . . altogether unnecessary to deprive society of the creativity, knowhow, and dynamism of entrepreneurs. Under certain conditions, entrepreneurial talent can be mobilized to serve the common good.” A market economy, because it induces creative destruction, is inherently disruptive. But historically it has proved to be a formidable engine of prosperity, hoisting our societies to levels of development unimaginable two centuries ago. Must we therefore resign ourselves to the serious pitfalls and defects of capitalism as the necessary price to pay to generate prosperity and overcome poverty?

In this book, we have sought to better understand how growth through creative destruction interacts with competition, inequality, the environment, finance, unemployment, health, happiness, and industrialization, and how poor countries catch up to rich ones. We have analyzed to what degree the state, with appropriate control of the executive, can stimulate the creation of wealth while at the same time tackling the problems mentioned above. We have seen how, by moving from laissez-faire capitalism, with market forces given free rein, to a form of capitalism in which the state and civil society play their full role, it is possible to stimulate social mobility and reduce inequality without discouraging innovation. We have also seen how appropriate competition policies can curb the decline of growth and how we can redirect innovation toward green technologies to combat global warming. We have seen that, without forgoing globalization, a country can improve its competitiveness through innovative investments and put in place effective safety nets to protect individuals who lose their jobs. Lastly, we have seen how, with the indispensable support of civil society, it is possible to prevent yesterday’s innovators, in collusion with public officials, from pulling up the ladder behind themselves to block the path of tomorrow’s innovators.

#### Regulated capitalism solves war, environment, and quality of life---alternatives increase degradation and poverty. Prefer empirical and measurable indicators.

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Discourse on food ethics often advocates the anti-capitalist idea that we need less capitalism, less growth, and less globalization if we want to make the world a better and more equitable place, with arguments focused on applications to food, globalization, and a just society. For example, arguments for this anti-capitalist view are at the core of some chapters in nearly every handbook and edited volume in the rapidly expanding subdiscipline of food ethics. None of these volumes (or any article published in this subdiscipline broadly construed) focuses on a defense of globalized capitalism.1

More generally, discourse on global ethics, environment, and political theory in much of academia—and in society—increasingly features this anti-capitalist idea as well.2 The idea is especially prominent in discourse surrounding the environment, climate, and global poverty, where we face a nexus of problems of which capitalism is a key driver, including climate change, air and water pollution, the challenge of feeding the world, ensuring sustainable development for the world's poorest, and other interrelated challenges.

It is therefore important to ask whether this anti-capitalist idea is justified by reason and evidence that is as strong as the degree of confidence placed in it by activists and many commentators on food ethics, global ethics, and political theory, more generally.

In fact, many experts argue that this anti-capitalist idea is not supported by reason and argument and is actually wrong. The main contribution of this essay is to explain the structure of the leading arguments against the anti-capitalist idea, and in favor of the opposite conclusion. I begin by focusing on the general argument in favor of well-regulated globalized capitalism as the key to a just, flourishing, and environmentally healthy world. This is the most important of all of the arguments in terms of its consequences for health, wellbeing, and justice, and it is endorsed by experts in the empirically minded disciplines best placed to analyze the issue, including experts in long-run global development, human health, wellbeing, economics, law, public policy, and other related disciplines. On the basis of the arguments outlined below, well-regulated capitalism has been endorsed by recent Democratic presidents of the United States such as Barack Obama, and by progressive Nobel laureates who have devoted their lives to human development and more equitable societies, as well as by a wide range of experts in government and leading nongovernmental organizations.

The goal of this essay is to make the structure and importance of these arguments clear, and thereby highlight that discourse on global ethics and political theory should engage carefully with them. The goal is not to endorse them as necessarily sound and correct. The essay will begin by examining general arguments for and against capitalism, and then turn to implications for food, the environment, climate change, and beyond.

Arguments for and against Forms of Capitalism

The Argument against Capitalism

Capitalism is often argued to be a key driver of many of society's ills: inequalities, pollution, land use changes, and incentives that cause people to live differently than in their ideal dreams. Capitalism can sometimes deepen injustices. These negative consequences are easy to see—resting, as they do, at the center of many of society's greatest challenges.3

And at the same time, it is often difficult to see the positive consequences of capitalism.4 What are the positive consequences of allowing private interests to clear-cut forests and plant crops, especially if those private interests are rich multinational corporations and the forests are in poor, developing countries whose citizens do not receive the profits from deforestation? Why give private companies the right to exploit resources at all, since exploitation almost always has some negative consequences such as those listed above? These are the right questions to ask, and they highlight genuine challenges to capitalism. And in light of these challenges, it is reasonable to consider the possibility that perhaps a different economic system altogether would be more equitable and beneficial to the global population.

The Argument for Well-Regulated Capitalism

However, things are more complicated than the arguments above would suggest, and the benefits of capitalism, especially for the world's poorest and most vulnerable people, are in fact myriad and significant. In addition, as we will see in this section, many experts argue that capitalism is not the fundamental cause of the previously described problems but rather an essential component of the best solutions to them and of the best methods for promoting our goals of health, well-being, and justice.

To see where the defenders of capitalism are coming from, consider an analogy involving a response to a pandemic: if a country administered a rushed and untested vaccine to its population that ended up killing people, we would not say that vaccines were the problem. Instead, the problem would be the flawed and sloppy policies of vaccine implementation. Vaccines might easily remain absolutely essential to the correct response to such a pandemic and could also be essential to promoting health and flourishing, more generally.

The argument is similar with capitalism according to the leading mainstream arguments in favor of it: Capitalism is an essential part of the best society we could have, just like vaccines are an essential part of the best response to a pandemic such as COVID-19. But of course both capitalism and vaccines can be implemented poorly, and can even do harm, especially when combined with other incorrect policy decisions. But that does not mean that we should turn against them—quite the opposite. Instead, we should embrace them as essential to the best and most just outcomes for society, and educate ourselves and others on their importance and on how they must be properly designed and implemented with other policies in order to best help us all. In fact, the argument in favor of capitalism is even more dramatic because it claims that much more is at stake than even what is at stake in response to a global pandemic—what is at stake with capitalism is nothing less than whether the world's poorest and most vulnerable billion people will remain in conditions of poverty and oppression, or if they will instead finally gain access to what is minimally necessary for basic health and wellbeing and become increasingly affluent and empowered. The argument in favor of capitalism proceeds as follows:

Premise 1. Development and the past. Over the course of recorded human history, the majority of historical increases in health, wellbeing, and justice have occurred in the last two centuries, largely as a result of societies adopting or moving toward capitalism. Capitalism is a relevant cause of these improvements, in the sense that they could not have happened to such a degree if it were not for capitalism and would not have happened to the same degree under any alternative noncapitalist approach to structuring society. The argument in support of this premise relies on observed relationships across societies and centuries between indicators of degree of capitalism, wealth, investments in public goods, and outcomes for health, wellbeing, and justice, together with econometric analysis in support of the conclusion that the best explanation of these correlations and the underlying mechanism is that large increases in health, wellbeing, and justice are largely driven by increasing investments in public goods. The scale of increased wealth necessary to maximize these investments requires capitalism. Thus, as capitalist societies have become dramatically wealthier over the past hundred years (and wealthier than societies with alternative systems), this has allowed larger investments in public goods, which simply has not been possible in a sustained way in societies without the greater wealth that capitalism makes possible. Important investments in public goods include investments in basic medical knowledge, in health and nutrition programs, and in the institutional capacity and know-how to regulate society and capitalism itself. As a result, capitalism is a primary driver of positive outcomes in health and wellbeing (such as increased life expectancy, lowered child and maternal mortality, adequate calories per day, minimized infectious disease rates, a lower percentage and number of people in poverty, and more reported happiness);5 and in justice (such as reduced deaths from war and homicide; higher rankings in human rights indices; the reduced prevalence of racist, sexist, homophobic opinions in surveys; and higher literacy rates).6 These quantifiable positive consequences of global capitalism dramatically outweigh the negative consequences (such as deaths from pollution in the course of development), with the result that the net benefits from capitalism in terms of health, wellbeing, and justice have been greater than they would have been under any known noncapitalist approach to structuring society.7

Premise 2. Economics, ethics, and policy. Although capitalism has often been ill-regulated and therefore failed to maximize net benefits for health, wellbeing, and justice, it can become well-regulated so that it maximizes these societal goals, by including mechanisms identified by economists and other policy experts that do the following:

* optimally8 regulate negative effects such as pollution and monopoly power, and invest in public goods such as education, basic healthcare, and fundamental research including biomedical knowledge (more generally, policies that correct the failures of free markets that economists have long recognized will arise from “externalities” in the absence of regulation);9
* ensure equity and distributive justice (for example, via wealth redistribution);10
* ensure basic rights, justice, and the rule of law independent of the market (for example, by an independent judiciary, bill of rights, property rights, and redistribution and other legislation to correct historical injustices due to colonialism, racism, and correct current and historical distortions that have prevented markets from being fair);11 and
* ensure that there is no alternative way of structuring society that is more efficient or better promotes the equity, justice, and fairness goals outlined above (by allowing free exchange given the regulations mentioned).12

To summarize the implication of the first two premises, well-regulated capitalism is essential to best achieving our ethical goals—which is true even though capitalism has certainly not always been well regulated historically. Society can still do much better and remove the large deficits in terms of health, wellbeing, and justice that exist under the current inferior and imperfect versions of capitalism.

Premise 3. Development and the future. If the global spread of capitalism is allowed to continue, desperate poverty can be essentially eliminated in our lifetimes. Furthermore, this can be accomplished faster and in a more just way via well-regulated global capitalism than by any alternatives. If we instead opt for less capitalism, less growth, and less globalization, then desperate poverty will continue to exist for a significant portion of the world's population into the further future, and the world will be a worse and less equitable place than it would have been with more capitalism. For example, in a world with less capitalism, there would be more overpopulation, food insecurity, air pollution, ill health, injustice, and other problems. In part, this is because of the factors identified by premise 1, which connect a turn away from capitalism with a turn away from continuing improvements in health, wellbeing, and justice, especially for the developing world. In addition, fertility declines are also a consequence of increased wealth, and the size of the population is a primary determinant of food demand and other environmental stressors.13 Finally, as discussed at length in the next section of the essay, capitalism can be naturally combined with optimal environmental regulations.14 Even bracketing anything like optimal regulation, it remains true that sufficiently wealthy nations reduce environmental degradation as they become wealthier, whereas developing nations that are nearing peak degradation will remain stuck at the worst levels of degradation if we stall growth, rather than allowing them to transition to less and less degradation in the future via capitalism and economic growth.15 In contrast, well-regulated capitalism is a key part of the best way of coping with these problems, as well as a key part of dealing with climate change, global food production, and other specific challenges, as argued at length in the next section. Here it is important to stress that we should favor well-regulated capitalism that includes correct investments in public goods over other capitalist systems such as the neoliberalism of the recent past that promoted inadequately regulated capitalism with inadequate concern for externalities, equity, and background distortions and injustices.16

Conclusion. Therefore, we should be in favor of capitalism over noncapitalism, and we should especially favor well-regulated capitalism, which is the ethically optimal economic system and is essential to any just basic structure for society.

This argument is impressive because, as stated earlier in the essay, it is based on evidence that is so striking that it leads a bipartisan range of open-minded thinkers and activists to endorse well-regulated capitalism, including many of those who were not initially attracted to the view because of a reasonable concern for the societal ills with which we began. To better understand why such a range of thinkers could agree that well-regulated capitalism is best, it may help to clarify some things that are not assumed or implied by the argument for it, which could be invoked by other bad arguments for capitalism.

One thing the argument above does not assume is that health, wellbeing, or justice are the same thing as wealth, because, in fact, they are not. Instead, the argument above relies on well-accepted, measurable indicators of health and wellbeing, such as increased lifespan; decreased early childhood mortality; adequate nutrition; and other empirically measurable leading indicators of health, wellbeing, and justice.17 Similarly, the argument that capitalism promotes justice, peace, freedom, human rights, and tolerance relies on empirical metrics for each of these.18

Furthermore, the argument does not assume that because these indicators of health, wellbeing, and justice are highly correlated with high degrees of capitalism, that therefore capitalism is the direct cause of these good outcomes. Rather, the analyses suggest instead that something other than capitalism is the direct cause of societal improvements (such as improvements in knowledge and technology, public infrastructure, and good governance), and that capitalism is simply a necessary condition for these improvements to happen.19 In other words, the richer a society is, the more it is able to invest in all of these and other things that are the direct causes of health, wellbeing, and justice. But, to maximize investment in these things societies need well-regulated capitalism.

As part of these analyses, it is often stressed that current forms of capitalism around the world are highly defective and must be reformed in the direction of well-regulated capitalism because they lack investments in public goods, such as basic knowledge, healthcare, nutrition, other safety nets, and good governance.20 In this way, an argument for a particular kind of progressive reformism is an essential part of the analyses that lead many to endorse the more general argument for well-regulated capitalism.

Although these analyses are nuanced, and appropriately so, it remains the case that the things that directly lead to health, wellbeing, and justice require resources, and the best path toward generating those resources is well-regulated capitalism. And on the flip side, according to the analyses behind premise 1 described above, an anti-capitalist system would not produce the resources that are needed, and would thus be a disaster, especially for the poorest billion people who are most desperately in need of the resources that capitalism can create and direct, to escape from extreme poverty.21

#### Economic growth increases quality of life.

Josh Swan 20. Policy and Data Analyst, City-REDI. "Capitalism and Its Impact on Global Living Standards – City REDI Blog". No Publication. 3-18-2020. https://blog.bham.ac.uk/cityredi/capitalism-and-its-impact-on-global-living-standards/

In a world where living standards have dramatically risen in the developed nations, technology and science are often credited with this outcome. Advancements in technology have created better farming techniques and increased food production. Medical science has eliminated disease and prolonged life through organ transplants, keyhole surgery and pacemakers. So how has capitalism impacted on global living standards?

Fundamentally, it must be said straight away that capitalism has been, and still is, an incredibly overwhelming positive force for the world and is easily the most successful economic system that has ever been produced. Since the time of Karl Marx, the embourgeoisement of populations has led to greater financial and social security, as well as, fulfilling careers that were once reserved for the elite. With the right saving plan, many will buy their own home, start their own business, save for their pension and enjoy unprecedented levels of leisure time. Just in case you are still not convinced why this is the single greatest economic system ever invented, let us examine the past. Technology has created more jobs than it has destroyed in the colossal world population boom in the last 144 years. Work is more fulfilling as dull jobs have been automated and creative careers becoming more numerous. Incredible advanced in medicine, accountancy and professional services were made under capitalism, and essential products like the television have seen a 98% fall in real-price since 1950.

Some would say this is a prerequisite to materialism; the making of commodities to fulfil our happiness and needs. You may say, so what if televisions have fallen in value meaning every family, including poor families that live in a home, can afford one? This isn’t a real argument to say it is the best system in the world… this hasn’t made a huge difference to reprimanding the suffering of Humankind. Well, is it enough to say capitalism has dramatically reduced child mortality rates and vastly increased the lifespan of old age? If that was not so then how would we explain an exponential world population increase? Whilst medical science has been credited for a positive difference with these two areas, the innovative nature of capitalism and the wealth it generated was able to fund and foster scrutiny of medical ideas which led to successful research. For example, in the Soviet Union, the goal of the central planners was to “catch up with and surpass the West”. Despite the Soviet Union in 1986 having a population 14% larger than the United States, they had 73% more hospitals than the US (23,100 vs 6229), 69% more beds for patients, 48% more physicians and 99% more midwives. However, the average life expectancy was 64 and 73 for males and females in the Soviet Union compared to 71 and 78 for males and females in the United States. It may be telling that despite far fewer staff and hospitals, the United States outspent the Soviets by more than $184 billion in 1979 ($645 billion in today’s money) and the US government paid less than half this amount compared to the 92% share the Soviet Union planners contributed. Capitalism enabled the United States to mobilise and efficiently allocate its resources, as well as, create far more efficient hospitals than its rival and was able to show a clear health benefit to its population as a result.

Other areas of living standards have skyrocketed such as education (and female education), skills, information and social mobility. But most of all, capitalism as a form of trade and enterprise has been the engine in the immense reduction of world absolute poverty as The Guardian writes “In the past 200 years, extreme poverty has collapsed from a whopping 94% of the entire world population to less than 10% today”. 60,000 people are escaping extreme poverty every day because of trade. But if capitalism is so good, why are there huge swathes of populations still poor and suffering today? Capitalism isn’t the cause of this poverty but rather that there is a lack of capitalism that affects these areas. Government corruption, war, political instability and other structural problems prevent power being placed into the markets and operating efficiently in these areas.