# Semis---Harvard 21

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### Off---FTC DA

FTC DA

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

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

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

#### The plan drains finite FTC resources and personnel.

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

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

#### That trades off with privacy enforcement.

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

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

#### Unchecked algorithmic bias causes extinction.

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

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

### Off---T-Private Sector

T-Private Sector

#### Interp---private sector means all non-governmental individuals or entities.

Senate Report 95. “S. Rept. 104-1 – Unfunded Mandate Reform Act of 1995”. 104th Congress. 1995. https://www.congress.gov/congressional-report/104th-congress/senate-report/1

“Private sector” is defined to cover all persons or entities in the United States except for State, local or tribal governments. It includes individuals, partnerships, associations, corporations, and educational and nonprofit institutions.

#### Violation---the plan only applies to systemic financial-service institutions, a specific subset of the private sector.

#### Vote Neg:

#### 1. Limits---there are infinite potential subsets---industries, products, companies, individuals, etc.

#### 2. Ground---only economy-wide Affs have link uniqueness and literature.

### Off---Cap K

Cap K

#### Antitrust is capitalist---competition inevitably replicates market collapse.

Richard Wolff 19. Professor Emeritus of Economics at University of Massachusetts, Amherst. Transcript from YouTube video: “Economic Update: Competition and Monopoly in Capitalism”. Democracy at Work. 12-9-2019. <https://www.democracyatwork.info/eu_competition_monopoly_in_capitalism>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Cap causes extinction and structural violence.

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

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

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

#### Vote Neg for anti-capitalist commons.

Nick Rose 21. PhD in Political Ecology from RMIT University. Executive Director of Sustain: The Australian Food Network. From the Cancer Stage of Capitalism to the Political Principle of the Common: The Social Immune Response of “Food as Commons”. Int J Health Policy Manag 2021. 3-31-21. DOI: 10.34172/ijhpm.2021.20

Silvia Federici provides a longer historical perspective, noting that ‘commoning is the principle by which human beings have organised their existence for thousands of years;’ and that to ‘speak of the principle of the common’ is to speak ‘not only of small-scale experiments [but] of large-scale social formations that in the past were continent-wide.’87 Hence a commons-based society is neither a utopia or reducible to fringe projects, and the commons have persisted despite the many and continuing enclosures, ‘feeding the radical imagination as well as the bodies of many commoners.’87 Federici acknowledges that commons and practices of commoning are diverse, that many are susceptible to cooptation and many are consistent with the persistence of capitalism; indeed some, such as charities providing social services (including foodbanks) during the years of austerity budgets in the United Kingdom (2010-2015), reinforce and stabilise capitalism.87 What matters to Federici is the character and intentionality of the commons as anti-capitalist, as ‘a means to the creation of an egalitarian and cooperative society…no longer built on a competitive principle, but on the principle of collective solidarity [and commitments] to the creation of collective subjects [and] fostering common interests in every aspect of our lives.’87

Federici’s analysis resonates with the political thought and proposals developed by Dardot and Laval in their 2018 work, ‘On Common: Revolution in the 21st century.’11 For Dardot and Laval, the common is likewise understood as a principle of political struggle, a demand for ‘real democracy’ and a major driving force behind the emerging articulation of a political vision and programme that transcends and overcomes the straitjacket logic of neoliberal ideological hegemony and its ‘policy grammar’ which appears to foreclose all alternatives and lock us forever into a capitalist realism in which ‘it is easier to imagine the end of the world than it is to imagine the end of capitalism.’89 Eschewing Bollier’s ‘triarchy’ of a market/state/ commons coexistence, Dardot and Laval argue for a politics of the common based on an engaged citizenry that directly participates and deliberates in all decisions which impact it, and in the process not merely transforms the institutions responsible for the management of services and allocation of resources, but creates new institutions and new ways of being in the world.11

Dardot and Laval describe this form of politics as ‘instituent praxis’: the common, they argue, is ‘not produced but instituted.’11 This acknowledges the conventional understanding of Ostrom, Bollier and others of ‘the commons’ as residing in the rules – the laws – that a community establishes for the collective management and use of shared resources, but extends it much further and in a more radical direction. The essence of the commons, they argue, is not in the goods per se such as land or a forest or a seed bank ‘held in common,’ but rather in the process of their establishment as well as the ongoing negotiation that will surround their use and governance. Hence, Dardot and Laval distinguish the commons from the ‘rights’ tradition of property, arguing that ‘the commons are above all else matters of institution and government…the use of the commons is inseparable from the right of deciding and governing. The practice that institutes the commons is the practice that maintains them and keeps them alive and takes full responsibility for their conflictuality through the coproduction of rules.’90 To ‘institute’ in this context should not be misunderstood as ‘to institutionalise [or] render official;’ rather it is ‘to recreate with, or on the basis of, what already exists.’ 90 This messy, conflictual and evolving process is what Dardot and Laval insist will ultimately bring about a revolution, not in the form of a violent uprising or insurrection, but rather through the ‘reinstitution of society’ via the transformation of politics and economy from its current state of ‘representative oligarchy’ to full participatory and deliberative democracy.11 Such a vision is premised on a mass politicisation of society; in effect a return of mass popular political contestation and a turn away from the postpolitical era of the neoliberal consumer.91-92

### Off---DPA CP

DPA CP

#### The United States should only allow the creation of systemic financial-service institutions under antitrust law when the president determines it is necessary to prevent conditions which may pose a direct threat to the national defense or its preparedness programs.

#### Solves and competes---the CP is a regulation, not a prohibition.

James Broaddus 50. Judge on the Kansas City Court of Appeals, Missouri; Westlaw. “City of Meadville v. Caselman”. 2-6-1950. 240 Mo. App. 1220. https://casetext.com/case/city-of-meadville-v-caselman-1

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

#### The plan undermines the DPA---the CP preserves it.

Michael H. Cecire & Heidi M. Peters 20. \*Analyst in Intergovernmental Relations and Economic Development Policy. \*\*Analyst in US Defense Acquisition Policy. “The Defense Production Act of 1950: History, Authorities, and Considerations for Congress”. 3-2-2020. <https://www.everycrsreport.com/reports/R43767.html>

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

Special Preference for Small Businesses

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

Definitions of Key Terms in the DPA

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

Industrial Base Assessments

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

Voluntary Agreements

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

The authority to establish a voluntary agreement has been delegated to the head of any federal department or agency otherwise delegated authority under any other part of E.O. 13603.106 Thus, the authority could be potentially used by a large group of federal departments and agencies. Use of these voluntary agreements is tracked by the Secretary of Homeland Security,107 who is tasked under E.O. 13603 with issuing regulations that are required by law on the "standards and procedures by which voluntary agreements and plans of action may be developed and carried out."108 The Federal Emergency Management Agency (FEMA), which at the time was an independent agency and tasked with these responsibilities under the DPA, issued regulations in 1981 to fulfill this requirement.109 FEMA is now a part of DHS, and those regulations remain in effect. The Maritime Administration (MARAD) of the U.S. Department of Transportation manages the only currently established voluntary agreements in the federal government, the Voluntary Intermodal Sealift Agreement (commonly referred to as "VISA") and the Voluntary Tanker Agreement. These programs are maintained in partnership with the U.S. Transportation Command of DOD, and have been established to ensure that the maritime industry can respond to the rapid mobilization, deployment, and transportation requirements of DOD. Voluntary participants from the maritime industry are solicited to join the agreements annually.110 Nucleus Executive Reserve Title VII of the DPA authorizes the President to establish a volunteer body of industry executives, the "Nucleus Executive Reserve," or more frequently called the National Defense Executive Reserve (NDER).111 The NDER would be a pool of individuals with recognized expertise from various segments of the private sector and from government (except full-time federal employees). These individuals would be brought together for training in executive positions within the federal government in the event of an emergency that requires their employment. The historic concept of the NDER has been used as a means of improving the war mobilization and productivity of industries.112 The head of any governmental department or agency may establish a unit of the NDER and train its members.113 No NDER unit is currently active, though the statute and E.O. 13603 still provide for this possibility. Units may be activated only when the Secretary of Homeland Security declares in writing that "an emergency affecting the national defense exists and that the activation of the unit is necessary to carry out the emergency program functions of the agency."114 Authorization of Appropriations, as amended by P.L. 113-72 Appropriations for the purpose of the DPA are authorized by Section 711 of Title VII.115 Prior to the P.L. 113-172, "such sums as necessary" were authorized to be appropriated. This has been replaced by a specific authorization for an appropriation of $133 million per fiscal year and each fiscal year thereafter, starting in FY2015, to carry out the provisions and purposes of the Defense Production Act.116 Table 1 shows that the annual average appropriation to the DPA Fund between FY2010 and FY2019 was $109.1 million,117 with a high of $223.5 million in FY2013 and a low of $34.3 million in FY2011. Monies in the DPA Fund are available until expended, so annual appropriations may carry over from year to year if not expended. Recently, the only regular annual appropriation for the purposes of the DPA has been made in the DOD appropriations bill, though appropriations could be made in other bills directly to the DPA Fund (or transferred from other appropriations). Committee on Foreign Investment in the United States118 The Committee on Foreign Investment in the United States (CFIUS) is an interagency committee that serves the President in overseeing the national security implications of foreign investment in the economy. It reviews foreign investment transactions to determine if (1) they threaten to impair U.S. national security; (2) the foreign investor is controlled by a foreign government; or (3) the transaction could affect homeland security or would result in control of any critical infrastructure that could impair the national security. The President has the authority to block proposed or pending foreign investment transactions that threaten to impair the national security. CFIUS initially was created and operated through a series of Executive Orders.119 In 1988, Congress passed the "Exon-Florio" amendment to the DPA, granting the President authority to review certain corporate mergers, acquisitions, and takeovers, and to investigate the potential impact on national security of such actions.120 This amendment codified the CFIUS review process due in large part to concerns over acquisitions of U.S. defense-related firms by Japanese investors. In 2007, amid growing concerns over the proposed foreign purchase of commercial operations of six U.S. ports, Congress passed the Foreign Investment and National Security Act of 2007 (P.L. 110-49) to create CFIUS in statute. On August 13, 2018, President Trump signed into law new rules governing national security reviews of foreign investment, known as the Foreign Investment Risk Review Modernization Act (FIRRMA, Title XVII, P.L. 115-235).121 FIRRMA amends several aspects of the CFIUS review process under Section 721 of the DPA.122 Notably, it expands the scope of transactions that fall under CFIUS' jurisdiction. It maintains core components of the current CFIUS process for evaluating proposed or pending investments in U.S. firms, but increases the allowable time for reviews and investigations. Upon receiving written notification of a proposed acquisition, merger, or takeover of a U.S. firm by a foreign investor, the CFIUS process can proceed potentially through three steps: (1) a 45-day national security review; (2) a 45-day maximum national security investigation (with an option for a 15-day extension for "extraordinary circumstances"); and (3) a 15-day maximum Presidential determination. The President can exercise his authority to suspend or prohibit a foreign investment, subject to a CFIUS review, if he finds that (1) "credible evidence" exists that the foreign investor might take action that threatens to impair the national security; and (2) no other laws provide adequate and appropriate authority for the President to protect national security. FIRRMA shifts the filing requirement for foreign investors from voluntary to mandatory in certain cases, and provides a two-track method for reviewing certain investment transactions. Other changes mandated by FIRRMA would provide more resources for CFIUS, add new reporting requirements, and reform export controls. Termination of the Act Title VII of the DPA also includes a "sunset" clause for the majority of the DPA authorities. All DPA authorities in Titles I, III, and VII have a termination date, with the exception of four sections.123 As explained in Section 717 of the DPA, the sections that are exempt from termination are 50 U.S.C. §4514, Section 104 of the DPA that prohibits both the imposition of wage or price controls without prior congressional authorization and the mandatory compliance of any private person to assist in the production of chemical or biological warfare capabilities; 50 U.S.C. §4557, Section 707 of the DPA that grants persons limited immunity from liability for complying with DPA-authorized regulations; 50 U.S.C. §4558, Section 708 of the DPA that provides for the establishment of voluntary agreements; and 50 U.S.C. §4565, Section 721 of the DPA, the so-called Exon-Florio Amendment, that gives the President and CFIUS review authority over certain corporate acquisition activities. P.L. 115-232 extended the termination date of Section 717 from September 30, 2019, to September 30, 2025. In addition, Section 717(c) provides that any termination of sections of the DPA "shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act" prior to its termination. This means, for instance, that prioritized contracts or Section 303 projects created with DPA authorities prior to September 30, 2025, would still be executed until completion even if the DPA is not reauthorized. Similarly, the statute specifies that the authority to investigate, subpoena, and otherwise collect information necessary to administer the provisions of the act, as provided by Section 705 of the DPA, will not expire until two years after the termination of the DPA.124 For a chronology of all laws reauthorizing the DPA since inception, see Table A-4. Defense Production Act Committee The Defense Production Act Committee (DPAC) is an interagency body originally established by the 2009 reauthorization of the DPA.125 Originally, the DPAC was created to advise the President on the effective use of the full scope of authorities of the DPA. Now, the law requires DPAC to be centrally focused on the priorities and allocations authorities of Title I of the DPA. The statute assigns membership in the DPAC to the head of each federal agency delegated DPA authorities, as well as the Chairperson of the Council of Economic Advisors. A full list of the members of the DPAC is included in E.O. 13603.126 As stipulated in law, the Chairperson of the DPAC is to be the "head of the agency to which the President has delegated primary responsibility for government-wide coordination of the authorities in this Act."127 As currently established in E.O. 13603 delegations, the Secretary of Homeland Security is the chair-designate, but the language of the law could allow the President to appoint another Secretary with revision to the E.O.128 The Chairperson of the DPAC is also required to appoint one full-time employee of the federal government to coordinate all the activities of the DPAC. Congress has exempted the DPAC from the requirements of the Federal Advisory Committee Act.129 The DPAC has annual reporting requirements relating to the Title I priority and allocation authority, and is also required to include updated copies of Title I-related rules in its report. The annual report also contains, among other items, a "description of the contingency planning ... for events that might require the use of the priorities and allocations authorities" and "recommendations for legislative actions, as appropriate, to support the effective use" of the Title I authorities.130 The DPAC report is provided to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services. Impact of Offsets Report Offsets are industrial compensation practices that foreign governments or companies require of U.S. firms as a condition of purchase in either government-to-government or commercial sales of defense articles and/or defense services as defined by the Arms Export Control Act (22 U.S.C. §2751, et seq.) and the International Traffic in Arms Regulations (22 C.F.R. §§120-130). In the defense trade, such industrial compensation can include mandatory co-production, licensed production, subcontractor production, technology transfer, and foreign investment. The Secretary of Commerce is required by law to prepare and to transmit to the appropriate congressional committees an annual report on the impact of offsets on defense preparedness, industrial competitiveness, employment, and trade. Specifically, the report discusses "offsets" in the government or commercial sales of defense materials.131

Considerations for Congress

Enhance Oversight

Expand Reporting or Notification Requirements

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

Enforce and Revise Rulemaking Requirements

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

Broaden Committee Oversight Jurisdiction

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

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

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

Amending the Defense Production Act of 1950

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

#### The DPA is key to pandemic response.

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

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

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

#### Pandemics cause extinction.

Dennis Pamlin & Stuart Armstrong 15. \*Executive Project Manager, Global Risks, Global Challenges Foundation. \*\*James Martin Research Fellow, Future of Humanity Institute, Oxford Martin School, University of Oxford. “12 Risks that threaten human civilisation: The case for a new risk category”. Global Challenges Foundation. February 2015. <https://www.researchgate.net/publication/291086909_12_Risks_that_threaten_human_civilisation_The_case_for_a_new_risk_category>

Infectious diseases have been one of the greatest causes of mortality in history. Unlike many other global challenges pandemics have happened recently, as we can see where reasonably good data exist. Plotting historic epidemic fatalities on a log scale reveals that these tend to follow a power law with a small exponent: many plagues have been found to follow a power law with exponent 0.26.261

These kinds of power laws are heavy-tailed262 to a significant degree.263 In consequence most of the fatalities are accounted for by the top few events.264 If this law holds for future pandemics as well,265 then the majority of people who will die from epidemics will likely die from the single largest pandemic.

Most epidemic fatalities follow a power law, with some extreme events – such as the Black Death and Spanish Flu – being even more deadly.267

There are other grounds for suspecting that such a high-impact epidemic will have a greater probability than usually assumed. All the features of an extremely devastating disease already exist in nature: essentially incurable (Ebola268), nearly always fatal (rabies269), extremely infectious (common cold270), and long incubation periods (HIV271). If a pathogen were to emerge that somehow combined these features (and influenza has demonstrated antigenic shift, the ability to combine features from different viruses272), its death toll would be extreme.

Many relevant features of the world have changed considerably, making past comparisons problematic. The modern world has better sanitation and medical research, as well as national and supra-national institutions dedicated to combating diseases. Private insurers are also interested in modelling pandemic risks.273 Set against this is the fact that modern transport and dense human population allow infections to spread much more rapidly274, and there is the potential for urban slums to serve as breeding grounds for disease.275

Unlike events such as nuclear wars, pandemics would not damage the world’s infrastructure, and initial survivors would likely be resistant to the infection. And there would probably be survivors, if only in isolated locations. Hence the risk of a civilisation collapse would come from the ripple effect of the fatalities and the policy responses. These would include political and agricultural disruption as well as economic dislocation and damage to the world’s trade network (including the food trade).

Extinction risk is only possible if the aftermath of the epidemic fragments and diminishes human society to the extent that recovery becomes impossible277 before humanity succumbs to other risks (such as climate change or further pandemics).

### Off---Regs CP

Regs CP

#### The United States federal government should:

#### - Maintain the current scope of its core antitrust laws and announce its intent to do so.

#### - Substantially increase its prohibitions of systemic financial-service institutions through non-antitrust regulations.

#### Solves and competes---only the FTC and the DOJ enforce antitrust laws.

Michael Kades 19. Director for markets and competition policy at the Washington Center for Equitable Growth. “The state of U.S. federal antitrust enforcement”. Washington Center for Equitable Growth. 9-17-2019. https://equitablegrowth.org/research-paper/the-state-of-u-s-federal-antitrust-enforcement/?longform=true

Discussion about the current U.S. antitrust enforcement regime has been less systematic. Critics have pointed to where they believe federal enforcers have dropped the ball, such as the failure to challenge specific merger transactions or to attack the business practices of certain technology platforms. Defenders of the two federal agencies in charge of enforcement—the U.S. Department of Justice’s Antitrust Division and the Federal Trade Commission—have pointed to the areas where the agencies have been aggressive (such as the Department of Justice’s case against American Express Co.) or tenacious (such as the FTC’s enforcement agenda against hospital mergers).

### Off---Politics DA

Politics DA

#### Infrastructure passes---PC is key.

Lisa Mascaro, 10-28-2021, "Biden announces 'historic' deal — but still must win votes," AP NEWS, https://apnews.com/article/joe-biden-congress-democrats-budget-framework-60a1bc276d0ab8eb3e0347fc54ee8c2c

President Joe Biden announced Thursday that he and Democrats in Congress have reached a “historic” framework for his sweeping domestic policy package. But he still needs to lock down votes from key colleagues for what’s now a dramatically scaled-back bill.

Eager to have a deal in hand before his departure late in the day for global summits, Biden made his case privately on Capitol Hill to House Democrats and publicly in a speech at the White House. He’s now pressing for a still-robust package — $1.75 trillion of social services and climate change programs — that the White House believes can pass the 50-50 Senate.

The fast-moving developments put Democrats closer to a hard-fought deal, but battles remain as they press to finish the final draft in the days and weeks ahead.

“Let’s get this done,” Biden exhorted.

“It will fundamentally change the lives of millions of people for the better,” he said about the package, which he badly wanted before the summits to show the world American democracy still works.

Together with a nearly $1 trillion bipartisan infrastructure bill, Biden claimed the infusion of federal investments would be a domestic achievement modeled on those of Franklin Roosevelt and Lyndon Johnson.

“I need your votes,” Biden told the lawmakers at the Capitol, according to a person who requested anonymity to discuss the private remarks.

But final votes will not be called for some time. The revised package has lost some top priorities, frustrating many lawmakers as the president’s ambitions make way for the political realities of the narrowly divided Congress.

Paid family leave and efforts to lower prescription drug pricing are now gone entirely from the package, drawing outrage from some lawmakers and advocates.

Still in the mix, a long list of other priorities: free prekindergarten for all youngsters, expanded health care programs — including the launch of a new $35 billion hearing aid benefit for people with Medicare — and $555 billion to tackle climate change.

There’s also a one-year extension of a child care tax credit that was put in place during the COVID-19 rescue and new child care subsidies. An additional $100 billion to bolster the immigration and border processing system could boost the overall package to $1.85 trillion if it clears Senate rules.

One pivotal Democratic holdout, Sen. Kyrsten Sinema of Arizona, said, “I look forward to getting this done.”

However, another, Joe Manchin of West Virginia, was less committal: “This is all in the hands of the House right now.”

The two Democrats have almost single-handedly reduced the size and scope of their party’s big vision, and are crucial to sealing the deal.

#### The plan trades off.

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

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

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

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

#### The bill is key to the grid.

Jennifer A. Dlouhy 21, Energy and Environmental Reporter at Bloomberg News, BA in Journalism and Political Science from the University of Missouri, and Ari Natter, Reporter at Bloomberg LP, BA in Journalism from American University, “Biden’s Plea to Remake Grid Gets a Boost on Texas Power Crisis”, Bloomberg Green, 2/17/2021, https://www.bloomberg.com/news/articles/2021-02-17/biden-s-plea-to-remake-grid-gets-a-boost-on-texas-power-crisis

The icy weather that left millions without power in Texas has critics of the Biden administration’s fight against climate change blaming renewable energy, but the failures have more to do with an ill-prepared power grid and shortfalls in traditional electricity sources.

Energy analysts and experts said the blackouts in Texas underscore the U.S. electric system’s need for more of almost everything, from additional power lines criss-crossing the country to large-scale storage systems that can supply electricity when demand spikes or renewable generation declines.

That could give at least a rhetorical boost to President Joe Biden’s plans for a “historic investment” in the nation’s electric grid, including better transmission systems and battery storage that would make the system more resilient amid extreme weather spurred by climate change. The investments broadly touted by Biden could help satisfy his 2035 goal of an emissions-free power system and help meet increased demand nationwide as more electric vehicles hit the roads and more buildings rely on power instead of natural gas for heat.

The administration is set to unveil a blueprint for infrastructure spending, including investments in the nation’s electrical grid, within weeks.

“There are parts of the country right now that have excess power, that have low prices, that are not struggling, where it’s a normal Tuesday, and yet in Texas, 4 million people are without power,” said Joshua Rhodes, a research associate at the University of Texas at Austin’s Webber Energy Group. “This should reignite a debate about some kind of connection between our disparate grids where we can move energy to places like Texas that are desperate for it right now.”

The nation’s grid evolved from a patchwork of local power systems that weren’t meant to serve distant customers. “So cities and even some times neighborhoods have their own systems,” Rhodes said.

The downside of that approach became apparent in Texas as temperatures plunged into single digits. Regional power sources weren’t able to meet the demand as residents cranked up thermostats, straining supplies of electricity in the state known as the energy capital of the U.S. Grid operators were forced to implement rolling blackouts as wind turbines in West Texas froze up and natural gas, coal and nuclear power plants went offline.

“No technologies were spared in this storm of the century,” said Suzanne Bertin, who heads the Texas Advanced Energy Business Alliance. The solution involves “not putting all of our eggs in one technology basket.”

It’s not the first time the nation’s grid has failed to provide energy where it’s needed. A heat wave across California last August caused a spike in energy demand as residents cranked up air conditioners, forcing rolling blackouts.

And in 2011, after a cold snap forced scores of Texas power plants offline federal regulators recommended installing insulation and heated pipes

Larry Gasteiger, executive director of WIRES, a trade group that advocates for more construction of high-voltage transmission, said the latest crisis in Texas shows the urgent need to build a more resilient grid.

“Climate change is continuing to have a serious impact on the electric system,” Gasteiger said in a phone interview. “We are seeing more and more frequent extreme weather events.”

#### Grid collapse causes extinction.

Alice Friedemann 16. Transportation expert, founder of EnergySkeptic.com and author of “When Trucks Stop Running, Energy and the Future of Transportation,” worked at American Presidential Lines for 22 years, where she developed computer systems to coordinate the transit of cargo between ships, rail, trucks, and consumers. 01-24-16. “Electromagnetic pulse threat to infrastructure (U.S. House hearings).” Energy Skeptic. http://energyskeptic.com/2016/the-scariest-u-s-house-session-ever-electromagnetic-pulse-and-the-fall-of-civilization/

Modern civilization cannot exist for a protracted period without electricity. Within days of a blackout across the U.S., a blackout that could encompass the entire planet, emergency generators would run out of fuel, telecommunications would cease as would transportation due to gridlock, and eventually no fuel. Cities would have no running water and soon, within a few days, exhaust their food supplies. Police, Fire, Emergency Services and hospitals cannot long operate in a blackout. Government and Industry also need electricity in order to operate. The EMP Commission warns that a natural or nuclear EMP event, given current unpreparedness, would likely result in societal collapse.

### Off---States CP

States CP

#### The 50 states and all relevant subnational entities should:

#### - Enforce federal antitrust laws to prohibit systemic financial-service institutions.

#### - Enact parallel statutes adopting the same principle.

#### Solves.

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In the United States, competition laws have been implemented and enforced through a dual system where the state and federal governments play distinct, yet complementary, roles in regulating the competitive process. While the Department of Justice (DOJ) Antitrust Division and Federal Trade Commission (FTC) are widely viewed as the stewards of US antitrust laws, state attorneys general have long played an important, albeit varying, role within the United States’ antitrust enforcement regime. This has been especially true during the past 30 years because state attorneys general have become much more effective at coordinating their antitrust enforcement efforts to ensure that they have a meaningful seat at the table in any actions brought jointly with their federal counterparts or are able to bring their own actions when the DOJ and FTC decide not to do so.

Prior to the enactment of the first federal antitrust law – the Sherman Act – in 1890, state antitrust enforcement was quite robust in the United States because at least 26 states had already enacted some form of antitrust prohibition.[2] In addition, state enforcers had often used general corporation law and common law restraint of trade principles to regulate anticompetitive business practices and transactions.[3] This well-established state antitrust enforcement infrastructure – coupled with the fact that the Antitrust Division and FTC had only recently been created – permitted state attorneys general to continue playing a leading enforcement role for the first 30 years after the Sherman Act’s passage.[4] Indeed, state attorneys general successfully prosecuted a number of the most consequential antitrust enforcement actions during this period.[5]

In the early 1920s, however, state antitrust enforcers began playing a less prominent role because ‘the national dimension of the most important trusts, . . . as well as their ability to restructure in order to evade problematic state laws’, made clear that the federal government needed to step forward in order to adequately protect consumers and the competitive process.[6] As a result, the DOJ and FTC – whose national jurisdiction and greater resources enabled them to tackle the most pressing competition issues of the time – displaced state attorneys general as the primary source of government antitrust enforcement within the United States.[7] This largely remained true until the mid-1970s when Congress, in response to the DOJ and FTC’s perceived inactivity, passed two laws that expanded the authority of state attorneys general to enforce the federal antitrust laws and provided them with financial resources to do so.[8]

In 1976, Congress passed the Hart-Scott-Rodino Antitrust Improvement Act, which, among other things, authorised state attorneys general to bring parens patriae suits (i.e., legal actions brought on behalf of natural persons residing within their states) seeking monetary (treble damages) and injunctive relief for Sherman Act violations.[9] Congress also passed the Crime Control Act of 1976, which, among other things, provided state attorneys general with tens of millions in federal grants as ‘seed money’ for the creation of antitrust bureaus within their offices.[10] These laws had their intended effect of reinvigorating state antitrust enforcement.

During the 1980s, for example, state attorneys general once again emerged as vigorous antitrust enforcers, especially with respect to the prosecution of resale price maintenance practices and other vertical restraints.[11] The rise in the level and prominence of state antitrust enforcement during this period was largely due to a perceived enforcement void at the federal level, where the DOJ and FTC had mostly limited their focus to ‘prohibiting cartels and large horizontal mergers’.[12] No longer content with ceding antitrust enforcement to federal enforcers, state attorneys general expanded their antitrust dockets from prosecuting purely ‘local matters, such as bid-rigging on state contracts’, to actively investigating and litigating matters with multistate and national implications.[13] To help ensure that they had a larger seat at the antitrust enforcement table, state attorneys general also increased the coordination of their enforcement efforts and competition advocacy through organisations such as the National Association of Attorneys General (NAAG), which created a Multistate Antitrust Task Force and issued state Vertical Restraints and Horizontal Merger Guidelines during this period.[14]

### Off---Japan DA

Japan DA

#### The plan is applied globally---that offends allies.

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

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

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

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

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

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

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

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

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

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

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

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

IV. Extraterritorial antitrust and foreign deregulation

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

#### It ends the Japan economic alliance.

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

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

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

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

II. Extraterritorial Application of U.S. Antitrust Laws

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Too Big to Fail Adv---1NC

#### COVID thumps---their impact cards pre-date it---tanked global growth.

#### No econ decline impact.

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

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

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

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

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

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

#### Alt causes to nativism, including immigration.

Uri Friedman 17. Managing Editor at The Atlantic. What is a nativist? Global. The Atlantic. 4-11-2017. https://www.theatlantic.com/international/archive/2017/04/what-is-nativist-trump/521355/

“Nativism is the core feature of the radical right today,” Mudde told me, and the other ideological dimensions of contemporary radical-right politicians—like populism and authoritarianism—tend to pass through a nativist filter. In terms of populism, he said, “the elite is considered to be corrupt because it works in the interest of the non-natives or it undermines the native group.” In terms of authoritarianism, which emphasizes the enforcement of law and order, “crime is almost always linked” to outsiders. While nativist movements have long argued that immigrants pose a multifaceted threat to the culture, security, and economic well-being of natives, Mudde writes in his 2012 paper, in the post-9/11 era the cultural and security threats have become intertwined with religion. “Increasingly the immigrant is seen as a Muslim, not a Turk or Moroccan,” he notes.

Some studies indicate that as levels of immigration to a country rise, so does support for nativist, radical-right politicians. But Mudde contends that the connection is more complicated than that: It’s not sufficient for the ranks of the foreign-born in a nation to swell; immigration also has to be turned into a political issue. It has to be made visible to a large part of the population. He pointed out that labor-migration flows to Western Europe increased in the years before the 1973 oil crisis, but that immigration wasn’t politicized there until the 1980s and ’90s, when asylum-seekers flocked to the region, efforts to integrate immigrants and their children into society and the labor market sputtered, and radical-right parties like the National Front in France began achieving political success.

#### The terminal impact to populism is LIO collapse---no impact to that.

Graham Allison 18. Professor of Government at Harvard. “The Myth of the Liberal Order.” Foreign Affairs 97.4: 124-133

Among the debates that have swept the U.S. foreign policy community since the beginning of the Trump administration, alarm about the fate of the liberal international rules-based order has emerged as one of the few fixed points. From the international relations scholar G. John Ikenberry's claim that "for seven decades the world has been dominated by a western liberal order" to U.S. Vice President Joe Biden's call in the final days of the Obama administration to "act urgently to defend the liberal international order," this banner waves atop most discussions of the United States' role in the world. About this order, the reigning consensus makes three core claims. First, that the liberal order has been the principal cause of the so-called long peace among great powers for the past seven decades. Second, that constructing this order has been the main driver of U.S. engagement in the world over that period. And third, that U.S. President Donald Trump is the primary threat to the liberal order-and thus to world peace. The political scientist Joseph Nye, for example, has written, "The demonstrable success of the order in helping secure and stabilize the world over the past seven decades has led to a strong consensus that defending, deepening, and extending this system has been and continues to be the central task of U.S. foreign policy." Nye has gone so far as to assert: "I am not worried by the rise of China. I am more worried by the rise of Trump." Although all these propositions contain some truth, each is more wrong than right. The "long peace" was the not the result of a liberal order but the byproduct of the dangerous balance of power between the Soviet Union and the United States during the four and a half decades of the Cold War and then of a brief period of U.S. dominance. U.S. engagement in the world has been driven not by the desire to advance liberalism abroad or to build an international order but by the need to do what was necessary to preserve liberal democracy at home. And although Trump is undermining key elements of the current order, he is far from the biggest threat to global stability. These misconceptions about the liberal order's causes and consequences lead its advocates to call for the United States to strengthen the order by clinging to pillars from the past and rolling back authoritarianism around the globe. Yet rather than seek to return to an imagined past in which the United States molded the world in its image, Washington should limit its efforts to ensuring sufficient order abroad to allow it to concentrate on reconstructing a viable liberal democracy at home. CONCEPTUAL JELL-O The ambiguity of each of the terms in the phrase "liberal international rules-based order" creates a slipperiness that allows the concept to be applied to almost any situation. When, in 2017, members of the World Economic Forum in Davos crowned Chinese President Xi Jinping the leader of the liberal economic order-even though he heads the most protectionist, mercantilist, and predatory major economy in the world-they revealed that, at least in this context, the word "liberal" has come unhinged.

### Fintech Adv---1NC

#### Blockchain has too many structural issues that prevent adoption.

Carlo R.W. De Meijer 20. Founder/owner of MIFSA. Worked in the financial industry as an an economist, private banker and researcher at RBS, ABN AMRO. “Remaining challenges of blockchain adoption and possible solutions” Finextra. 2-29-2020. <https://www.finextra.com/blogposting/18496/remaining-challenges-of-blockchain-adoption-and-possible-solutions>

A growing number of companies have expressed their will to enter the blockchain arena. But after some number of years in which their focus was mainly on the benefits of blockchain in various areas, in terms of speed, costs, streamline operations and increased efficiency, their attention is now turned to the various challenges and bottlenecks that are preventing widespread adoption. In this blog I will go into more detail in these bottlenecks and how the industry is trying to tackle these.

Main challenges

First of all there is a reputation challenge. Blockchain is still very much connected to the crypto world in the mind of many. And that is seen as a world of bad actors, hackers, frauds and speculators.

But more important are the technical ones such as immaturity (still slow and cumbersome), lack of scalability, lack of interoperability, stand-alone projects, difficult integration with legacy systems, complexity and lack of blockchain talent.

What to think about the organisational challenges at corporates like lack of good governance, lack of awareness and understanding, lack of user experience and education, the attitude of incumbents, or the security and privacy challenges, including lack of regulation. And there is the productivity paradox.

And finally, but not unimportant other challenges such as culture, energy consumption/environmental cost.

#### Tech race is telecom propaganda and exacerbates the digital divide.

Nilay Patel 19. AB in Political Science from the University of Chicago in 2003 and his J.D. from the University of Wisconsin Law School in 2006. Wait, why the hell is the ‘race to 5G’ even a race?. Verge. 5-23-2019. https://www.theverge.com/2019/5/23/18637213/5g-race-us-leadership-china-fcc-lte

Everyone — the wireless industry, Democrats, Republicans, the major media, you name it — frames the building of next-generation 5G networks as a “race” in which the United States needs to demonstrate “leadership.”

Here is The Washington Post declaring America has the lead in the race to 5G. Here’s CNN asking “Who’s winning the race to 5G?” Here’s AT&T CEO Randall Stephenson declaring that China isn’t beating the US to 5G “yet,” as some sort of ominous warning. Here’s T-Mobile CEO John Legere telling the House Subcommittee on Communications and Technology that merging with Sprint will let his company “win the race to 5G.” Here is an entire microsite from industry lobbying group CTIA titled “The Race to 5G.”

Let us never forget AT&T being so desperate to lead this “race” that it rolled out fake 5Ge logos on its phones.

But the stakes of this supposed race are wholly unclear. What happens if we win, besides telecom execs getting slightly richer? More importantly, what are the drawbacks to coming in second, or even third? Where is the list of specific negative outcomes of China building a 5G network a month, a year, or even five years before the United States? I’ve never seen it, and I keep asking about it.

NO ONE CAN SAY WHAT BAD THINGS WILL HAPPEN IF WE DON’T WIN THE RACE TO 5G

For example, here’s FCC Commissioner Geoffrey Starks on The Vergecast this week, when I asked why 5G is a race.

“I think it is important for us to continue to lead the race ... we obviously led to 4G and I think we get to set some of the standards that are ultimately going to be implemented worldwide, which is why there is a little bit of a race.”

Starks went on to say that China wants to be a global leader in supplying 5G equipment and that’s why Huawei has been so aggressively building and pricing its gear. But Huawei depends on American chip technology to make its products, and the US government has just put Huawei on a blacklist anyway. So... the race is so we can set some wireless standards? I suspect Apple, Google, Qualcomm, Verizon, and AT&T can fend for themselves when it comes to that process.

The other main argument for winning the “race” to 5G is that having the world’s best and fastest networks will create new economic opportunities for businesses of all kinds — we’ll enable self-driving cars and telemedicine and all the other stuff you hear about during interminable 5G slideshows at trade conferences. At a hearing before the Senate Committee on Commerce, Science, and Transportation earlier this year, Mississippi Sen. Roger Wicker confidently declared that “failing to win the race to 5G would not only materially delay the benefits of 5G for the American people, it would forever reduce the economic and societal gains that come from leading the world in technology.”

WE WON THE RACE TO LTE AND OUR LTE NETWORKS ARE AMONG THE SLOWEST AND MOST EXPENSIVE IN THE WORLD

Maybe. It is indeed true that better networks lead to better opportunities, and that widespread high-speed broadband is something everyone wants. But I sincerely doubt that all of these companies will pick up and move to China or Europe if the United States builds 5G networks slightly slower. After all, we already have some of the slowest and most expensive networks in the world, and Apple and Facebook have not yet relocated to South Korea.

The more I hear about the race, the more I don’t buy it. I think the “race” framing is there to make some big decisions seem urgent and important — to make it appear as though some serious trade-offs are worth it in order to “win.” And those trade-offs are indeed serious: 5G networks will require a serious rethinking of how we use wireless spectrum. There are incredible privacy implications around putting millions of IoT devices in a “smart city” on 5G. Investment dollars will naturally flow toward building 5G networks in cities instead of expanding our networks to rural areas, exacerbating the digital divide.

THE “RACE” IS TO THERE TO MAKE SERIOUS TRADE-OFFS SEEM WORTH IT SO WE CAN “WIN”

And once the “race” to build out 5G in big cities is “won,” the pressure to expand access to other places in the country will vanish, making that divide even worse. It is worth carefully considering all of these things before giving in to haste.

Oh, and it appears that some of the required 5G spectrum might interfere with important weather sensors, a concern raised by NASA, the Navy, and the NOAA in hearings before Congress last week. How did the wireless industry respond to these concerns? By writing a blog post accusing meteorologists from across three government agencies of “risking our 5G leadership.” The implication, of course, is that worrying about detecting major weather events could make us lose the race.

This race is imaginary bullshit. It’s being foisted on us by huge telecom companies that know internet access is fundamentally a commodity and want something new to sell at high prices instead of competing to improve service and lower prices on the networks they have. After all, the United States “won” the “race” for LTE, but it bears repeating: our LTE networks are among the slowest in the world, and our prices among the highest. What did winning that race accomplish for the millions of people across the country that still can’t get a reliable LTE signal?

All I’m asking is that the next time you hear a wireless industry person talk about the “race” to 5G, stop and ask them why it’s a race. Ask who the competitors are, and what happens if we come in second place. See if you buy the answer. I suspect you won’t hear anything convincing.

#### America wins the 5G race now.

Stella Soon 19. Former Intern Reporter for CNBC out of Asia Pacific Headquarters in Singapore. Here’s how the US can beat China in the race for dominance in next generation networks. CNBC. 11-26-2019. https://www.cnbc.com/2019/11/26/5g-race-how-the-us-can-beat-china-in-the-competition-for-dominance.html

While China has embraced next generation networks at a faster pace, experts say the U.S. still has some advantages in the competition for dominance.

China rolled out its 5G networks nationwide on Nov. 1, with three of its state-owned carriers offering plans for the service. One week later, Beijing said it launched research and development efforts into 6G networks.

5G refers to mobile networks with super-fast data speeds that can support technologies like driverless cars. While 6G refers to the next generation of networks, 5G is still in its early stages as much of the world still operates on 4G networks.

“There will be a tendency to cast these developments as another sign that the United States is losing the race for the next generation of communication technologies,” Adam Segal, director of the digital and cyberspace policy program at CFR, wrote in a separate note earlier this month.

“But the United States still has strengths to play,” Segal said. “U.S. companies can dominate the applications and services that run over 5G.”

Just because China switched on its networks first does not mean that the competition is over.

That’s where the United States’ innovative capacity could give it an advantage, said Paul Triolo, geo-technology practice head at Eurasia Group. U.S. technology companies have already been working on autonomous vehicles, augmented reality, and virtual reality, which he explained could be the first few killer applications of 5G.

“Even as China rolls out 5G a little faster, the U.S. will eventually roll out 5G in enough breadth and scope that U.S. will be able to innovate on top of it,” said Triolo.

Future generations of networks promise more bandwidth and faster internet speeds, which companies like Google and Facebook can leverage to develop more advanced services, said Eric Ross, chief investment strategist at Cascend Securities.

“Here in the U.S., Apple is very ubiquitous. It’ll basically be Facetime everywhere,” he added.

#### Plan doesn’t solve digital authoritarianism.

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

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

#### No digital authoritarianism impact.

Sam Ghatak 17. \*Lecturer, Political Science, University of Tennessee Knoxville. \*Aaron Gold, PhD Student, Political Science, UT Knoxville. \*Brandon C. Prins, Professor and Director of Graduate Studies, UT Knoxville. “External threat and the limits of democratic pacifism.” Conflict Management and Peace Science 34(2): 141-59. Emory Libraries.

Conclusion

It has become a stylized fact that dyadic democracy lowers the hazard of armed conflict. While the Democratic Peace has faced many challenges, we believe the most significant challenge has come from the argument that the pacifying effect of democracy is epiphenomenal to territorial issues, specifically the external threats that they pose. This argument sees the lower hazards of armed conflict among democracies not as a product of shared norms or institutional structures, but as a result of settled borders. Territory, though, remains only one geo-political context generating threat, insecurity, and a higher likelihood of armed conflict. Strategic rivalry also serves as an environment associated with fear, a lack of trust, and an expectation of future conflict. Efforts to assess democratic pacifism have largely ignored rivalry as a context conditioning the behavior of democratic leaders. To be sure, research demonstrates rivals to have higher probabilities of armed conflict and democracies rarely to be rivals. But fundamental to the Democratic Peace is the notion that even in the face of difficult security challenges and salient issues, dyadic democracy will associate with a lower likelihood of militarized aggression. But the presence of an external threat, be that threat disputed territory or strategic rivalry, may be the key mechanism by which democratic leaders, owing to audience costs, resolve and electoral pressures, fail to resolve problems nonviolently.

This study has sought a ‘‘hard test’’ of the Democratic Peace by testing the conditional effects of joint democracy on armed conflict when external threat is present. We test three measures of threat: territorial contention, strategic rivalry, and a threat index that sums the first two measures. For robustness checks, we use two additional measures of our dependent variable: fatal MID onset, and event data from the Armed Conflict Database, which can be found in our Online Appendix. As most studies report, democratic dyads are associated with less armed conflict than mixed-regime and autocratic dyads. In every one of our models, when we control for each measure of external threat, joint democracy is strongly negative and significant and each measure of threat is strongly positive and significant. Here, liberal institutions maintain their pacific ability and external threats clearly increase conflict propensities. However, when we test the interactive relationship between democracy and our measures of external threat, the pacifying effect of democracy is less visible. Park and James (2015) find some evidence that when faced with an external threat in the form of territorial contention, the pacifying effect of joint democracy holds up. This study does not fully support the claims of Park and James (2015). Using a longer timeframe, we find more consistent evidence that when faced with an external threat, be it territorial contention, strategic rivalry, or a combination, democratic pacifism does not survive. What are the implications of our study? First, while it is clear that we do not observe a large amount of armed conflict among democratic states, if we organize interstate relationships along a continuum from highly hostile to highly friendly, we are probably observing what Goertz et al. (2016) and Owsiak et al. (2016) refer to as ‘‘lesser rivalries’’ in which ‘‘both the frequency and severity of violent interaction decline. Yet, the sentiments of threat, enmity, and competition that remain—along with the persistence of unresolved issues—mean that lesser rivalries still experience isolated violent episodes (e.g., militarized interstate disputes), diplomatic hostility, and non-violent crises’’ (Owsiak et al. 16). Second, our findings show that the pacific benefits of liberal institutions or externalized norms are not always able to lower the likelihood of armed conflict when faced with external threats, whether those hazards are disputed territory, strategic rivalry, or a combination of the two. The structural environment clearly influences democratic leaders in their foreign policy actions more than has heretofore been appreciated. Audience costs, resolve, and electoral pressures, produced from external threats, are powerful forces that are present even in jointly democratic relationships. These forces make it difficult for leaders to trust one another, which inhibits conflict resolution and facilitates persistent hostility. It does appear, then, that there is a limit to the Democratic Peace.

#### No reason sustainable fishing is key to food supply---other sources either fill in or inevitably fail.

#### No food wars.

David Bier 11. Immigration policy analyst at the Cato Institute’s Center for Global Liberty and Prosperity. Citing Steven Pinker, Johnstone Family Professor of Psychology at Harvard University. “Steven Pinker: Resource Scarcity Doesn’t Cause Wars”. 11-28-2011. <http://www.globalwarming.org/2011/11/28/steven-pinker-resource-scarcity-doesnt-cause-wars/>

Once again it seems to me that the appropriate response is “maybe, but maybe not.” Though climate change can cause plenty of misery… it will not necessarily lead to armed conflict. The political scientists who track war and peace, such as Halvard Buhaug, Idean Salehyan, Ole Theisen, and Nils Gleditsch, are skeptical of the popular idea that people fight wars over scarce resources. Hunger and resource shortages are tragically common in sub-Saharan countries such as Malawi, Zambia, and Tanzania, but wars involving them are not. Hurricanes, floods, droughts, and tsunamis (such as the disastrous one in the Indian Ocean in 2004) do not generally lead to conflict. The American dust bowl in the 1930s, to take another example, caused plenty of deprivation but no civil war. And while temperatures have been rising steadily in Africa during the past fifteen years, civil wars and war deaths have been falling. Pressures on access to land and water can certainly cause local skirmishes, but a genuine war requires that hostile forces be organized and armed, and that depends more on the influence of bad governments, closed economies, and militant ideologies than on the sheer availability of land and water. Certainly any connection to terrorism is in the imagination of the terror warriors: terrorists tend to be underemployed lower-middle-class men, not subsistence farmers. As for genocide, the Sudanese government finds it convenient to blame violence in Darfur on desertification, distracting the world from its own role in tolerating or encouraging the ethnic cleansing. In a regression analysis on armed conflicts from 1980 to 1992, Theisen found that conflict was more likely if a country was poor, populous, politically unstable, and abundant in oil, but not if it had suffered from droughts, water shortages, or mild land degradation. (Severe land degradation did have a small effect.) Reviewing analyses that examined a large number (N) of countries rather than cherry-picking one or toe, he concluded, “Those who foresee doom, because of the relationship between resource scarcity and violent internal conflict, have very little support from the large-N literature.”

#### Expand the scope of antitrust refers exclusively to formal law not enforcement---the plan is circumvented.

Sinisa Milosevic et al. 18. Commission for Protection of Competition, The Republic of Serbia. Dejan Trifunovic, Faculty of Economics, University of Belgrade, Belgrade, The Republic of Serbia. Jelena Popovic Markopoulos, Commission for Protection of Competition, The Republic of Serbia. “The Impact of the Competition Policy on Economic Development in the Case of Developing Countries”. Economic Horizons, May - August 2018, Volume 20, Number 2, 153 – 167. http://scindeks-clanci.ceon.rs/data/pdf/1450-863X/2018/1450-863X1802157M.pdf

The paper that analyzes the impact of the competition policy on the GDP growth in developing and developed countries in the Solow growth model framework is T. C. Ma’s (2011). The presence and scope of the competition policy is captured by the SCOPE variable that is defined in the paper by K. N. Hylton and F. Deng (2007). The overall effectiveness of the government’s application of policies, not only of the competition policy, is captured by the EFFICIENCY variable that is defined in the paper by D. Kaufmann, A. Kraay and M. Mastruzzi (2009). The results show that the SCOPE variable is not significant and the formal existence of the competition law cannot influence economic growth. The interacting variable of SCOPE x EFFICIENCY is named EFFLAW. For poor countries, the coefficient for this variable is 0.04 and is significant, whereas for rich countries the coefficient is 0.064 and is also significant. Therefore, the competition law must be complemented with the effective enforcement of this policy.

#### Antitrust fails---expanding scope opens the floodgates to litigation and makes enforcement impossible.

Geoffrey Manne, 18. International Center for Law & Economics president & founder, Congressional Documents and Publications, “Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights Hearing; "A Comparative Look at Competition Law Approaches to Monopoly and Abuse of Dominance in the US and EU."; Testimony by Geoffrey Manne, President and Founder, International Center for Law and Economics,” December 19, 2018. Lexis, accessed 6-1-21

II. The specious lure of excessively discretionary antitrust

Antitrust is an attractive regulatory tool for a number of reasons. As noted above, the vague, terse language of the Sherman Act readily lends itself to "interpretation" imbuing it with virtually limit-less scope. Indeed, the urge to treat antitrust as a legal Swiss Army knife capable of correcting all manner of social and economic ills is apparently difficult to resist. Conflating size with market power, and market power with political power, many recent calls for regulation of the tech indus-try are framed in antitrust terms, even though they are mostly rooted in nothing recognizable as modern, economically informed antitrust legal claims or analysis. But that attraction is precisely why we should care about the scope, process, and economics of anti-trust and the extent of its politicization. Antitrust in the US has largely resisted the relentless effort to politicize it. Despite being rooted in vague and potentially expansive statutory language, US anti-trust is economically grounded, evolutionary, and limited to a set of achievable social welfare goals. In the EU, by contrast, these sorts of constraints are far weaker. Whether or not that is suitable for the particular political and historical circumstances of the EU is a separate question. But, undoubt-edly, applying a controversial legal regime to the United States -- a markedly different jurisdiction with a unique governance structure -- and upsetting more than a century of legal, technological, and social development, is deeply problematic. This conclusion is in no way altered by the fact that US antitrust law has become the outlier of global antitrust enforcement, compared to the EU's more "consensual" approach. n26 What matters is a policy's actual results, not whether it is widely adopted; the world is full of debunked beliefs that were once widely shared. And it is far from certain that the widespread adoption of the EU model is in any way indicative of superior results. It is equally (or even more) plausible that this model has proliferated because it naturally accommodates politically useful populist narratives -- such as "big is bad," robin hood fallacies and robber baron myths -- that are constrained by the US's more evidence-based and rational antitrust decision-making. n27 America's isolation might thus be a testament to its success rather than an emblem of its failure. But even if by some chance the European approach proved to be optimal for many other countries in the world, it is still dubious that its adoption would lead to improved economic performance in the United States. As has already been alluded to, the unique features of the US legal regime make it unlikely that the best policy for the EU would also happen to be the best one for America. The EU's more aggressive pursuit of technology platforms under its antitrust laws demonstrates many of the problems with its approach in general. I urge this subcommittee to consider not just whether the EU approach seems to permit the government to reach a preconceived outcome -- i.e., placing large tech platforms under increased antitrust scrutiny -- but whether it is truly desirable at all to emulate the EU's approach and to try to reach the goals of EU competition policy under US antitrust law. Endorsing the European approach to antitrust, in a naive attempt to bring high-pro-file cases against large Internet platforms, would prioritize political expediency over the rule of law. It would open the floodgates of antitrust litigation and facilitate deleterious tendencies, such as non-economic decision-making, rent-seeking, regulatory capture, and politically motivated enforce-ment. Bringing US antitrust enforcement in line with that of the EU would thus unlock a veritable Pan-dora's box of concerns that are currently kept in check. Chief among them is the use of antitrust laws to evade democratically and judicially established rules and legal precedent. When consider-ing this question, it is important to see beyond any particular set of firms that enforcement offi-cials and politicians may currently be targeting. An antitrust law expanded to consider the full scope of soft concerns that the EU aims at will not be employed against only politically disfavored companies, companies in other jurisdictions, or in order to expediently "solve" otherwise political problems. Once antitrust is expanded beyond its economic constraints and imbued with political content, it ceases to be a uniquely valuable tool for addressing real economic harms to consumers, and becomes a tool for routing around legislative and judicial constraints**.**

## 2NC

### Cap K---2NC

#### 3. Disciplining DA – Invert your standard for solvency – “feasibility” concerns are propaganda and inculcate violent subjectivity.

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

Words such as “paradise” or “love” or “communion” are certainly absent from our political vernacular, excluded on account of their “utopian” connotations or their lack of steely-eyed “realism.” Although this is a book about the past, I have always kept before me its larger contemporary religious, philosophical, and political implications. The book should make these clear enough; I will only say here that one of my broader intentions is to challenge the canons of “realism,” especially as defined in the “science” of economics. As the master science of desire in advanced capitalist nations, economics and its acolytes define the parameters of our moral and political imaginations, patrolling the boundaries of possibility and censoring any more generous conception of human affairs. Under the regime of neoliberalism, it has been the chief weapon in the arsenal of what David Graeber has characterized as “a war on the imagination,” a relentless assault on our capacity to envision an end to the despotism of money.24 Insistent, in Margaret Thatcher’s ominous ukase, that “there is no alternative” to capitalism, our corporate plutocracy has been busy imposing its own beatific vision on the world: the empire of capital, with an imperial aristocracy enriched by the labor of a fearful, overburdened, and cheerfully servile population of human resources. Every avenue of escape from accumulation and wage servitude must be closed, or better yet, rendered inconceivable; any map of the world that includes utopia must be burned before it can be glanced at. Better to follow Miller’s wisdom: we already inhabit paradise, and we can never make ourselves fit to live in it if we obey the avaricious and punitive sophistry professed in the dismal pseudoscience.

The grotesque ontology of scarcity and money, the tawdry humanism of acquisitiveness and conflict, the reduction of rationality to the mercenary principles of pecuniary reason—this ensemble of falsehoods that comprise the foundation of economics must be resisted and supplanted. Economics must be challenged, not only as a sanction for injustice but also as a specious portrayal of human beings and a fictional account of their history. As a legion of anthropologists and historians have repeatedly demonstrated, economics, in Graeber’s forthright dismissal, has “little to do with anything we observe when we examine how economic life is actually conducted.” From its historically illiterate “myth of barter” to its shabby and degrading claims about human nature, economics is not just a dismal but a fundamentally fraudulent science as well, akin, as Ruskin wrote in Unto This Last, to “alchemy, astrology, witchcraft, and other such popular creeds.”25

Ruskin’s courageous and bracing indictment of economics arose from his Romantic imagination, and this book partakes unashamedly of his sacramental Romanticism. “Imagination” was, to the Romantics, primarily a form of vision, a mode of realism, an insight into the nature of reality that was irreducible to, but not contradictory of, the knowledge provided by scientific investigation. Romantic social criticism did not claim the imprimatur of science as did Marxism and other modern social theories, yet the Romantic lineage of opposition to “disenchantment” and capitalism has proved to be more resilient and humane than Marxism, “progressivism,” or social democracy. Indeed, it is more urgently relevant to a world hurtling ever faster to barbarism and ecological calamity. I wrote this book in part out of a belief that many on the “left” continue to share far too much with their antagonists: an ideology of “progress” defined as unlimited economic growth and technological development, as well as an acceptance of the myth of disenchantment that underwrites the pursuit of such expansion. The Romantic antipathy to capitalism, mechanization, and disenchantment stemmed not from a facile and nostalgic desire to return to the past, but from a view that much of what passed for “progress” was in fact inimical to human flourishing: a specious productivity that required the acceptance of venality, injustice, and despoliation; a technological and organizational efficiency that entailed the industrialization of human beings; and the primacy of the production of goods over the cultivation and nurturance of men and women. This train of iniquities followed inevitably from the chauvinism of what William Blake called “single vision,” a blindness to the enormity of reality that led to a “Babylon builded in the waste.”26

Romantics redefined rather than rejected “realism” and “progress,” drawing on the premodern customs and traditions of peasants, artisans, and artists: craftsmanship, mutual aid, and a conception of property that harkened back to the medieval practices of “the commons.” Whether they believed in some traditional form of religion or translated it into secular idioms of enchantment, such as “art” or “beauty” or “organism,” Romantic anticapitalists tended to favor direct workers’ control of production; the restoration of a human scale in technics and social relations; a sensitivity to the natural world that precluded its reduction to mere instrumental value; and an apotheosis of pleasure in making sometimes referred to as poesis, a union of reason, imagination, and creativity, an ideal of labor as a poetry of everyday life, and a form of human divinity. In work free of alienation and toil, we receive “the reward of creation,” as William Morris described it through a character in News from Nowhere (1890), “the wages that God gets, as people might have said time agone.”27

Rendered gaudy and impoverished by the tyranny of economics and the enchantment of neoliberal capitalism, our sensibilities need replenishment from the sacramental imagination. As Americans begin to experience the initial stages of imperial sclerosis and decline, and as the advanced capitalist world in general discovers the reality of ecological limits, we may find in what Marx called the “prehistory” of our species a perennial and redemptive wisdom. We will not be saved by our money, our weapons, or our technological virtuosity; we might be rescued by the joyful and unprofitable pursuits of love, beauty, and contemplation. No doubt this will all seem foolish to the shamans and magicians of pecuniary enchantment. But there are more things in heaven and earth than are dreamt of on Wall Street or in Silicon Valley.

#### Cap turns inequality – profit motive, populism, protectionism

Edward Webster 21. Distinguished Research Professor, Southern Centre for Inequality Studies, University of the Witwatersrand. The coronavirus pandemic has revealed capitalism’s greatest weakness. Quartz. 6-2-2021. https://qz.com/africa/2016030/the-coronavirus-pandemic-has-revealed-where-capitalism-fails/

Under certain circumstances, far-reaching peaceful reform has been possible. Why then has the coronavirus pandemic deepened inequality rather than reduced it? Goldin attributes this paradoxical outcome to four decades of neoliberal thinking. I agree with his critique of neoliberalism. But he doesn’t give sufficient attention to power, particularly the concentration of economic power. This book, nevertheless, offers important opportunities for the elites of the world and ordinary citizens to explore ways of reducing inequality. The case for a rethink of capitalism Inequality, Goldin suggests had been rising in both Europe and the US since the 1980s. He argues that this is: …mainly due to the tide of liberalization that was ushered in when Margaret Thatcher in Britain and Ronald Reagan in the US initiated a race to the bottom in taxation, attacks on trade unions, and a weakening of competition policy, which all allowed for the growing concentration and strength of employers. What is needed, Goldin believes, is a fundamental rethinking of capitalism. Big government and the activist state is back, he says. The pandemic has led to a counter-revolution. Conservative governments now go beyond even arguments put forward by the economist Maynard Keynes in the 1930s that governments needed to spend their way out of the Great Depression. Unless inequality is reduced, he warns, populism and protectionism will become dominant. The tragedy is that the policies implemented by these populist leaders benefit the few not the many, thereby deepening and entrenching inequality. For Goldin this global trajectory of populism is not inevitable. He believes that it is human actions and leaders that shape societies, not simply events. The chapter Reducing inequality is full of sensible proposals designed to reduce inequality. Among these are: the closure of tax havens and loopholes, the introduction of wealth taxes on the assets of the top 1% earners, higher inheritance taxes on the transfer of wealth of the top 1 per cent, and progressive income taxes that exempt the lowest earners and then rise steeply for the highest earners. Goldin discusses how five biggest American tech companies—Facebook, Amazon, Apple, Netflix, and Google—dominate the stock markets. He cites the fact that the $28 trillion attributed to these companies is five times greater than all the physical assets owned by all the other 500 companies in the Standard and Poor’s stock index. Jeff Bezos, the founder of Amazon, saw his wealth almost double. This makes him the first person in history to be worth more than $200 billion. Meanwhile, the wealth of Elon Musk, the founder of Tesla, increased by more than $160 billion during the pandemic, to $184 billion. What needs to be done Goldin draws on Nobel prize winner, Amartya Sen, who sees inequality as the function of the distribution of capabilities. From this perspective, inequality is above all about inequality of opportunities available to people to lead fulfilling lives. Central to this is education, gender, and human rights. Sen is far removed from orthodox neoliberalism. He adopts human well being, rather than mere growth, as the goal of development. But his approach to development is grounded in pragmatic neoliberalism. His message is clear: people in developing countries should adopt free markets, strictly delimit the role of the state, promote liberal democratic institutions , ensure the provision of basic education and healthcare and welcome open discussion of issues. I disagree with Goldin when it comes to drawing on Sen. This is because I am skeptical of Sen’s faith in free markets, free speech and reasoned social progress. He abstracts freedom from power relations and focuses on individual actors. But inequality is primarily a power relation. Sen gives a false promise to the poor and excluded. He does not challenge the concentration of economic power, centered on global and national markets. Instead he takes them for granted. A “rethinking of capitalism” requires that our primary focus should be on the distribution of economic power (rather than the unequal distribution of capabilities) as the potential leading causal factor driving inequality.

#### Red innovation solves – mutual funds, dividends, public projects, larger and more creative workforce

Bee 18 [Vanessa A. Bee. Senior Litigation Counsel at the Consumer Financial Protection Bureau with a JD from Harvard Law. Innovation Under Socialism. 10-24-2018. <https://www.currentaffairs.org/2018/10/innovation-under-socialism> ]

In this market socialist society, most shares are pooled into highly regulated mutual funds, which then pursue different investment strategies when trading them on a highly regulated stock exchange. This exchange helps monitor the performance of the firm managers and assess which innovations are performing strongly. To avoid the concentration of market power and capital, the government sets the bar for how much stock any stakeholder can hold in any firm and industry. It also sets the minimum and maximum amount of dividends that each person can receive annually. As the economy grows, dividends can be adjusted to increase by a percentage, or commensurate with inflation. Surplus resulting from distributing only part of the profits allows the more profitable firms to subsidize innovative, but less profitable, activities. In addition, this regime does not tolerate anti-competitive contracts like restrictive employment agreements, strict license agreements, and long patents (although inventions may be attributable to their inventors and may be rewarded through other means like prizes, bonus compensation, or simply very short patents periods).

The model could incorporate elements of democratically-planned, participatory socialism, which emphasizes democracy and individual autonomy in the workplace. Economist David Kotz believes that particular features of this model could foster innovation performance:

First, the main features of the overall economic plan would be determined by a democratic process … Second, the planning and coordination of the economy would take place … by industry boards and local and regional negotiated coordination bodies that have representation of all affected constituencies, including workers, consumers, suppliers, the local community, and even “cause” groups such as environmentalists, job safety activists, feminists, etc.

Among other topics, these representative boards could vote on compensation minimums and maximums, to prevent innovation from supporting socioeconomic inequality and unfair social divisions of labor. This injection of democracy would give ordinary people a larger say in the direction of the markets, and what areas they think would benefit from more investment in innovation.

The second ingredient of innovation, capital, is guaranteed in the market socialist economy. Freed of its neoliberal handcuffs, the government can designate funding towards various innovative projects at a greater rate than it does now. Banks jointly owned by the government and other non-private stakeholders would provide entrepreneurs with access to capital for projects through loans with terms more generous than private lenders offer now. The firms owned by government, worker co-operatives, ordinary people, and other publicly-owned firms can also raise capital from each other as wealth is distributed more equally. In such a world, more individuals can pool their resources to invest in particular innovative projects rather than a recurring cast of millionaires.

Market socialism would easily deliver the third ingredient of innovation: human capital. Such an economy has no need for a reserve army of labor. While profit is encouraged, its primary function is increasing the pool of resources and cash distributable to workers and non-workers. It does not come at the price of providing generous wages, as dividends to shareholders are capped no matter how well the firm performs. In fact, this society could make a democratic decision to compensate people in positions on the lower band of wages with more in unearned income, out of the same pool of profits.

When applied earnestly, the principles of socialism are also incompatible with mass incarceration, discrimination, uncompensated caregiving, highly restrictive immigration policies, and other social practices that exclude large numbers of workers from participating in our capitalist economy. Add a fairer distribution of public resources among individuals and communities, along with more free or heavily subsidized goods like education, and a market socialist economy could really see an increase in the availability and skills in the pool of workers. Freeing more people to join the innovative process would naturally foster more innovation.

Lastly, innovation can only thrive if the innovation process affords individuals chances to be creative and the right conditions to motivate them. Studies on what fosters creativity show that workers who rate highly on creativity indexes perform best when they are given challenging work, a good measure of autonomy, and supportive and caring supervisors who can provide substantive and constructive feedback. The same study, however, shows that workers who are by nature less creative tend to be happier in less complex positions. Neither worker is, or should be, superior to the other. On the contrary, the innovation process has plenty of room for all types of workers with varying degrees of innate creativity. The core principles of socialism, however, do suggest that this economic system is better suited for supporting creative workers than capitalism.

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

Bee 18 [Vanessa A. Bee. Senior Litigation Counsel at the Consumer Financial Protection Bureau with a JD from Harvard Law. Innovation Under Socialism. 10-24-2018. <https://www.currentaffairs.org/2018/10/innovation-under-socialism> ]

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

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

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

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

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

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

#### B – Inequality, work times, fear of shareholder suits

Bee 20 [Vanessa A. Bee. Senior Litigation Counsel at the Consumer Financial Protection Bureau with a JD from Harvard Law. Would We Have Already Had a COVID-19 Vaccine Under Socialism?. No Publication. 4-20-2020. https://inthesetimes.com/features/covid-19-coronavirus-vaccine-capitalism-socialism-innovation.html]

STIFLING WORKERS, STIFLING CREATIVITY

Many of the most sophisticated innovations of our time, from groundbreaking drugs to smart car technology, have depended on a deep pool of creative labor. But the idea that capitalism allows the bestsuited workers to join that pool is wishful thinking. As journalist Chris Hayes writes in Twilight of the Elites: America After Meritocracy, meritocracy “can only truly come to flower in a society that starts out with a relatively high degree of equality.” From 1979 to 2015, the annual average household income of the top 1% grew five times faster than that of the bottom 90th percentile. The reality is that deep inequalities in how this country’s wealth is distributed make meritocracy all but a myth. Some people can afford to attend college and access spaces where discovery is encouraged, moving into a “creative pipeline,” while their poorer peers go right into the workforce or juggle demanding classes with work schedules. While some with great innate talent for innovation end up in these coveted creative jobs, many more—poor and workingclass—are pushed by financial necessity into positions mismatched to their potential.

In theory, one doesn’t need a creative-focused job to innovate. But creativity requires a certain freedom— an ability to “waste” time, to work nonlinearly, to experiment and repeatedly fail. Capitalism’s constant dictate to maximize productivity leaves people with little time to spare, at work or at home—especially in poor and working-class households: The bottom fifth of earners have seen their work hours increase by 24.3% since 1979, compared to 3.6% for the top fifth.

Being in a more precarious financial position, or in a job with little security, also discourages workers from taking risks, even when the risks might lead to innovation. The precarity makes it difficult to approach one’s supervisors and ask for sick days, let alone personal time to go down rabbit holes. It makes it frightening to change fields or spend money on any project that might result in even more precarity.

Notably, the corporate structure itself has been known to stifle creation. Many corporate firms are under the effective control of shareholders, to whom managers owe a fiduciary duty to maximize profits. Shareholders who believe this duty has been breached typically have the right to sue the corporation. While this power can be used for the greater good—note how Tesla was sued by shareholders in response to its poor safety record—it also opens the door to shortsighted shareholders. One DuPont shareholder, for example, demanded the chemical company “not invest a single dollar in research that will not generate a positive return within f ive years.” What’s more, according to a 2017 working paper by the Institute for New Economic Thinking, “Many of America’s largest corporations, Pfizer and Merck among them, routinely distribute more than 100% of profits to shareholders, generating the extra cash by reducing reserves, selling off assets, taking on debt or laying off employees.”

Even the most creative of workers who make it into innovative roles in the private sector may find themselves starved of resources. As professors Chen Lin and Sibo Liu of the University of Hong Kong, and Gustavo Manso of the University of California, Berkeley, explain in a 2018 study, the threat of shareholder litigation generally discourages managers from “experimenting [with] new ideas,” which acts as an “uncontrolled tax on innovation.”

#### C – Cap Ensures bad AI – ruthless maximization is a s-risk

**Shino 15** [Yuya, Journalist at Reuters "Capitalist forces could create ‘uncontrollable’ artificial intelligence – scientist," RT International, https://www.rt.com/uk/235143-capitalism-ai-dangerous-technology]

Murray Shanahan, professor of cognitive robotics at Imperial College London, cautioned against “capitalist forces” developing AI without any sense of morality, arguing it could lead to potentially “uncontrollable military technologies.” Shanahan’s comments follow warnings from leading scientists and entrepreneurs, including Stephen Hawking, Bill Gates, and Tesla Motors CEO Elon Musk. Gates admitted last month that he doesn’t “understand why some people are not concerned” by the threat of AI. Speaking to the Centre for the Study of Existential Risk at the University of Cambridge last week, Shanahan argued that AI development faces two options. Either a potentially dangerous AI is developed – with no moral reasoning and based on ruthless optimization processes – or scientists develop AI based on human brains, borrowing from our psychology and even neurology. “Right now, my vote is for option two, in the hope that it will lead to a form of harmonious co-existence [with humanity],” Shanahan said. AI based on the human brain would not be possible without first mapping the organ – a task the Human Connectome Project (HCP) is undertaking and aims to complete by late 2015. However, once the map is complete, it could take years to analyze all the data gathered. Experts disagree as to how long it will be before AI is successfully developed – or if it is even possible. Estimates range from 15 years to 100 years from now, with Shanahan believing that by the year 2100, AI will be “increasingly likely but still not certain.” Whether the technology is helpful or harmful to humans depends on which of Shanahan’s two options becomes the driving force behind its development. There is a fear that current economic and political systems are leading to the development of option one – a machine with no moral reasoning. “Capitalist forces will drive incentive to produce ruthless maximization processes. With this there is the temptation to develop risky things,” Shanahan said. For Shanahan, risky things include AI which could rig elections, subvert markets, or become dangerous military technology. “Within the military sphere governments will build these things just in case the others do it, so it's a very difficult process to stop.” Shanahan’s comments echo fears expressed by Gates and Musk last year, both of whom were influenced by Nick Bostrom’s book “Superintelligence: Paths, Dangers, Strategies,” he said. In his book 'Superintelligence: Paths, dangers, strategies,' Nick Bostrom – a professor of philosophy at Oxford University – argues that if machine brains surpass humans in intelligence, they could eventually replace us as the dominant species on earth. “As the fate of the gorillas now depends more on us humans than on the gorillas themselves,” Bostrom writes, “so the fate of our species then would come to depend on the actions of the machine superintelligence.” After reading Bostrom's book, Musk warned that the threat posed by AI could be greater than nuclear weapons. He donated $10 million to the Future of Life Institute in January, a global research program aimed at keeping AI beneficial to humanity.

#### 1. Ag collapse – short term.

Allinson et al ‘21 [Jamie Allinson is Senior Lecturer in Politics and International Relations at Edinburgh University and author of The Age of Counter-revolution. China Miéville is the author of a number of highly acclaimed and prize-winning novels including October: The History of the Russian Revolution. Richard Seymour is the author of numerous works of non-fiction, His writing appears in the New York Times, London Review of Books, Guardian, Prospect, Jacobin. Rosie Warren is an Editor at Verso and the Editor-in-Chief of Salvage. All are writing for the Salvage Collective. “The Tragedy of the Worker: Toward the Proletarocene.” Chapter 1: M-C-M’ and the Death Cult. July 2021. Verso EBook. ISBN: 9781839762963 //shree]

The Triassic-Permian ‘great dying’ was a megaphase change taking place through pulses lasting for tens of thousands of years, separated by interludes of hundreds of thousands of years, if not millions. The current mass extinction event is a megaphase change taking place in microphase time.

Mass extinction is punctuated by the production of what the environmentalist Jonathan Lymbery calls ‘dead zones’: the conversion of wild ecosystems into dead monocultures. In Sumatra, these dead zones are made by burning rainforest and, amid the stench of death, planting palm crop. The palm oil is used in foods and household items, while the nut is used in animal feed. It is secured with barbed wire, and treated with poison, to prevent the crop from being eaten. Surviving animal life, and surrounding human communities, are pushed to the edges, to the brink of extinction. Agricultural workers are abused, underpaid, even enslaved. This is an example of what Moore would call ‘cheap food’, where the ‘value composition’ of the goods, the amount of waged labour necessary to produce each item is ‘below the systemwide average for all commodities’. In this case, a ‘cheap nature’ is produced by a distinctly capitalist form of territorialisation, wherein forestry is converted through deforestation into palm monoculture, while ‘cheap labour’ is secured partly through the dispossession of neighbouring human communities. More calories with less socially-necessary labour-time is cheap food.

Cheap is not, of course, the same thing as efficient. Food production is, alongside fuel, a fulcrum of the capitalist organisation of work-energetics. It is one that, as with fossil fuels, wastes an incredible amount of the energy it extracts. According to the FAO (Food and Agriculture Organization of the United Nations), 30 per cent of cereals grown for human and animal consumption are wasted, along with almost half of all root crops, fruits and vegetables. To conclude from this grotesque squander that a ‘more efficient’ capitalism would ‘solve the problem’ of ‘the environment’ would be to fail to understand waste, capitalism and ecology: that the first is intrinsic to the second; that the second, whatever the degree to which it is inflected by the first, is inimical to the third.

Capitalism also directly undermines its own productivity, precisely through its industrially-produced biospheric destruction. According to the UN, for example, there are at most sixty harvests remaining before the world’s soils are too exhausted to feed the planet. This edaphic impoverishment is a product, not a byproduct. It is the predictable, and long-predicted, consequence of intensive agriculture, over-grazing and the destruction of natural features (such as trees) that prevent erosion. Likewise, the death-drop of insect biomass, the decline of pollinating bees, are hastened by the extensive use of pesticides and fertilisers. Capitalist food production can only evade the problem – a problem, in its terms, of accumulation – either by establishing new ‘cheap natures’ through such means as deforestation, or by extracting rent from competitor producers through such means as intellectual property rights. For instance, since 1994’s notorious TRIPS agreement (Trade-Related Aspects of Intellectual Property Rights), through the rules of UPOV (Union for the Protection of New Plant Varieties), particularly the notorious UPOV 1991, and in the face of local fightbacks from Guatemala to Ghana, the World Trade Organisation has enforced property agreements outlawing the saving of seeds from one season to the next, thus sharply raising costs for farmers producing 70 per cent of the global food supply.

#### 2. Carbon bubble, peak oil

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

The Carbon Tracker Initiative, a London-based think tank serving the energy industry, reports that the steep decline in the price of generating solar and wind energy “will inevitably lead to trillions of dollars of stranded assets across the corporate sector and hit petro-states that fail to reinvent themselves,” while “putting trillions at risk for unsavvy investors oblivious to the speed of the unfolding energy transition.”19 “Stranded assets” are all the fossil fuels that will remain in the ground because of falling demand as well as the abandonment of pipelines, ocean platforms, storage facilities, energy generation plants, backup power plants, petrochemical processing facilities, and industries tightly coupled to the fossil fuel culture.

Behind the scenes, a seismic struggle is taking place as four of the principal sectors responsible for global warming—the Information and Communications Technology (ICT)/telecommunications sector, the power and electric utility sector, the mobility and logistics sector, and the buildings sector—are beginning to decouple from the fossil fuel industry in favor of adopting the cheaper new green energies. The result is that within the fossil fuel industry, “around $100 trillion of assets could be ‘carbon stranded.’”20

The carbon bubble is the largest economic bubble in history. And studies and reports over the past twenty-four months—from within the global financial community, the insurance sector, global trade organizations, national governments, and many of the leading consulting agencies in the energy industry, the transportation sector, and the real estate sector—suggest that the imminent collapse of the fossil fuel industrial civilization could occur sometime between 2023 and 2030, as key sectors decouple from fossil fuels and rely on ever-cheaper solar, wind, and other renewable energies and accompanying zero-carbon technologies.21 The United States, currently the leading oil-producing nation, will be caught in the crosshairs between the plummeting price of solar and wind and the fallout from peak oil demand and accumulating stranded assets in the oil industry.22

#### 3. Mineral cycles – that’s Allinson – copper, lithium, manganese hit bottlenecks. Tipping points happen before we know them AND goods are not substitutable.

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

Endless growth will generate minerals scarcity within decades

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

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

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

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

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

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

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

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

#### 4. COVID – “recovery” is sugar rush that drives crisis

Roberts & Smith ‘21 [Michael Roberts worked as an economist for over 40 years, Activist in British Labor Movement in Britain. Interviewed by Ashley Smith, Author at Specter Journal. “Out of Lockdown and Back into the Long Depression.” 7-6-21. <https://spectrejournal.com/out-of-lockdown-and-back-into-the-long-depression/> //shree]

The Covid slump of 2020-21 was basically a supply-side shock due to the global spread of the Covid-19 virus and the failure of governments in the major economies (with a few exceptions) to prevent its spread. There were delayed and bungled measures along with weakened health systems, so economies had to close down as lockdowns and isolation measures were the only answer to avoiding catastrophe. Economically, that meant supply stopped, and then that led to a collapse in demand as people were laid off and businesses crashed.

But recovery is now under way (more or less) in most major economies. Demand was propped up in the major advanced economies through massive government fiscal spending and central bank injections of credit for businesses (particularly large ones). And now through a combination of lockdowns and the incredibly fast development and rollout of effective vaccinations (thanks to publicly funded science), the major economies are now able to recover.

But in the G7 economies this initial recovery has the aspect of a “sugar rush.” The “sugar” of fiscal stimulus and historic levels of easy credit is infusing capitalist businesses and household spending with an energy boost.

Indeed, during the pandemic slump sections of capitalism did not suffer at all; on the contrary, they gained hugely, e.g., the social media and tech sector, the mega-distribution companies, and Big Pharma.

Better-off households also suffered less (at least materially) as they continued to be paid, could work at home, and saved income significantly. This led to a house purchase boom as these sectors of labour looked to change their lifestyles post-Covid.

At the same time, zero interest rates and cheap credit allowed financial institutions to make hay in financial markets and billionaire wealth rocketed as stock and bond markets hit historic highs.

But, for most manual workers in the cities and in low-paid service industries, the pandemic slump was a disaster and with little prospect of returning to “normal” for them in the recovery.

And it’s the advanced capitalist economies and the East Asian states that are recovering best in 2021-22. The so-called global South suffered hugely in the pandemic, with record levels of excess deaths and a massive rise in unemployment and poverty levels. Fiscal support from governments was limited and the rollout of vaccines to get economies going again is way short. Estimates are that the target vaccination levels in these countries will not be achieved until 2023-4!

So, what we are going to see is the major capitalist economies of the West and China returning to pre-pandemic levels of national output by the end of this year or in early 2022, but Latin America, Africa, South Asia failing to do so.

What are the weaknesses and contradictions of the recovery in those economies?

Before the pandemic, the world economy was slowing down. Real GDP growth rates in the G7 were dropping to just 1 percent or lower; the so-called emerging economies had growth rates down to 3 percent (hardly enough to cover increases in population). World trade was declining. Even the giant economies of China and India had slowed.

The main reason was that growth in investment in productive assets that can boost the productivity of labor and expand technology and employment had also slowed. In my view, investment and productivity growth are key to developing the productive forces of modern capitalist economies, and they were failing because under capitalism, profitability is the driving force behind investment.

And according to the best estimates, US and global profitability levels are at historic lows. This is the long-term result of the basic contradiction of capitalism: between raising the productivity of labour and sustaining profitability. Over the long term, this cannot be done, and this is the economic Achilles heel of capital.

At first sight, this result seems strange when we read of the huge profits being made by the likes of the so-called FAANGS (the tech and social media monopolies) and Amazon. But these are the exceptions that prove the rule. On average, the profitability of firms in the productive sectors of capitalist economies are low.

That’s partly why profits have been reinvested into financial and other unproductive sectors like property where profitability is higher.

Indeed, it is estimated that before the pandemic, about 15-20 percent of companies in the major economies were what are called “zombies,” i.e., not making enough profit to invest or expand, but just enough to pay wages and service their debts. They are the “living dead” in capitalist terms. At the same time, however, corporate debt is at record highs in most countries, raising the risk of bankruptcies if interest rates were to rise.

All this makes it unlikely that we shall see any significant change post-pandemic from what we saw in the post-great recession decade, i.e., slow growth in investment, low wage growth, poor productivity growth, rising inequality, and unchanged or worsened global poverty.

In the US, a lot has been made about Biden’s turn away from the neoliberal consensus toward Keynesianism. What has he done, why has he done it, and what has been its impact so far?

The pandemic fiscal packages introduced by various G7 governments and, of course, by the Biden administration were emergency measures by states to avoid complete meltdown and catastrophe from the pandemic. In my view, they do not signify a change of ideology or policy by pro-capitalist governments. The usual talk is “let’s get out of this slump and preserve capitalist businesses using state funds and credit and then worry about paying it all down later.” The “later” is still to come.

Biden’s fiscal packages have been heralded as a sea change in government policy and a return to Keynesian macro-management and stimulation of capitalist economies. But first, let’s leave aside the fact that Keynesian stimulus and macro-management was mainly a myth anyway and really the product of a war economy after 1945 which was ditched in the mid-1970s.

Instead let us consider the actual impact of the Biden packages. The latest estimates by Goldman Sachs, hardly a voice of the left, is that after all the machinations of Congress by the end of this year, the Biden package will be equivalent to about 1 percent of US GDP each year for the rest of Biden term. But Biden is going to pay for these partly by increasing taxation by 0.75 percent of GDP a year.

Given that the best estimates of so-called multiplier effects on GDP from fiscal stimulus are about one, that means the net effect of the Biden packages, if fully implemented, might boost US real GDP growth by 0.25 percent a year. The current forecast for long-term us real GDP growth is just 1.8 percent a year. So, the “great” return to Keynes by Biden will be minimal.

If Biden manages to get his larger proposals for increased spending on infrastructure and social welfare spending through Congress, what impact will that have on the US and world economies?

If the Biden package will have a limited effect on the US economy, any spillover effect into other economies will be even less substantial. The EU is also planning an economic recovery package that will boost government funds in EU countries with already large debt burdens like Italy and Spain. But again, the impact on the capitalist sectors of these economies will be minimal. Japan is about to announce a fiscal package that aims to “balance the books” over the next decade – hardly stimulus then! Indeed, the latest growth forecast for japan is a further slowing from its pre-pandemic pace of less than 1 percent a year.

And apart from China, Vietnam, and the small East Asian states, the rest of the global South has little prospect of any fiscal stimulus or economic recovery. Most estimates from international agencies are that these economies will not recover to pre-pandemic GDP levels before 2023 and will never recover to pre-pandemic trajectories of economic growth. There is a permanent “scarring” of these weak peripheral capitalist economies.

There has been a whole range of bourgeois commentators like Lawrence Summers warning about the threat of inflation. What’s your assessment about the arguments about inflation? What are the dangers of a return to what in the 1970s was called stagflation, a combination of slow growth and increased inflation?

In the short term, inflation has returned to many economies. This is because of the sugar rush of consumer demand as economies open up again and people start spending down savings built up during the pandemic slump, while companies search for raw materials and components to restart businesses. Coupled with a significant disruption of global value chains, supply cannot meet demand and bottlenecks have created an inflation of prices in raw materials and consumer goods and services.

But is this as transitory as the federal reserve and other central banks claim (though to be fair, there are divergent views within these banks)? Some, like Summers, argue that credit and fiscal stimulation boost demand without engendering enough supply because there is a secular stagnation in investment and productivity in modern economies.

Others argue that credit injections and monetary easing after the great recession did not lead to inflation. On the contrary, easing only boosted financial and property prices. The Keynesian view is that inflation only happens when wage costs rise, i.e., inflation is caused by labor rather than capital. And that is not happening so far.

My view is that price inflation in goods and services in capitalist economies comes about through a combination of demand generated by new value (as expressed in wages and profits) and the pace of money supply growth. But it is the change in value production that matters most.

Capitalist economies have experienced a slowdown in new value growth for decades, so inflation rates have slowed to a trickle. Central banks have tried very hard with monetary easing to get some inflation (2 percent targets, etc.) and failed. Tinkering with interest rates and money quantities cannot deliver even moderate inflation in these conditions.

So, after this initial burst, inflation will rise above pre-pandemic rates (i.e., 2 percent or so) only if the world capitalist economies generate faster growth in new value (unlikely) and/or there are sustained levels of double-digit growth money supply (possible). The latter is what central banks control, and they are divided on how long to maintain that.

This raises larger theoretical questions on the left. Many believe that Keynesianism or Modern Monetary Theory can stimulate growth and bring about a more egalitarian capitalist order. You have challenged these ideas in your blog, The Next Recession. Why do Marxists argue that Keynesianism can’t overcome capitalist crisis in general and in this slump?

The key to answering this is to recognize that capitalists decide whether economies grow or go into slump. By that I mean capitalists will only invest in means of production and employment if there is a profit to be made. Profit calls the tune under capitalism. And as mentioned above, average profitability in the major capitalist economies is low; corporate debt is high, and many firms are just surviving through cheap credit and not investing productively.

But Keynesian theory does not consider capitalist economies from the perspective of profitability. It’s effective demand that decides. If government spending can increase demand, then it can get capitalist economies going. If Marxist theory is a better explanation of capitalist accumulation, then if profitability of capital stays low and does not recover to new higher levels post-pandemic, then government spending will be ineffective.

#### 5. Capitalism produces speculative economies---makes crashes inevitable----extraction replaces production and zeros innovation.

John Bellamy Foster et al. 21, R. Jamil Jonna and Brett Clark. John Bellamy Foster is the editor of Monthly Review and a professor of sociology at the University of Oregon. R. Jamil Jonna is associate editor for communications and production at Monthly Review. Brett Clark is associate editor of Monthly Review and a professor of sociology at the University of Utah. The authors thank John Mage, Craig Medlen, and Fred Magdoff for their assistance. “The Contagion of Capital Financialised Capitalism, COVID-19, and the Great Divide.” The Jus Semper Global Alliance. In Pursuit of the People and Planet Paradigm Sustainable Human Development March 2021. Essays on True Democracy and Capitalism. https://jussemper.org/Resources/Economic%20Data/Resources/BellamyFosterJonaClark-ContagionCapital.pdf

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 6. Free riding hollows out care, collapses environment, and makes conflict inevitable.

Nancy Fraser 4/9/21. Professor of philosophy and politics at the New School for Social Research. Questions by Alessandra Spano. “American Interregnum.” https://newleftreview.org/sidecar/posts/american-interregnum

What trends do you see emerging from the social, health and economic crises produced by Covid-19? What do the post-pandemic reconstructions tell us about the ‘crisis of care’?

Both the pandemic and the response to it represent the irrationality and destructiveness of capitalism. The crisis of care was already evident before the outbreak of Covid, but was greatly exacerbated by it. The pre-existing condition, so to speak, was financialized capitalism – the especially predatory form that has held sway for the last forty years, progressively eroding our public-care infrastructure by disinvestment in the name of ‘austerity’. But in fact, every form of capitalist society works by allowing business to free-ride on unpaid carework. By subordinating people-making to profit-making, it harbours a built-in tendency to social-reproductive crisis.

But the same holds for the current ecological crisis, which reflects a deep-structural dynamic that primes capital to free-ride on nature, without thought for repair or replenishment, periodically destabilizing ecosystems and the communities they sustain. The same holds for our current political crisis, which reflects the severe weakening of public powers by mega corporations, financial institutions, tax revolts on the part of the rich, resulting in gridlock and under-investment in crucial infrastructure. Although this has been made especially acute by neoliberalization, it expresses a tendency to political crisis that is hard-wired into every form of capitalist society. The crisis of care is inextricably intertwined with other dysfunctions – ecological, political, racial-ethnic – which add up to a general crisis of the social order.

#### 1 – Leaks cause extinction

Ash 15 [Kyle Ash, Greenpeace’s Senior Legislative Representative. One of the most quoted sources during the Copenhagen Climate Conference] “Carbon Capture SCAM” July 23, 2015 (http://www.greenpeace.org/usa/research/carbon-capture-scam/)

In order for CCS to deliver a lasting benefit to the climate, the vast majority of sequestered CO2 must remain underground permanently. Geological formations proposed are sub-seabed and saline aquifers. The IEA says that depleted oil and gas reservoirs would be the most likely candidates for initial storage operations because of both their geology and proximity to industrial development.

The problem with IEA’s assertion is it is too convenient for expanding CO2-EOR operations. In addition, the multiple bore holes and wells drilled in them to find and extract oil and gas further increase the risk of leakage. The IEA also admits that, “[t] he long-term storage integrity of oil fields that have been exploited with multiple wells has yet to receive serious scientific investigation.”108

The prominent Sleipner project, a CCS storage testing site off the coast of Norway injecting CO2 scrubbed from raw gas after extraction, was found in 2012 to have many nearby fractures, warranting increased expense toward surveying the geology of such sites.109 Some scientists say it’s not a matter of if the site will leak, it’s just a question of when.110 Researchers devoted to the promise of CCS remain unconcerned.111

However, undue confidence in understanding of the geology at Sleipner is not new.112 While offshore injection may be easier for the public to accept, deepsea sites will be more difficult to monitor. There are few studies to ascertain potential effects of undersea CO2 leakage, but scientists have concluded that it may be detrimental across the ocean food web.113 CO2 leakage from sequestration could exacerbate already rising ocean acidification, since the ocean absorbs about 25% of anthropogenic CO2 pollution. This is threatening a different type of planetary disaster altogether.114

#### 2 – Profit motive means it won’t be adopted – and drives coal use

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

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

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

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

The case for carbon capture

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

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

The coal plant conundrum

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

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

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

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

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

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

#### 3 – Net increase in emissions – lets corporations burn more, then sell the carbon

Kusnetz 20 [Nicholas reporter for InsideClimate News, “Exxon Touts Carbon Capture as a Climate Fix, but Uses It to Maximize Profit and Keep Oil Flowing,” 9-27-2020, <https://insideclimatenews.org/news/25092020/exxon-carbon-capture>]

Exxon Touts Carbon Capture as a Climate Fix, but Uses It to Maximize Profit and Keep Oil Flowing

The company sells the CO2 to other companies that use it to revive depleted oil fields and has relentlessly fought EPA oversight of the practice.

Sprawled across the arid expanse of southwestern Wyoming is one of the world's largest carbon capture plants, a hulking jumble of pipes, compressors and exhaust flues operated by ExxonMobil.

The oil giant has long promoted its investments in carbon capture technology—a method for reducing greenhouse gas emissions—as evidence that it is addressing climate change, but it rarely discusses what happens to the carbon captured at the Shute Creek Treating Facility.

The plant's main function is to process natural gas from a nearby deposit. But in order to purify and sell the gas, Exxon must first strip out carbon dioxide, which comprises about two-thirds of the mix of gases extracted from nearby wells.

The company found a revenue stream for this otherwise useless, climate-warming byproduct: It began capturing the CO2 and selling it to other companies, which injected it into depleted oil fields to help produce more oil.

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In 2008, when concerns about climate change led Congress to pass a tax credit meant to encourage companies to capture and store carbon dioxide, Exxon was presented with another way to make money from the technology. The massive amounts of carbon dioxide captured at its Wyoming facility put the oil and gas giant in a position to claim more credits under the tax break than any other company.

In the ensuing years, Exxon may have claimed hundreds of millions of dollars in tax credits, according to estimates based on publicly available data from the Internal Revenue Service, the Securities and Exchange Commission, and a global think tank that tracks the technology.

Exxon's Carbon Capture and Storage Plant

Meanwhile, the company, through its lobbyists, has fought relentlessly to do away with a requirement that companies claiming the credit submit monitoring plans to the Environmental Protection Agency, oversight meant to ensure that the captured carbon dioxide does not escape into the atmosphere.

Environmental advocates say Exxon's actions offer a prime example of how petroleum companies have used their adoption of carbon capture to deflect demands for more far-reaching action to combat climate change—like reducing fossil fuel production—while at the same time exploiting the technology for maximum profit. Such examples, they say, highlight the risks of relying on the carbon removal method to play a significant role in curbing global warming.

Carbon capture and storage, or CCS, is the rarest of policy breeds: a climate change solution with bipartisan support. Republicans promote the technology as a central piece of any GOP climate plan. Joe Biden, the Democratic nominee for president, has endorsed it, too.

But the most significant policy support for the technology is the tax credit, known as 45Q, for capturing emissions. The emissions, in almost all cases, are then used to increase oil production. Now, as the Trump administration is finalizing rules for an expanded version of the credit, advocates say the administration has capitulated to industry lobbying led by Exxon that would weaken oversight of the process. In June, the IRS proposed that companies be allowed to avoid being regulated by the EPA, a step that could also allow companies to avoid publicly disclosing details of their carbon capture operations.

Environmental advocates say there is good reason to require rigorous oversight: One depleted oil field that has received carbon dioxide from Exxon's Wyoming facility, for example, repeatedly spewed unknown volumes of the gas to the surface, most likely through old oil wells. In 2016, a nearby school was forced to close after carbon dioxide was detected at dangerous levels inside the school.

Supporters of the carbon capture credit, including some environmental groups, say it will help the technology gain widespread commercial support. But critics say the credit amounts to a subsidy for oil companies masquerading as climate policy, throwing a lifeline to an industry struggling amid a historic crash in oil prices that only leads to producing more oil.

"This is how the oil industry continues to win," said John Noël, a senior climate campaigner with Greenpeace USA who has been following the credit for years. "They get in the weeds, they have access and influence that the normal public doesn't, and they're able to manipulate the tax process and the regulatory process and manipulate it in their favor. And that's been happening since the first oil well."

Exxon spokesman Casey Norton would not say whether the company had made claims under the carbon capture credit or answer other questions about the tax incentive. He pointed to various research efforts the company is involved in, adding that "ExxonMobil is the world-leader in carbon capture, sequestering more carbon in the last 20 years than any other company."

Because the IRS does not disclose the names of companies that claim the credit, it is impossible to know whether Exxon has claimed it or how much it may have claimed. But Noël, as well as other advocates and Congressional staff members, said they believed that Exxon had claimed a large share, perhaps the largest, of the $1 billion awarded under the credit over the past decade. In April, the Treasury Department's Inspector General for Tax Administration said that nearly $900 million worth of those credits did not comply with EPA requirements, because the companies failed to submit monitoring plans.

Alex Doukas, who leads the Stop Funding Fossils program with Oil Change International, an advocacy group, estimated that Exxon may have claimed at least $190 million through 2014, and possibly much more. He based the figure on publicly available data about the amount of carbon dioxide that existing facilities can capture, compiled by the Global CCS Institute, and compared that with the total amount of carbon dioxide that companies claimed to capture under the credit, using figures published by the IRS. The estimate is likely to be conservative, because it assumed that most plants were operating at full capacity.

How Much Has Exxon Claimed in Carbon Capture Credits?

Data from one of the CCS plants came from an SEC filing and was not available beyond 2014. But InsideClimate News, in replicating Doukas' analysis, found additional public data for 2015, which added about $50 million to the estimate of how much Exxon may have claimed over the seven-year period. Operating at full capacity, the Exxon plant could capture enough carbon dioxide to claim up to $70 million a year.

Doukas noted that Wyoming, where the Exxon plant is located, already requires the company to capture as much carbon dioxide as it can sell, a rule intended to maximize oil production in the state. So if Exxon claims the credit, it is benefiting financially for something it is already required to do. "You've got the state saying you have to do this one thing, and you have Exxon saying, 'Well, we already have to do it so we might as well skim off the top with this federal gravy," he said, "and that to me is scandalous."

Solution or Excuse?

The story of carbon capture and storage begins with oil and gas. Oil companies pioneered a process decades ago to isolate CO2 from plumes of mixed gases. Separately, in an effort to squeeze more oil out of the ground, the industry had been injecting CO2 into porous subsurface rock. When pumped into old oil formations under high pressure, CO2 mixes with the hydrocarbon and forces it to the surface through a process called enhanced oil recovery. Some of the gas stays behind in the rock, while the rest can be removed from the oil and pumped back underground. The two technologies were first joined in commercial matrimony in 1972 by Chevron, in the scrublands of West Texas.

In the 2000s, the coal industry and some environmentalists began promoting carbon capture as a means of lowering emissions from coal-fired power plants. But so far, most of the world's 21 large-scale carbon capture plants are attached to natural gas processing facilities, like Exxon's, or ethanol or fertilizer plants. These facilities generally produce exhaust plumes with higher concentrations of CO2 than a coal plant, making it cheaper to capture the greenhouse gas.

As Congress started considering climate legislation, and activists began ratcheting up pressure on the industry to address emissions, Exxon started promoting carbon capture as a climate-friendly move. In 2008, after a congregation of Dominican Sisters pressed the company to adopt greenhouse gas reduction goals by filing a shareholder resolution, Exxon's board of directors asked stockholders to vote against the measure, saying the company was already addressing emissions through carbon capture and storage, among other practices.

Carbon Capture and Storage Begins to Spread

In recent years, Exxon has continued to promote its investments in the technology to justify rebuffing demands from investors and the public that the company do more to reduce emissions. The calls for change have only increased as the oil industry faces huge losses and financial pressure from the collapse in energy demand caused by the coronavirus pandemic, and an accelerating global transition away from oil. European energy companies have cut the value of their assets by tens of billions of dollars. Exxon has reported more than $1 billion in losses this year, and last month it was removed from the Dow Jones Industrial Average stock index because the company's value had plummeted.

With the pressure to address climate change increasing, all the major oil companies say that carbon capture will play a prominent role in their efforts, and that's no surprise: If oil and gas companies are able to capture large amounts of CO2, they may be able to continue selling their products for longer, even as governments limit emissions.

Chevron, for example, recently launched an advertising campaign promoting its investments in carbon capture and storage. The company operates a new CCS plant in Australia, in which Exxon and Royal Dutch Shell are partners

But the industry's spending on the technology has lagged far behind the ambitious goals and projections it promotes. The oil industry invested less than $1.85 billion in large scale CCS projects from 2015 through 2018, according to the International Energy Agency, less than 40 percent of total global investment in the technology over that period.

Much of that investment also directly enables more fossil fuel production, rather than limiting emissions that may be hard to avoid. Nearly all the carbon dioxide Exxon has captured has been at the Wyoming facility, and has therefore allowed the company to produce large volumes of natural gas. The joint venture in Australia has a similar purpose, removing CO2 from a natural gas deposit.

Many climate advocates are skeptical that oil companies are truly invested in deploying CCS to limit global emissions in line with what climate scientists say is necessary. Instead, they say, the industry uses the technology to argue that the world can continue burning its products.

Norton, the Exxon spokesman, pointed to the company's sustained research into the technology, adding that "ExxonMobil is working to make carbon capture and storage technology more economic." This year, the company filed an application for a $263 million expansion of its Wyoming facility that would include a well that would be capable of receiving carbon dioxide for storage; the company said in the filing that it would either sell or inject the additional CO2 it captures through the expansion.

Heidi Heitkamp, a former Democratic senator from North Dakota who has championed the CCS tax credit, defended Exxon's efforts, saying the company is committed to developing the technology.

But Kurt Waltzer, managing director of the Clean Air Task Force, an environmental group that supports CCS and has worked closely with some oil companies, expressed doubts about Exxon's commitment.

"Throughout the history of CCS as a technology, there have been parts of industry that have genuinely supported its development and commercialization, and there have been parts of industry who want to use it as an excuse for inaction," he said. "There are some in the oil industry, like Occidental and Shell, that are working to develop this technology. And it isn't clear to me that Exxon is working aggressively to make carbon capture and storage a solution to address the climate."

An Interesting Marriage

The technology behind carbon capture has been proven to work, but the economics have not. The original 45Q tax credit, enacted in 2008, turned out to be too low to spur much new investment. Most of the 21 large-scale CCS plants operating globally are in the United States and Canada, and all but five of them sell or send the CO2 to bolster oil production, according to the Global CCS Institute.

Many scientists and policy experts say that number has to increase dramatically if the worst effects of global warming are to be staved off. The International Energy Agency said recently that carbon capture capacity must soar to 840 million metric tons by 2030, up from about 40 million today. But the experts add that CCS can play an important role in capturing emissions from industrial processes like manufacturing cement and steel, which account for a significant portion of global emissions.

Attaching the technology to power plants burning fossil fuels is more controversial, because renewable sources have in many cases become a cheaper, emissions-free alternative. There are only two commercial-scale examples, and one of them, a coal plant in Texas, halted its capture of emissions earlier this year as oil prices tanked, because it could not earn enough from CO2 sales to support the plant's operation.

#### 4 – Unsustainable – drives water scarcity

Rosa 20 [Lorenzo Rosa is an environmental engineer in the Department of Environmental Science, Policy, and Management, University of California, Berkeley, August 2020, “Hydrological limits to carbon capture and storage,” Nature Sustainability]

Exposure to water scarcity with CCS Retrofitting CFPPs with CCS units would **create or exacerbate water scarcity conditions** compared with current operations. Amine absorption and solid sorbent TSA technologies would most severely impact water resources. By retrofitting CFPPs that began operating after 2000 with these two technologies, an additional 13GW (1%) of CFPP capacity would face water scarcity. Moreover, an additional 23% (232GW) of CFPP capacity would be exposed to water scarcity for at least one additional month a year (Fig. 5). Because of their lower water intensities, membranes and solid sorbent PSA would increase water scarcity for only 18% and 20% of CFPP capacity, respectively (Supplementary Fig. 10). If CFPPs in China and India were retrofitted with commercially available amine absorption technology, an additional 168GW and 52GW of coal-fired capacity would be exposed to longer periods of water scarcity every year (Fig. 5b). In other words, in China and India 23% and 37% of CFPPs that began operating after 2000, respectively, would be **vulnerable to longer periods of water scarcity** with CCS installed.

**Trade-offs between climate mitigation and water resources** This study highlights the water demands of coal-fired power generation and the potential water scarcity that would result from the adoption of CCS to address the associated CO2 emissions. Our results show that cooling systems and CCS technologies have different water requirements, in terms of both consumption and withdrawal. For CFPPs located in water-scarce areas, the additional water consumption required by CCS (Fig. 4) could create **competition with other human activities** for local water resources41,42 and/or **generate unsustainable water consumption** at the expense of aquatic ecosystems and freshwater stocks43,44. Therefore, the choice of CFPP cooling and CCS technologies is fundamental to avoid such competition. Worldwide the additional water requirements of CCS are dwarfed by freshwater demand from irrigation in the agriculture sector (Supplementary Table 1). Modest improvements in the efficiency of irrigation would free up enough freshwater for aquatic habitats and other human uses such as CCS.

The finding that 32% of CFPPs are exposed to water scarcity for at least five months per year suggests that these coal-fired units might not be well suited for retrofitting with CCS unless alternative water sources are available. The locations where CFPPs are likely to be retrofitted with CCS are mainly in India and China (Fig. 5), where 80% (858GW) of global CFPP capacity has been built since 2000 and where plants generating an additional 309 GW are planned or under construction25. We find, however, that in these two countries a vast proportion of CFPP capacity is already exposed to water scarcity, and the addition of CCS would further **exacerbate the vulnerability to water scarcity and potentially even impede CCS operations**. Decision-makers, energy corporations and investors will have to consider the trade-offs between the climate change mitigation benefits of CCS and the increased demands it places on scarce local water resources.

#### A – Peer review consensus of 835 studies say success cherrypicks data – no political will for innovation

Ehrenreich ‘21 [Ben Ehrenreich. Journalist, author of Desert Notebooks: A Roadmap for the End of Time. “We’re Hurtling Toward Global Suicide.” The New Republic. 3-18-21. <https://newrepublic.com/article/161575/climate-change-effects-hurtling-toward-global-suicide> //shree]

A strange sort of faith lies at the core of mainstream climate advocacy—a largely unexamined belief that the very system that got us into this mess is the one that will get us out of it. For a community putatively committed to scientific empiricism, this is an extraordinary conviction. Despite reams of increasingly apocalyptic research, and despite 25 years of largely fruitless international climate negotiations, carbon emissions have continued to rise, and temperatures along with them. We are at nearly 1.2 degrees Celsius of warming already—more than 2 degrees Fahrenheit over preindustrial averages—and three-tenths of a degree away from blowing the Paris accord’s aspiration to limit warming to a still-calamitous 1.5 degrees Celsius. Scientists now expect us to hit that threshold in about 10 years, and large swaths of the Arctic have been in actual flames for two summers running, but most governments with the option to do so are still feeding the beast that got us here.

Even with the grim opportunity presented by the Covid-19 pandemic, which slowed the economy so much that growth in fossil fuel production dropped an almost unprecedented 7 percent last year, governments—ours very much included—have so far dumped much more stimulus spending into high-carbon industries than into renewable energy. It’s as if our economic system, and the politics it breeds, will not allow us to diverge from the straight path to self-obliteration.

The faith nonetheless persists: The market will provide. It has not done so yet, but renewables are perhaps finally cheap enough—cheaper at last than conventional energy sources—that the transition is now inevitable. So the credo goes. The change that is coming will be largely technological: a bold new era of “green growth.” Modern societies erected on dirty coal and oil can be jacked up and shifted to cleaner forms of energy like an old house in need of a new foundation. Government may have a larger role in this transition than neoliberal dogma has recently allowed, but its primary task will still be to encourage innovation and feed the markets by shepherding the resulting growth.

It is no coincidence that some version of this faith, so all-pervasive now that it does not register as a piety, has been reshaping the planet for almost precisely as long as fossil energy—first coal, then oil—has been altering the atmosphere. Capitalism is guided by a carbon creed, an ecstatic vision of a market that chugs along eternally, needing only new inputs—the earth itself, commodified as minerals, or water, housing, health care, or almost any living thing—to spew out wealth that can be shoveled back into the machine, converting more and more of the biosphere into zeros in a digital account: more fleshless, magical money that can be invested once again. If appetites are bottomless, and apparently they are, shouldn’t growth be endless too?

The market’s grip on the political imagination so effectively blinds us to alternatives that we are unable fully to grasp that this is the basic script that the new administration is following. Even the Green New Deal does not substantively diverge from it. The climate crisis, an existential threat to planetary life, must be sold to Wall Street and the public at large as a growth opportunity. On January 31, John Kerry, acting as Biden’s new climate envoy, enthused to CNN’s Fareed Zakaria about “literally millions of jobs” that would soon be created, about all the “new products coming online,” and about oil companies’ newfound passion for “carbon capture and storage and so forth.” The private sector, he said, “has already made the decision that there is money to be made here, that’s capitalism, and they are investing in that future.” If that makes you nervous, it shouldn’t, Kerry insisted. The changes ahead would be like the analog-to-digital shift of the 1990s, only better: “the important point, Fareed, for people to really focus on is it’s a very exciting economic transition.”

If Kerry struck a cheerier tone than that of the doomsaying consensus in the scientific community, it wasn’t just a question of polishing a turd. “Green growth” is mainstream climate discourse. A “green transition” that does not significantly alter existing economic structures—or their vast inequities—is still, for most climate advocates, the only imaginable way forward. Kerry was speaking a made-for-TV version of the sole language available to him—one that in its most basic assumptions excludes the possibility of fundamental social transformation, and of any heresy that casts doubt on the Great God Growth. The one thing all those thousands of scientists agree on is our only hope—that the economic structures that mediate our relation to the planet must be profoundly altered—is the one thing that Kerry and Biden are quite careful not to consider at all.

In climate policy jargon, the crucial concept is “decoupling.” The notion lies deep in the hidden heart of the “sustainable development goals” held dear by international bodies such as the United Nations and the World Bank: Economic growth can be safely divorced from the ecological damage that it has heretofore almost universally wreaked. If the train of capital appears to be hurtling us toward the abyss, we can cut the engine loose and cruise someplace more comfortable: same train, same speed, different destination. Like millions of clean-tech jobs and a crisis-induced transition magically unlocking unimaginable wealth, it is an attractive and reassuring idea. The only problem is that there is next to no evidence that anything analogous has ever occurred, or that it is likely to occur in the future.

Examples of successful decoupling tend to involve shifts in the location rather than the nature of industrial production: Rich countries green their economies by offshoring the manufacture of the goods they consume to China and countries in the global south, which they can then chastise for their lax emissions standards. But Earth’s atmosphere is not divided by national boundaries. Greenhouse gases cause the same degree of global warming no matter where they are produced, and to the extent that this kind of decoupling is a meaningful measure of anything, it is only of the colonial relations that still set the terms for the shell game of global capital.

What policy wonks call “absolute decoupling”—the only kind that would do the climate any good—turns out to be a fantasy akin to a perpetual motion machine, a chimera of growth unhindered by material constraints. One recent analysis of 835 peer-reviewed articles on the subject found that the kind of massive and speedy reductions in emissions that would be necessary to halt global warming “cannot be achieved through observed decoupling rates.” The mechanism on which mainstream climate policy is betting the future of the species, and on which the possibility of green growth rests, appears to be a fiction.

This fiction is nonetheless fundamental to the very math used by international climate institutions. In 2018, the Intergovernmental Panel on Climate Change’s benchmark Special Report on Global Warming of 1.5oC—which announced in no uncertain terms that global emissions must be decreased by nearly half by 2030 and reach net zero by 2050 to avoid cataclysm at an almost unthinkable scale—set out a number of possible scenarios for policymakers to consider. It relied on algorithmic models linking greenhouse gas emissions and their climate impacts to various socioeconomic “pathways.” Whatever other variables they accounted for, though, all of the scenarios envisioned by the IPCC assumed the continuation of economic growth comparable to the past half-century’s. Even as they acknowledged levels of atmospheric carbon unseen in the last three million years, they were unable to conceive of an economy that does not perpetually expand. Fredric Jameson’s oft-cited dictum that it is easier to imagine the end of the world than the end of capitalism was baked into the actual modeling.

At the same time, all but one of the ­IPCC’s scenarios that envision us successfully limiting warming to 1.5 degrees Celsius rely on the use of technology to remove carbon from the atmosphere after the fact. (The one exception involves converting an area more than half the size of the United States to forest. None of the scenarios imagines that we can reach the 1.5 degrees Celsius target by cutting emissions alone.) But the technology in question is at this point largely speculative. “No proposed technology is close to deployment at scale,” the report’s authors concede, and “there is substantial uncertainty” about possible “adverse effects” on the environment. The international body, in other words, is more willing to gamble on potentially destructive technologies that do not currently exist than to even run the math on a more substantive economic transformation.

A version of this same wager animates the Biden climate plan, which, as Canada, the European Union, the U.K., and South Korea all have, commits to “net-zero emissions no later than 2050.” (China plans to reach the same goal by 2060.) This sounds like great news, and is without doubt worlds better than the status quo ante of no ambitions at all. But “net zero” is a slippery notion. It does not mean zero at all. To avoid exceeding 1.5 degrees Celsius of warming, emissions need to fall 7.6 percent every year for the next 10 years. Even with the pandemic-induced slowdown, global emissions shrank only 6.4 percent in 2020. Since, as Biden reassured a nervous oil industry during the campaign, “We’re not getting rid of fossil fuels for a long time,” net-zero calculations assume some degree of “overshoot”—i.e., they stipulate that we’re not going to be able to cut emissions fast enough, and that we’ll therefore have to rely on those same untested carbon removal technologies to eventually bring us to zero.

But a planet is not a balance sheet. The climate has tipping points—the collapse of the Antarctic and Greenland ice sheets and the Himalayan glaciers, the deterioration of Atlantic Ocean currents, the melting of the permafrost, the transition of the Amazon from rain forest to savannah. We are perilously close to hitting some of them already: In February, 31 people were killed and 165 went missing when a chunk of a Himalayan glacier broke off, releasing an explosive burst of meltwater and debris. In the most nightmarish scenario, which could be tripped with less than 2 degrees Celsius (3.6 degrees Fahrenheit) of warming, those tipping points could begin to trigger one another and cascade, locking us in, as one widely cited study put it, to “conditions that would be inhospitable to current human societies and to many other contemporary species.” Without major emissions cuts, we may reach 2 degrees Celsius of warming before 2050.

That’s a heavy risk to bet against, but there it is, pulsing away inside the net-zero promises that not only politicians but corporate boards have been proudly rolling out. Over the last two years, more and more corporations in fossil fuel–intensive industries—BP, Shell, Maersk, GM, Ford, Volkswagen, at least a dozen major airlines—have made similar pledges. Shell’s plan alone would require tree planting over an area nearly the size of Brazil. By the estimate of the NGO ActionAid, “there is simply not enough available land on the planet to accommodate all of the combined corporate and government ‘net zero’ plans” for offsets and carbon-sinking tree plantations. To save this planet, it appears we’ll need another one. This is what currently counts as pragmatism.

#### B – Psychologically primed against it

Rose ‘21 [Nick. PhD in Political Ecology from RMIT University. Executive Director of Sustain: The Australian Food Network. From the Cancer Stage of Capitalism to the Political Principle of the Common: The Social Immune Response of “Food as Commons.” Int J Health Policy Manag 2021. 3-31-21. DOI: 10.34172/ijhpm.2021.20 //shree]

Mainstream policy proposals for a ‘Green New Deal’ have been premised on the basis that a ‘decoupling’ of material resource use, and associated pollution, from continued economic growth, is possible.54,55 This premise has in turn come under sustained attack in recent years, as efforts to articulate a ‘fair low-carbon transition’ have gathered pace.56- 58

Increasingly, the very notion of ‘growth’ itself has become problematised as being at the root of the crises we face. As John Barry puts it:

“The green critique of orthodox economics must become a clearer critique of capitalism itself…Any planned economic contraction (in the developed world) as a response to climate change…must therefore be viewed for what this is and means: a transition away from capitalism since a non-growth/ degrowth capitalism is impossible as well as undesirable. Carbon-fuelled capitalism is destroying the planet’s life support systems and is systematically liquidating them and calling it ‘economic growth’…A post-growth critique must necessarily lead to a post-capitalist alternative and related political and ideological struggle.”59

In the context of discursive and political struggles over endless and thus exponential economic growth, McMurty’s framing of ‘the cancer stage of capitalism’ has both explanatory and discursive power. McMurty insists that his framing is not a provocative metaphor or a rhetorical flourish. Rather, he argues that the ‘seven defining properties of a cancer invasion’ at the cellular level in an individual human being can also ‘be recognised at the level of global life-organisation [and that] this is the pathological core of our current disease condition [as a species].’9,60,61 The central proposition is that the exponential and metastisizing growth of capitalism, which takes place on the basis of relentless exploitation of human populations and ecosystems, mirrors in all essential respects the behaviour of cancer cells within an individual human body.61 An essential point for McMurtry is the inability of the host’s immune system to recognise the disease and respond effectively to it. This becomes the core of his argument that the ‘social immune system of the civil commons’ is perhaps the only mechanism available to humanity to save ourselves – and indeed the living planet – from the metastasizing political economy of contemporary capitalism.61

Capitalism as a form of social cancer afflicting humanity, yet which at the same time is internalised and naturalised as ‘normal’ even as its predations move us closer to ecosystem and thus social collapse, captures much that it is important about the contemporary situation. What is fails to identify is the ‘space-time compression’ of late capitalism described by David Harvey and Frederick Jameson, and the cultural and ideological consequences of the accelerated and distorted temporalities which thus characterise contemporary life.62,63 In the following passage, Joel Kovel succinctly explains the interplay between the dynamics of acceleration and commodification, and the cultural effects this produces:

“The culture of advanced capital aims to turn society into addicts of commodity consumption, a condition ‘good for business’ and correspondingly bad for ecosystems. The evil is twofold, with reckless consumption leading to pollution and waste, while the addiction to commodities builds a society unable to comprehend, much less resist, the ecological crisis. Once time is bound in capitalist production, the subtle attunement to natural rhythms necessary for an ecocentric sensibility becomes thwarted. This allows the suicidal insanity of ever-expanding accumulation to appear as natural. People with mentalities warped by the casino complex are simply not going to think in terms of limits and balances, or of the mutual recognition of all beings. This helps account for the chorus of hosannas from presumably intelligent authorities at the nightmarish prospect of a doubling of economic product in the next twenty years.”29

#### C – Too slow and small

Alexander 20. [Samuel. Research fellow, Melbourne Sustainable Society Institute, The University of Melbourne. I've seriously tried to believe capitalism and the planet can coexist, but I've lost faith. Conversation. 2-20-2020. https://theconversation.com/ive-seriously-tried-to-believe-capitalism-and-the-planet-can-coexist-but-ive-lost-faith-131288]

What about ‘green growth’?

Most mainstream economists and politicians accept the science on the dire state of the planet, but not many people think capitalism is the problem. Instead, the dominant response to the ecological crisis is to call for ‘green growth’.

This theory involves producing ever more goods and services, but with fewer resources and impacts. So a business might design its products to have less environmental impact, or a product at the end of its life could be reused – sometimes called a ‘circular economy’.

If our entire economy produced and consumed goods and services like this, we mightn’t need to abandon the growth economics inherent to capitalism. Instead, we would just “decouple” economic growth from environmental impact.

Too good to be true

There are several big problems with green growth theory. First, it isn’t happening at the global scale – and where it is happening to a limited extent within nations, the change is not fast or deep enough to head off dangerous climate change.

Second, the extent of “decoupling” required is simply too great. Ecological footprint accounting shows we need 1.75 planets to support existing economic activity into the future – yet every nation seeks more growth and ever-rising material living standards.

#### 3. Any combo poisons the well.

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

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

#### 2. Boom & Bust: Market competition inevitably creates economic busts and proves capitalism’s contradiction.

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

When Things Fall Apart

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 3. Off-shoring: Domestic competition necessitates global consolidation and protectionism.

Jerry Kopf et al 13 . Professor of Economics, Radford University. Charles Vehorn, Professor of Economics, Radford University. Joel Carnevale, Professor of Economics, Syracuse University. “Emerging Oligopolies in Global Markets: Was Marx Ahead of His Time?” Journal of Management Policy and Practice 14(3): 96-98. <http://www.m.www.na-businesspress.com/JMPP/KopfJ_Web14_3_.pdf>

With firms branching out into global competition and countries lowering their trade barriers to promote such competition, the absence of effective global regulation once again raises Marx concerns. Because of strong federal governments, national governments were able to pass and enforce, through the uses of military or police force where necessary, laws that regulated externalities, such as pollution, and antitrust. At the moment there is no strong federal government at the global level and, therefore, no one to pass and enforce laws that effectively regulate externalities or antitrust. Epstein and Greve raise a Marx like concern, “when firms have international market power, one would expect them to behave as monopolists just like domestic firms with market power” (2004). Therefore, without any dominant form of regulatory governance, industry concentration could very well replicate what was seen in the late 19th century, though, globally instead of nationally. Carstensen & Farmer discusses this tendency towards M&A’s: The transformation of formerly regulated or noncompetitive industries to competition is closely linked with merger movements. The historical record demonstrates that once faced with competition, leading firms in these industries began to merge. This has been the pattern in airlines, banks, railroads, electric and gas utilities, health care and, with great prominence, telecommunications (2008). While some may argue that reaching that level of concentration is unlikely, one should consider current industries that hold a considerable global market share. “Although it may be more difficult to establish and maintain market power internationally, there is no reason to believe that it is impossible or, for that matter, rare. Industries such as pharmaceuticals, passenger aircraft, and software illustrate the phenomenon” (Epstein & Greve, 2004). There are actually quite a few firms who have emerged into the global market that hold what can be considered a significant share within global industries, ranging from manufacturing, financial intermediation, and transport service along with other service industries. For example, The European Aeronautic Defense and Space Company and The Boeing Company combined hold more than 50% market share within the global civil aerospace products manufacturing industry. Goldman and Sachs hav2 20.20% market share within the global investment banking and brokerage industry and Vivendi holds 20.10% within the global music production and distribution industry. United Parcel Service holds 23.80%, within the global logistics – couriers industry (IBISW, 2011). We do not intend to imply that the monopolization that had plagued the United States in the late 19th century has emulated itself at the global level, creating one dominant firm controlling an entire global industry. However, it does appear that a number of industries are starting to exhibit Marx, “inevitable move toward a monopoly.” The increase in oligopoly power at the global level presents unprecedented challenges. Reaching a cross-country consensus on competition policy is a difficult. Epstein & Greve discuss some of the issues that arise when attempting to unite foreign and domestic competition policy. Competition policy embodies imprecise normative judgments that invite controversy and defection rather than consensus and commitment. Because its scope extends to such a wide range of economic activity, it has the potential to inflict significant costs on many transactors. In particular, competition policy tempts states both to impose nominally neutral policies that favor local producers and consumers at the expense of global welfare, and to administer their policies in a discriminatory fashion to similar ends” (2004). While more and more countries are adopting competition policies, this seemingly positive step towards unification of trust law has its negative effects. “Nearly one hundred jurisdictions now have antitrust laws” according to Epstein & Greve, this raises increasing issues of “jurisdictional overlaps” since many countries will assert their “jurisdiction over extraterritorial conduct that has a domestic impact” (2004). Antitrust enforcement agencies around the world have tried to cope with the increased power of global corporations by staying in regular and increasing contact with one another on individual merger cases as well as on general issues of mutual enforcement interest. Through instruments such as the 1995 Recommendation of the Organization for Economic Co-operation and Development (OECD) that its 29 members cooperate with one another in antitrust enforcement and bilateral agreements like that which exists between the United States and the European Community, the antitrust agencies notify one another when a case under investigation affects another's important interests and they share what information they can and otherwise cooperate in the investigation and resolution of those cases (1999). Richard Parker, Senior Deputy Director of the Bureau of Competition FTC, presenting on global merger enforcement, discussed the implementation of the Organization for Economic Co-operation and Development (OECD) and concluded with examples of global merger enforcement. While attempts at unified standards of competition policy are underway, the efforts of the OECD are considered to have substantial limitations on enforcing global merger laws. Epstein and Greve state: Information sharing or “soft” cooperation has also been pursued at the Organization for Economic Co-operation and Development, which has generated several aspirational texts. None of these impose obligations on states, and they are not intended to do so. Their goals are modestly limited to improving communication on competition issues. History shows us that even with a strong federal government with the ability to enforce laws through the use of force where necessary, such as the United States federal government has on its states, firms are very good at ignoring or getting around antitrust laws. If the U.S. government did not have strong federal power over states, and it was up to the states to reach agreements on antitrust laws, one can easily imagine that there would likely be problems resulting in less strenuous competition policy. Take for example state control over age discrimination laws. When these laws originated, states chose whether to enact policies aimed at protecting workers rights. By 1960 only 8 states had age discrimination laws until the federal government enacted such regulations as the Age Discrimination Employment Act of 1967 (ADEA). This, along with the Department of Labor in 1979 giving administrative authority to the U.S. Equal Employment Opportunity Commission (EEOC), established unified laws protecting individual employment rights (Lahey, 2007). Without this dominant authority of the federal government, fair employment practices may still continue to be a regionally dependent right. In the current era of globalization, where industry’s actions domestically can be felt by all corners of the globe and vice versa, without a global entity with strong “federal” powers capable of monitoring and enforcing competition policy, it seems reasonable to conclude that Marx may in fact be proven correct: the inevitable result of the efficient market is increasing concentration of power resulting in global oligopolies or, eventually, monopolies.

#### Yes global buy in – appeals to feasibility is propaganda

Tavan 21 [Luca. Writer for the RedFlag Australia. Worldwide revolution is possible and necessary. No Publication. 3-7-2021. https://redflag.org.au/article/worldwide-revolution-possible-and-necessary]

From the moment Marx and Engels urged workers of the world to unite at the climax of the Communist Manifesto, the goal of international revolution has been at the core of Marxist politics.

International revolution isn’t just a romantic dream, but an urgent necessity. It’s the only means by which capitalism can be permanently uprooted and replaced with socialism. This is because capitalism, unlike previous class societies, is a globally integrated system. “For the first time in history”, wrote British Marxist Colin Barker of this phenomenon, “capitalism has created a genuinely world society, where all our lives are entwined together in a common history and a common fate”.

Capitalism has linked every nation in a global chain of production. Take your mobile phone for example. It was likely assembled in China, using computer chips manufactured in Taiwan, powered by coal exported from Australia and produced with minerals mined in the Democratic Republic of Congo according to specifications developed in Europe or the United States. No single country produces all the things necessary to satisfy its population’s needs, unlike the various forms of society that came before capitalism, which were mostly self-sufficient and organised around small local economies.

Capitalism was established as a world system through immense robbery and violence—from the international slave trade, which fuelled the Industrial Revolution, to the murderous colonisation of what is now Australia. That same violence is today used by states to defend their imperialist interests, and discipline any movements that get in their way. Movements that aspire to national independence or that back left-wing reformist governments have been demolished with the aid of the great capitalist powers countless times in the past century, from the overthrow of the Allende government in Chile in 1973 to the 2019 Bolivian coup.

Revolutionary movements that attempt to overturn the entire capitalist system face a much more severe response. This was confirmed by the defeat of the Russian Revolution. In 1917 workers, radicalised by years of war and economic crisis, overthrew the tsarist regime and eventually took power into their own hands. In response, the capitalist powers of the world united to crush the workers’ state, in alliance with reactionaries who wanted to restore the tsarist regime. Unless revolutions can spread internationally and challenge the imperialist powers that have an interest in destroying them, they will be crushed.

A heroic effort by Russian workers and peasants fought off 16 foreign invading armies, but at a great cost. The working class was decimated, the factories were depopulated, and the radical working-class democracy that had been built withered. The isolation and poverty imposed on Russia made building socialism an impossibility, and a new Stalinist regime emerged that reversed most of the gains of the revolution.

Because Russian revolutionary socialists who pinned their hopes on spreading revolution across the globe were ultimately defeated, their example is used by defenders of capitalism as a cautionary tale today: that a worldwide revolution against the system is an impossible dream.

But capitalism’s global nature means that revolts tend to spread across national borders. Workers today share increasingly similar experiences: conditions of work, forms of consumption, lifestyles and political cultures. And the global integration of production serves to transmit struggle from one country to another. In 1974, for instance, resistance to the brutal military dictatorship in Chile spread to East Kilbride, Scotland, of all places. Workers at the Rolls Royce factory there learned that the engines they were repairing were being used by the Chilean air force to drop bombs on workers resisting the coup. They downed tools and refused to work on the engines, keeping them out of the hands of the military junta for four years.

While nationalism still has a powerful hold on the consciousness of many, it’s increasingly clear that the real line of polarisation across the globe is between the minority ruling class and the majority working class. And when revolts break out in one part of the world, people can identify with the causes and motivations of their struggles, and draw comparisons with their own situation. “Languages remain different,” observed UK Marxist Chris Harman in 1992, “but what they say is increasingly the same”. Harman’s words ring true in every wave of political radicalisation.

1968 is remembered as a year of global revolt, when millions of workers, students and oppressed people drew inspiration from each other’s movements. Activists in the US were radicalised by the heroic resistance of the Vietnamese people to American imperialism. Irish civil rights activists emulated the militant politics of the Black Panthers. When students and workers united to launch a massive general strike in France in May, it taught student radicals in Australia that they needed to link up with the power of the organised working class in order to win.

The movements of 1968 united people across superficially very different societies. For decades, Cold War common sense had dictated that the greatest divide on the planet was between Western liberal capitalism and Stalinist “Communism”. But in 1968, both sides of the iron curtain exploded in revolt. The triggers for the struggles may have been different, but they were all responses to similar issues: inequality, exploitation and war, imposed by monstrous bureaucratic states.

In 2011, a poor Tunisian street vendor set himself alight to protest against police harassment. Within days, his act had inspired anti-government protests across the country. Within weeks, the protests escalated into a regional revolt that challenged regimes across the Arab world. One small act tapped into resentment against inequality, unemployment and state violence that engulfed an entire region. The radical wave spread even further: at a massive demonstration against an anti-union bill in the US city of Madison, Wisconsin, a man held up a poster with a picture of Egyptian dictator Hosni Mubarak beside Republican Governor Scott Walker. The caption read: “One dictator down. One to go”. The Arab revolutions went on to inspire the Occupy movement, which spread to more than 80 countries.

Today, more than ever, insurgent social movements and working-class uprisings are spurring action in other parts of the world—from Hong Kong to Chile, from Lebanon to France. One placard at a memorial for protesters murdered while resisting the military coup in Myanmar took up Marx’s incitement: “Workers of the world unite, you have nothing to lose but your chains”.

While the Russian Revolution is cynically held up by capitalist ideologists as the ultimate argument against international revolution, it actually proves the opposite. It shows that the goal is not only necessary, but also that it’s possible. The news of workers seizing power in Russia, overthrowing their capitalist government and declaring their withdrawal from WWI, created shock waves across the planet. Workers in Germany rose in revolt a year later, ending the war for good and building soviets, a form of radical working-class democracy inspired by the Russian example. This was followed by uprisings in France, Italy and Hungary.

The revolutionary wave spread further. A classified British government report from 1919 noted a “very widespread feeling among workers that thrones have become anachronisms, and that the Soviet may be the best form of Government for a democracy”.

The rising tide of radicalism had an impact in Australia too. Meatworkers in the Queensland city of Townsville donned red jumpers, stormed the local police station to free jailed unionists, and placed the city under workers’ control. The editor of the conservative Townsville Daily Bulletin lamented: “Townsville for the last year or so has been developing Bolshevism ... the mob management of affairs in this city, differs very little, from the Petrograd and Moscow brand”.

The Russian Bolsheviks, the revolutionary working-class party that led the revolution to victory in 1917, didn’t just passively wait for revolutions elsewhere. They actively organised to spread the revolt. In 1919, they established the Communist International, an organisation for debate, discussion and coordination between different revolutionary workers’ parties. Revolutionaries in Russia, Italy, France, Germany, the US, Australia and elsewhere attempted to clarify and develop a strategy for overthrowing capitalism everywhere. In none of these countries was there a party like the Bolsheviks, steeled in years of organising working-class struggle to overthrow the state, and capable of leading a revolution. But for a number of years, workers came close to overthrowing capitalism in several countries.

In periods of stability, when social conservatism dominates, international revolution can seem like a pipe dream. Defenders of the status quo actively work to reinforce this illusion. But history proves that the crises that the system generates are international, and that they will inevitably provoke international resistance.

Capitalism is a global system. It requires a global movement to tear it up, root and branch. But it also makes global revolution more possible, and more likely. The most important thing that socialists can do, whether you live in Hong Kong or France, Myanmar or Australia, is to get stuck into organising for it today.

### TBTF---2NC

#### 2. Cap turns the impact – inequality drives populism, innovation displaces jobs, globalization undercuts accountability – COVID magnifies all.

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

How do Globalization and Democracy Interact?

The delineation of these essential elements of democracy is important because it tells us where to look for problems in the relationship with capitalism. If capitalism makes achieving these elements more difficult or impossible, then the two institutions will clash. Instead of reinforcing one another, they will undermine each other. Hence, one view is that without serious restrictions on capitalism, democracy will be imperiled. On the other hand, some claim that without restrictions on democracy, capitalism could be imperiled. From Marx onward, numerous scholars have claimed that democracy has been limited in order to preserve capitalism. For Marx, the institutions of the state were built to protect capitalism; democracy was just the “dictatorship of the bourgeois” hiding behind a veil. The capitalist state was designed to protect the collective interests of the capitalist class against the working class and against the short-sighted behavior of individual capitalists; thus the state had some autonomy.12 But for Marx and many Marxists, democracy itself was a sham set up to protect capitalism. More recently, Slobodian argues that the entire neoliberal system of international institutions set up since the 1950s has served to protect capitalism against democracy: the entire “neoliberal project focused on designing institutions–not to liberate markets but to encase them, to inoculate capitalism against the threat of democracy” (Slobodian 2018, 2). For many on the left of the political spectrum, capitalism makes democracy impure at best and impossible at worst.

For others from the right, government intervention in the economy even decided democratically can ruin capitalism and thus destroy individual freedom. Laissez-faire doctrine advocated the most limited interference of politics in the matters of the economy. Hayek (1976) among many feared that any government intervention corrupted capitalism and that only the most minimal state was desirable. “The system of private property is the most important guaranty of freedom, not only for those who own property, but scarcely less for those who do not . . . If all the means of production were vested in a single hand, . . . whoever exercises this control has complete power over us” (Hayek 1976, 103). Freedom is the highest goal, but capitalism—not democracy—brings freedom. The protection of private property was necessary for democracy in the first place.13 Economic conservatives such as Hayek decried government intervention in the economy and the creation of large social welfare systems. The balance between unregulated markets and government intervention has long been a central issue in politics. This balance has been changing over time, especially as globalization has spread. Global capitalism seems to have given capitalists a stronger hand relative to either labor or the state (Bates and Lien 1985). Laissez-faire and austerity have gained in prominence as labor unions have shrunk, center left parties have declined, and social welfare spending and redistribution have fallen out of favor (Blyth 2013).

Political Equality and Economic Inequality

As noted above, an essential element of democracy is the idea of political equality. All adult citizens should be treated equally by the state and should have equal political rights. What political equality means may be debated, but citizens do expect some kind of equal treatment by their government. The problem this runs into is the economic inequality generated by capitalism (Piketty 2014).

Economic inequality has increased very substantially within countries across most of the world since the 1990s (Bourguignon 2015). This rise has been especially notable in the advanced industrial countries, particularly the United States and UK. While rates of absolute poverty across the world have plummeted, one particularly contentious issue is whether globalization has fueled the rise in within-country inequalities. For example, the Gini index for income distribution in the United States has worsened steadily from 0.36 in 1970 to 0.41 in 2015 (Lahoti, Jayadev, and Reddy 2016). By 2008, the level of inequality in the United States, as measured by the share of family income for the top 10 percent, had returned to the highest levels recorded in the early twentieth century (Bourguignon 2015, 48). The middle four deciles of the income distribution in the United States saw a similar decline in income share from 1980 (0.46) to 2014 (0.40). However, growth in inequality in Europe has been less pronounced with the income share of the middle four deciles sharply dropping in the UK and more moderately decreasing in Germany and France (Blanchet, Chancel, and Gethin 2019).

While unemployment in the United States has been low, wage growth especially in the middle and low skill occupations has been very limited in the past few decades. “Since 2000, [US] weekly wages have risen 3% (in real terms) among workers in the lowest tenth of the earnings distribution and 4.3% among the lowest quarter. But among people in the top tenth of the distribution, real wages have risen a cumulative 15.7%, . . . nearly five times the usual weekly earnings of the bottom tenth” (Desilver 2018).14 In the United States by 2010, the top 10 percent of the income distribution has received over half of all wage gains during the past 30 years, and the top 1 percent and 0.01 percent had received most of that (Bourguignon 2015, 49). In Europe, slow wage growth has been combined in many countries with high unemployment. In many of the OECD countries, the concentration of wealth, as opposed to income, is even more stark and has grown worse as well. International trade appears to have amplified inequality in developed countries by deepening the high-skill and low skill labor divide (Wood 1994; Ebenstein et al. 2013). Surprisingly, there is some evidence this is happening in the developing world as well (Harrison and Hanson 1999).

The problem is that this period of rising within country inequality corresponds to the period of globalization’s fastest growth. It looks as if, and perhaps is the case that, they are related.15 But the impression is that globalization has benefited a small elite and not the whole society or even the middle class. The majority is losing and this should not happen in a democracy. The sense that the system is rigged and only the rich benefit from openness is pervasive and growing. Anger and resentment are rising in publics as they see only a small segment of society gaining from globalization, and as everyone else becomes a relative loser (Galston 2018).16 The pervasive sense is that elites have captured the political system and opened up the economy to external forces that benefit only the rich and well connected. Inequality also seems to drive support for a main policy advocated by populist parties, that is, for protectionism, thus challenging the foundations of the liberal global order (Lü, Scheve, and Slaughter 2010).

Another issue is that any sense of political equality is hard to sustain when economic inequality is large. If the wealthy have, or are seen to have, special access to political leaders and more influence over elections because of their money, then political equality is undermined. As Przeworski says, “When groups compete for political influence, when money enters politics, economic power gets transformed into political power, and political power in turn becomes instrumental to economic power ....Access of money to politics is the scourge of democracy” (Przeworski 2016, 5). Research suggests that the rich do have more access and influence over politics (Bartels 2008; Gilens 2012). As the rich become richer, their influence magnifies, policy diverges more from the median voter’s preferences, and democracy seems less and less legitimate to the average citizen. If globalization is linked to rising inequality, then we may fear for democracy because research shows that democracy does not do well in conditions of high inequality (Boix 2003; Ziblatt 2008).17 Globalization may then indirectly undermine support for democracy as it enables greater economic inequality (Elkjær and Iversen 2020).

It is important to note that the Covid-19 pandemic seems to be increasing inequality as it rages in different countries. High-skill workers have maintained their jobs and avoided the virus by telecommuting. Lower skill workers who are usually paid less have been more likely to lose their jobs and get sick (Davis, Ghent, and Gregory 2021; Deaton 2021). And large firms with abundant capital have expanded as their small rivals are driven out of business by the pandemic closures (Bartik et al. 2020) Capital is being concentrated even more by this plague. It has also increased individual insecurity and reduced social capital as people cannot congregate and socialize.

Creative Destruction and Economic Insecurity

Capitalism is marked by rapid change and technological advances. As many have noted, it is a very dynamic system that incentivizes change, upgrading, and innovation. In the process, however, it destroys the old, the familiar, and the once lucrative. Schumpeter termed this essential dynamic, creative destruction (Schumpeter 1942). There is also evidence that innovations and adoption of new technologies spread in waves over time, sometimes leading to deep and rapid changes (Milner and Solstad 2021). These technological revolutions then produce side effects in social and political life. The first industrial revolution from about 1760 to 1830 saw a spurt of activity around iron and steel, coal, and steam engines (Mokyr 2009). The second industrial revolution from the 1870s to early 1900s again brought a surge in new technologies including railroads, mass assembly, automobiles, telegraph and radio, and electricity (Gordon 2017). Recently we have witnessed another technological revolution, the so-called digital revolution, and it is now having widespread effects. It is not just disruptions to labor markets that matter, but also shocks to information and communications systems, changes in social organization and disruptions of existing institutions. These rapid changes create insecurity for people who are, or believe they will be, negatively affected.18 This personal insecurity is likely to have political ramifications, especially when social protection is weak (Mughan 2007; Margalit 2011; Hacker, Rehm, and Schlesinger 2013; Rehm 2016).

Capitalism has brought forth many changes in markets, especially in labor markets over time. Old industries die and new ones emerge, but labor and capital are often slow to keep pace with these changes. Boix (2019) argues that first period of globalization in the late nineteenth century and early twentieth century was accompanied by technological change which generated more jobs than it displaced. This earlier wave of disruption was job inducing, and the new technology then was complementary to labor. The second period of globalization occurring recently is different; the new technologies are job displacing and substitute for labor. These two conditions produce very different politics. Boix (2019), however, still thinks that democracy can persist in this second period, as do others who see democracy as extremely resilient (Iversen and Soskice 2019). But many others are more pessimistic, worrying that the effects of technology now are enhancing inequality and destroying decent jobs (Baldwin 2019).

A primary example has been the rise and fall of manufacturing industries, especially in the advanced industrial countries. Industrial employment as a percentage of the civilian labor force has dropped from 38.8 percent in 1970, 25 percent in 2007, and falling to 18.8 percent in 2016 among the original 23 OECD countries (Armingeon et al. 2019). Offshoring has been a main ingredient in this process, and more recently the development of global value chains across borders has accelerated these changes. This deindustrialization has generated much economic insecurity as higher wage-paying, blue-collar jobs have disappeared with it (Hacker 2008; Milberg and Winkler 2013).

In addition, the new jobs produced have often been inferior to the old ones lost; this inferiority concerns not just wages but also the terms of employment, which have become less secure and more temporary in the so-called gig economy. “Employment precariousness,” or the lack of a “decent job,” is another aspect of this technological revolution (Lorey 2015). “Fixed-term employment contracts, temporary work and part-time work in developed countries, and informal jobs with irregular working hours, low earnings and uncertain futures in developing countries” (Bourguignon 2015, 63), which are the telltale indicators of this precariousness, have grown greatly. “In France, employment precariousness has increased significantly over the last twenty years, from 8% in 1990 to 12% of total employment in the 2000s” (Bourguignon 2015, 63–64). Skill-biased technological change and trade with the developing world have been largely responsible, as they have helped fuel offshoring and global value chains (Michaels, Natraj, and Van Reenen 2014; Doraszelski and Jaumandreu 2018). Hence, despite the fact that unemployment in many developed countries had fallen to low levels before the pandemic, personal insecurity has been pervasive because wages and working conditions have worsened, especially for lower skilled workers.

Global capitalism produces a double dose of technological change. Capitalism itself is very disruptive, but on a global scale it accelerates this change. Research shows that few countries innovate and that most adopt innovations from elsewhere (Keller 2004). The speed of this adoption varies from country to country and over time, but globally-integrated markets make these changes more rapid and widespread (Mokyr 1994; Taylor 2016; Milner and Solstad 2021). The third technological revolution then also is different because it is probably the fastest and most wide-ranging. It has brought even more economic anxiety and insecurity than past revolutions.

The insecurity generated by capitalism has long been noted. Furthermore, capitalism on a global scale seems to amplify this insecurity since international capital and labor flows may be ever more politically destabilizing (Scheve and Slaughter 2004). Economic crises like the global financial one of 2008–2009, which often are fostered by globalization, exacerbate this insecurity as well. Indeed, the creation of social welfare states was intended to help damp down this anxiety and reduce the frictions associated with economic change and crises. Polanyi (1957) long ago noted that left exposed to unregulated markets, people would turn away from democracy and toward extreme political solutions. The risks and insecurities generated by capitalism needed to be alleviated by social protection. The idea was to “embed” markets in social and political relations by having governments intervene to provide compensation to people affected by market volatility. After World War II, markets for capital and labor flows across borders were regulated as trade was slowly liberalized, and stability and growth with redistribution were paramount for the advanced industrial democracies until the 1980s.

After World War II, embedded liberalism in the Western world was the compromise that arose to make democracy and capitalism compatible (Ruggie 1982). As noted by Lim (2020, 67–68), “Studies of Western democratic countries have found that citizens who are exposed to the risks and uncertainties of global capitalism demand greater social protection from their government (Burgoon 2001; Cusack, Iversen, and Rehm 2006; Walter 2010; Margalit 2011). Empirical analyses also have revealed that more open economies tended to have larger public spending to compensate for and insure against the vagaries of an open economy (Garrett 1995; Rodrik 1997, 1998; Rickard 2012; Nooruddin and Rudra 2014).” Others show that technological adoption is faster and acceptance of new technologies is higher when welfare state generosity is greater (Lim 2020). Up to the 1990s, the embedded liberalism compromise seemed to be reconciling democracy and global capitalism.

Embedded liberalism, however, has come under sustained pressure as globalization has advanced. The combination of slowing or declining welfare efforts plus the growth of globalization have increased insecurity and reduced support for people facing it. Scholars have pointed to these changes as being a source of the rise of populism and the extreme right in various countries. Margalit (2011) shows that where job losses from foreign competition were high, incumbent politicians in the United States were more likely to lose and especially so if the job losses were not compensated. Autor et al. (2020) provide evidence that the trade shock from Chinese entry into the WTO led to increasing political polarization in the United States. Jensen, Quinn, and Weymouth (2017, 1) demonstrate that “increasing imports (exports) [in a region] are associated with decreasing (increasing) [US] presidential incumbent vote shares.” Colantone and Stanig (2018a,b) provide data showing that support for right-wing, nationalist and populist parties and for Brexit came from areas hardest hit by globalization, in particular trade shocks and immigration. Burgoon (2001) points out that the backlash against globalization is less in areas where social welfare provision is highest. Milner (2018, 2021), on the other hand, argues that in areas with more trade flows support for extreme right parties is stronger and that social welfare provision does not seem to temper this political backlash against globalization any longer. As globalization has proceeded and welfare states have not expanded to match this, personal insecurity has grown and its political consequences are increasingly manifest. As Rodrik (1997) noted, increasing global economic integration produces more public demands on governments for social protection while concurrently undermining their ability to supply these policies because they require considerable public expenditure, which globalization may prevent.

Insecurity can also be a product of the new information technologies today. The gig economy is in part made possible by such technologies. Surveillance technology may make people feel safer, but it may also enable governments to monitor their citizens and create new fears. While social media may enhance accountability pressures, it may also generate confusion and fake news. Many new sources of information have become easily available, often creating political and social problems. There is deep concern that new information technologies have helped disseminate populist political views. Social media in particular can undermine confidence in and the legitimacy of mainstream parties and leaders by transmitting false and damaging views of them (Tucker et al. 2017). International interference to exert political influence may also be easier to accomplish and disguise with these technologies. Creating confusion about what the facts are, disseminating fringe views as if they were credible, and sowing doubt about the validity and legitimacy of key democratic practices like elections are all means for generating greater insecurity and boosting populist support.

Global Interdependence

Deep integration of national economies through trade, capital markets, and immigration poses direct challenges for democracy. Above, I noted the indirect ways that globalization might undermine support for democracy, first by increasing inequality and second by fostering faster technological change. But globalization may also have more direct effects. I discuss three such effects here: increasing economic policy constraints on the government; pushing convergence on economic policy choices; and creating more need for international cooperation and governance. Each of these means that governments have less control over the economy, less room for partisan competition, and less autonomy.

Globalization seems to produce three inter-related processes that might undermine support for democracy. As trade, capital, and labor flows grow in importance, governments become increasingly constrained; governments can always opt out of this but the costs of doing so rise as globalization proceeds. First, globalization can undercut the government’s ability to direct the economy. The government’s policy instruments become more limited and less effective. With an open economy, macroeconomic policy and exchange rate policy become more interdependent and less effective, especially for smaller economies (Frieden and Rogowski 1996; Broz and Frieden 2001). As countries joined the WTO and signed preferential trade agreements, trade policy and investment policy have become more constrained as well. Fiscal policy in an open economy also loses some of its effect as it flows across borders. While some scholars have noted that larger and more developed countries have more room to maneuver (Mosley 2003), others have noted the shrinking field of policy choice and autonomy open to countries (Rodrik 1997, 2011). Policy autonomy and efficacy matter for democracies because the public often judges governments and parties on the basis of economic outcomes (Kosmidis 2018; Duch and Stevenson 2010, 2008). When governments lose the ability to direct the economy, democratic accountability is weakened and so is its legitimacy (Hellwig 2001; Hellwig and Samuels 2007; Hellwig 2015).

A second process that might undercut democracy is the policy convergence and consensus that has grown with globalization. As governments around the world increasingly liberalized trade and opened their capital markets, policy converged and consensus grew across parties about the value of openness and to some extent deregulation as well as austerity. Differences among left and right centrist parties on their platforms diminished, and publics began to view all mainstream parties as very similar (Sen and Barry 2020; Ward et al. 2015). Globalization may force parties to converge on their economic policies, restricting parties’ ability to differentiate themselves and thus to effectively compete against other parties on economic issues.19 The consensus over economic policies and globalization has left many European Social Democratic parties losing vote share and public support (Mair 2000).

This convergence has created an opening for extreme right and populist parties to generate support.20 As (Mughan, Bean, and McAllister 2003, 619) points out,“By virtue of their commitment to economic internationalization, the established parties of government are blamed by populists for turning a blind eye and a deaf ear to workers’ legitimate concerns for their job security in an increasingly global, competitive, and volatile labor market. Blaming it on established parties’ commitment to economic globalization, in other words, right-wing populist parties have commonly sought electoral advantage by turning job insecurity into a political issue.” If vigorous party competition along programmatic lines is central to democracy, then globalization may be undermining it. And lack of partisan competition among centrist parties may enable more extreme parties to gain support.

The third element is that globalization has also raised pressure on governments to coordinate their polices to eliminate externalities (Milner 1997). A more open economy implies a greater need to cooperate and coordinate with other countries. The past 30 years have seen many international regimes and institutions created to deal with global problems, all of which have constrained governments even more. The IMF, World Bank, OECD, EU, WTO, regional development banks, and many preferential trade agreements are the major examples of these multilateral economic institutions; each of which produces norms, rules, and procedures that members are expected to follow. They constrain government policy choices domestically; they appear to impose decisions from unelected international elites on the public; and they push all parties who might be in government to adopt similar policies. Many of these have generated popular dissatisfaction and resentment, being seen as undemocratic and as undermining democracy and its legitimacy at home. The EU is a prime example of this complaint about “democratic deficits”; EU decision-making is often seen as too elite- and interest group-driven, and too distant from public preferences (Follesdal and Hix 2006; Mair 2007). Brexit as a vote against international cooperation and extensive coordination is a reflection of this public perception of the EU.

The nationalist backlash that has animated populist parties recently builds off of this anxiety over and distaste toward global governance. The cosmopolitan elites that supposedly direct international institutions are seen as having made bad decisions (e.g., the financial crisis) and as holding preferences far removed from those of the average national voter. Populist leaders thus call for a return to national priorities and a rejection of global cooperation, as the quote from Marine Le Pen at the start of this article illustrates. As Mughan, Bean, and McAllister (2003, 619) points out, “the economic basis of their [populist parties’] appeal [lies] in their rejection of the postwar social democratic consensus. Taking as a starting date the end of the Second World War we can, with a nod to national variations, pick out four elements that have characterised the domestic politics of Western Europe in the ensuing four decades: social democracy, corporatism, the welfare state and Keynesianism. It is on the fertile ground of the foundering of these four pillars that the new (populist) parties have taken root.” Globalization by making international cooperation ever more necessary thus contributes to legitimacy problems for mainstream political parties and may generate public dissatisfaction with their governments and democracy.

#### No impact to economic decline---countries respond with cooperation not conflict. That’s Walt AND…

Christopher Clary 15. PhD in Political Science, MIT; Postdoctoral Fellow, Brown’s Watson Institute for International and Public Affairs. “Economic Stress and International Cooperation: Evidence from International Rivalries.” *MIT Political Science Department*. Research Paper 8: 4.

Economic crises lead to conciliatory behavior through five primary channels. (1) Economic crises lead to austerity pressures, which in turn incent leaders to search for ways to cut defense expenditures. (2) Economic crises also encourage strategic reassessment, so that leaders can argue to their peers and their publics that defense spending can be arrested without endangering the state. This can lead to threat deflation, where elites attempt to downplay the seriousness of the threat posed by a former rival. (3) If a state faces multiple threats, economic crises provoke elites to consider threat prioritization, a process that is postponed during periods of economic normalcy. (4) Economic crises increase the political and economic benefit from international economic cooperation. Leaders seek foreign aid, enhanced trade, and increased investment from abroad during periods of economic trouble. This search is made easier if tensions are reduced with historic rivals. (5) Finally, during crises, elites are more prone to select leaders who are perceived as capable of resolving economic difficulties, permitting the emergence of leaders who hold heterodox foreign policy views. Collectively, these mechanisms make it much more likely that a leader will prefer conciliatory policies compared to during periods of economic normalcy. This section reviews this causal logic in greater detail, while also providing historical examples that these mechanisms recur in practice.

### Fin Tech---2NC

#### Cap turns China War – capitalism is a global oligarchy that creates geopolitical tensions with China, ensures military conflict

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

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

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

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

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

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

(Mark Zuckerberg, Feb 16, 2020)

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

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

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

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

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

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

5 Final remarks

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

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

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

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

A missing piece in this puzzle that will be addressed in future research concerns integrating international organizations to our analysis, seeking to understand how intellectual monopolies influence them and their role as arenas of core states’ contest for global hegemony. Let us just point out that each time the US withdraws from international coordination, China moves forward. Remarkably, during Trump’s administration, the US withdrew from international treaties and organizations, putting into question its historical openness. A possible interpretation could be that the hegemon fosters an open world economy but as far as it benefits from it.

To conclude, beyond the focus on the US and China, this chapter has also made self-evident that unfolding the interplay between state and corporate power is always context-dependent. While in some contexts the state rules over global leader corporations, the latter overcome even core states’ power in other contexts. As capitalism develops through the interplay of its powerful actors, it is not possible to anticipate concrete outcomes of such a multifaceted relationship. Neither can we anticipate the counter-hegemonic tendencies that, as Cox (1981) emphasized, generally emerge to oppose the state and world order structures of capitalism. The institutions that will lead the counter-offensive to intellectual monopoly capitalism remains to be seen.

#### Cap turns food insecurity – waste, supply chain disruptions, pandemics

Rose 21 [Nick. PhD in Political Ecology from RMIT University. Executive Director of Sustain: The Australian Food Network. From the Cancer Stage of Capitalism to the Political Principle of the Common: The Social Immune Response of “Food as Commons.” Int J Health Policy Manag 2021. 3-31-21. DOI: 10.34172/ijhpm.2021.20 //shree]

If the accelerating biophysical and social contradictions of the capitalist food system were substantively manifesting a decade ago, the advent of the COVID-19 pandemic has brought them into sharp relief.64 Where-ever one turns, the pandemic and the responses to it reveal a fragile food system enmeshed in crisis. From extraordinary levels of food waste caused by supply chain disruptions, to sharply rising levels of food insecurity, to widespread injury and death resulting from exposure to the pandemic amongst highly exploited food system workers, to the origins of the virus itself linked in part to the global grain-livestock and factory farming complex, COVID-19 is a ‘wake-up call for the food system.’65-75 More broadly, the negligence with which governments in Europe, Britain and the United States handled the pandemic, leading to high rates of infection and death that would have been preventable had public health, rather than economic activity, been prioritised, led the British Medical Journal to accuse those in charge of ‘social murder.’76 It is important to note that while the burden of suffering in 2020 fell disproportionately on low-income sectors and people of colour, with as many as 500 million more people falling into poverty, the world’s billionaires experienced a bonanza year, with their collective wealth increasing by nearly $4 trillion.77

Having laid bare the cause of our social and ecological malady – capitalism in its cancer stage - the question becomes: what is to be done?

#### Cap turns bioD – profit motive consumes ecologies as “externalities”

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

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

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

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

Why capitalism?

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

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

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

## 1NR

### DPA CP---2NC

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

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

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

#### Prohibitions are absolute bans without exemption.

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

Main Difference – Prohibited vs. Restricted

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

What Does Prohibited Mean

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

Inter-racial marriages were not prohibited by the government.

He was proved guilty of using prohibited substances.

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

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

What Does Restricted Mean

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

The new regulations restricted the free movement of people.

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

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

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

Difference Between Prohibited and Restricted

Meaning

Prohibited means banned or forbidden.

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

Possibility

Prohibited means that there is no possibility of doing something.

Restricted means that something can be done under certain conditions.

Adjective

Prohibited functions as an adjective derived from prohibit.

Restricted functions as an adjective derived from restrict.

Past tense

Prohibited is the past tense and past participle of prohibit.

Restricted is the past tense and past participle of restrict.

#### That means the counterplan is plan minus.

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

Other exemptions apply to narrow areas but provide a broader immunity—often complete immunity from the antitrust laws. Examples include antitrust immunity for marketing alliances between domestic and foreign airlines that are approved by the Department of Transportation;79 the Charitable Donation Antitrust Immunity Act, which gives antitrust immunity to charitable institutions that set the annuity rate for gift annuities or charitable remainder trust agreements;80 the Defense Production Act, which provides antitrust immunity for conduct undertaken in developing or carrying out a voluntary agreement or plan of action for the President that is necessary for the defense of the United States;81 the NeedBased Educational Aid Act, which provides an antitrust exemption to certain joint actions taken by institutions of higher education regarding awards of financial aid to students;82 and the Soft Drink Interbrand Competition Act, which provides an antitrust exemption for the grant of exclusive territories to soft-drink bottlers by soft-drink trademark holders in trademark licensing agreements.83

#### The plan amends the statute to supersede presidential authority.

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

Congress may consider enhancing its oversight of executive branch activities related to the DPA in a number of ways. To enhance oversight, Congress could expand executive branch reporting requirements, track and enforce rulemaking requirements, review the activities of the Defense Production Act Committee, and broaden the committee oversight jurisdiction of the DPA in Congress. Congress may also consider amending the DPA, either by creating new authorities or repealing existing ones. In addition, Congress may consider amending the definitions of the DPA to expand or restrict the DPA’s scope, amending the statute to supersede the President’s delegation of DPA authorities made in E.O. 13603, or consider adjusting future appropriations to the DPA Fund in order to manage the scope of Title III projects initiated by the President.

#### That implicitly repeals the DPA.

Jesse W. Markham Jr. 09. Marshall P. Madison Professor of Law, University of San Francisco School of Law. “The Supreme Court's New Implied Repeal Doctrine: Expanding Judicial Power to Rewrite Legislation under the Ballooning Conception of Plain.” Repugnancy, 45 GONZ. L. REV. 437 (2009).

In Credit Suisse, the Court lurched past the traditional narrow confines of the doctrine and recast it in terms that will most likely give rise to more frequent displacements of legislative enactments.14 Credit Suisse acknowledges no departure from precedent.' 5 However, the Court has, in fact, greatly expanded the implied repeal doctrine. As it is currently employed by the Court, the new doctrine bears little resemblance to precedent, obscures a previously simple rule, and exhibits a profound disregard for the sound policy underpinnings of this particular canon of legislative interpretation. By expanding, and even rewording, the "plain repugnancy" standard and introducing a vague factor-based approach, the Court invites the judiciary to find legislative inconsistencies in new and creative ways, placing the courts in an enlarged role of refashioning legislative enactments to resolve these "inconsistencies."' 6 Moreover, the Court has dismantled the traditional implied repeal rule without explaining why it believes the traditional doctrine should be abandoned. Indeed, one of the Court's vaguely expressed rationales for displacing antitrust rules in Credit Suisse-an assertion that antitrust courts are particularly error-prone-is offered without empirical or theoretical support.'7 Viewed more broadly beyond the antitrust law context in Credit Suisse, the restated implied repeal doctrine lacks an analytical justification for its departure from precedent.

The Court's reformulation of the implied repeal doctrine is bad law, bad policy, and should be undone. In Credit Suisse, the Court divested private plaintiffs of antitrust remedies for conduct that securities regulators had already concluded were both anticompetitive and subversive of public confidence in capital markets. 8 Unequivocally, the antitrust case challenged conduct that was illegal under securities regulatory law.19 Although securities regulation and antitrust rules prohibited the conduct in question for overlapping reasons, the revised implied repeal doctrine employed by the Court allowed it to find these congruent laws to be "plainly inconsistent" with one another.20 Taking direction from the Supreme Court's new implied repeal doctrine, courts are encouraged-or at least no longer discouraged--to find inconsistencies between laws they do not like and laws they prefer and, then, narrow or repeal the disfavored statutes accordingly. Indeed, Justice Stevens's concurrence suggests that this is essentially what the Court did in Credit Suisse when it disparaged the private antitrust enforcement process as error prone and found it 21 displaced by securities regulation the Court applied with undisguised reverence.

#### 2---Signal---companies are watching the DPA’s immunity---the plan says it won’t apply in the next pandemic.

Kathleen Murphy 9/20/21. Senior Reporter, FTC Watch. "As pandemic persists, companies can still collaborate, new memo says". No Publication. 9-20-2021. https://www.mlexwatch.com/articles/13511/print?section=ftcwatch

For companies authorized to work together in response to the Covid-19 pandemic under the Defense Production Act, immunity from antitrust prosecution is a perk.

In combating a virus that has killed more than 660,380 US citizens, the government-sponsored voluntary agreements allow companies to collaborate in ways that otherwise would expose them to antitrust liability.

The Federal Trade Commission said the country’s defense against the coronavirus couldn’t be achieved with less anticompetitive effects in a recent memo to the Department of Justice, while recognizing defense plans could allow anticompetitive concerted action. In other words, the 1950 DPA law that lets the president direct “materials, services and facilities” can be leveraged in the vaccination and test kit supply chain.

Competitors who might usually be at each other’s throats can find a way to share information, facilities, or intellectual property they may not normally share. The DPA enables the president to award contracts that supersede any other contract to “promote the national defense.”

But the pandemic has unveiled questions about how closely competitors should work together when they’re united for the common good, with the DPA empowering the government to prioritize company production to further national security goals, said Kathryn Mims, an antitrust partner at White & Case LLP.

Section 708 of the DPA offers antitrust immunity. “It's certainly not a carte blanche to do any kind of collaboration that you want. You have to stay within the borders of the authorized, voluntary agreement,” Mims said.

The law establishes a limited antitrust exemption, which allows companies to get to the front of the line on orders for ingredients and supplies. In March 2021, the Biden administration brokered a deal between pharmaceutical rivals Merck & Co. and Johnson & Johnson to increase the vaccine supply.

President Joe Biden also invoked the DPA to equip Merck facilities for manufacturing the J&J vaccine. Test kit manufacturers are next. On Sept. 9, Biden said he’ll “use the Defense Production Act to increase production of rapid tests, including those that you can use at home.”

FTC signed off

US defense against the Covid-19 pandemic, including making test kits and vaccines, meant the DOJ had to consult with the FTC on whether the defense purposes of the plans could be achieved through less anticompetitive effects. The Federal Emergency Management Agency initiated the inquiry to DOJ under the law, requiring the FTC to make the determination regarding preparedness.

Companies ineligible for the DPA’s Section 708 antitrust immunity may still gain protection from antitrust prosecution through an expedited business review letter from DOJ or the FTC. The DOJ’s antitrust division committed to responding to these pandemic-related letter requests in seven days.

The caveat is that specific requirements of the DPA must be met, and the letter doesn’t provide statutory antitrust immunity, just negates any criminal intent to commit an antitrust violation. The DOJ has never prosecuted a case after approving a business review letter, offering a sort of de facto antitrust immunity.

‘Anticompetitive concerted action’

At the FTC, implementation of the DPA has entailed verifying it’s a real emergency. Then-acting Chair Rebecca Kelly Slaughter told DOJ in May 2021 that while the plans are “still potentially allowing anticompetitive concerted action, the plans of action limit that behavior to circumstances with legitimate exigencies.”

Slaughter’s memo to Richard Powers, acting assistant attorney general for antitrust, released via a Freedom of Information Act request, helps clear the way for companies to team up to resolve the pandemic.

Meanwhile, the law’s implementation has potential long-term effects on companies’ relationships with customers and suppliers, and the law can have wide-ranging applications.

Is it something that manufacturers worry about?

Anne Pritchett of the Pharmaceutical Research and Manufacturers of America said there is concern over how broadly or narrowly the various authorities under the DPA could be extended, including for future pandemic preparedness.

#### Ambiguity means they’ll carefully watch DPA antitrust enforcement---key to solve COVID.

Jeffrey S. Jacobovitz and Micah Kanters 20. Jeffrey S. Jacobovitz, Partner @ Arnall Golden Gregory. Micah Kanters, Associate. "The Impact of Antitrust Enforcement in a COVID-19 Environment". Arnall Golden Gregory LLP. 3-24-2020. https://www.agg.com/news-insights/publications/the-impact-of-antitrust-enforcement-in-a-covid-19-environment/

Further, there remains significant potential for increased use of the Defense Production Act (“DPA”), which provides the President authority to approve “associations of private interests” in support of national defense and exempt those associations from antitrust liability. While use of that authority has been somewhat limited, recent actions indicate it may be increasingly relied upon to address shortages of COVID-19 related supplies. For example, on April 2, 2020, President Trump invoked the DPA directing 3M and six major medical device companies to produce PPE and ventilators. The federal government is likely to continue utilizing this authority in the coming months, particularly as the CARES Act amended the DPA to remove certain funding limitations.

While the COVID-19 pandemic has thrust both businesses and governments into uncharted territory, the long standing antitrust statutes in the United States remain unchanged. Businesses must remain vigilant in ensuring they avoid crossing the line from appropriate cooperation into anticompetitive behaviors that may ultimately result in civil or criminal penalties. To that end, prospective joint ventures and collaborative activities should be submitted to the Department of Justice and Federal Trade Commission whenever possible. While there are indications of somewhat relaxed restrictions, the ambiguity of that shift necessitates continued careful attention to antitrust statutes and enforcement.

#### It’s certain enough---exemption ends outside of and after emergency---they are incorrect that there are no procedural rules in the DPA.

FEMA 21. Posted by the Federal Emergency Management Agency on May 28, 2021. “Pandemic Response Voluntary Agreement Under Section 708 of the Defense Production Act; Plans of Action To Respond to COVID-19”. https://www.regulations.gov/document/FEMA-2020-0016-0053

IV. Antitrust Defense

Under the provisions of DPA subsection 708(j), each Sub-Committee Participant in this Plan shall have available as a defense to any civil or criminal action brought for violation of the antitrust laws (or any similar law of any State) with respect to any action to develop or carry out this Plan, that such action was taken by the Sub-Committee Participant in the course of developing or carrying out this Plan, that the Sub-Committee Participant complied with the provisions of DPA section 708 and the rules promulgated thereunder, and that the Sub-Committee Participant acted in accordance with the terms of the Voluntary Agreement and this Plan. Except in the case of actions taken to develop this Plan, this defense shall be available only to the extent the Sub-Committee Participant asserting the defense demonstrates that the action was specified in, or was within the scope of, this Plan and within the scope of the appropriate Sub-Committee(s), including being taken at the direction and under the active supervision of FEMA.

This defense shall not apply to any actions taken after the termination of this Plan. Immediately upon modification of this Plan, no defense to antitrust claims under Section 708 shall be available to any subsequent action that is beyond the scope of the modified Plan. The Sub-Committee Participant asserting the defense bears the burden of proof to establish the elements of the defense. The defense shall not be available if the person against whom the defense is asserted shows that the action was taken for the purpose of violating the antitrust laws.

#### The DPA is constantly used---that proves it’s not uncertain.

Labor Unions & Organizations et al. 20. Amalgamated Transit Union, American Federation of Labor and Congress of Industrial Organizations, American Federation of Teachers, American Postal Workers Union, Association of Flight Attendants-CWA, Communications Workers of America, Maine American Federation of Labor and Congress of Industrial Organizations, National Domestic Workers Alliance, National Nurses United, Service Employees International Union, Transport Workers Union of America, United Electrical, Radio and Machine Workers of America. AND Environmental & Advocacy Organizations. Center for Biological Diversity, Labor Network for Sustainability, 350.org, Alliance of Nurses for Healthy Environments, Center for Popular Democracy, Earth Action, Inc., Earthworks, Fayetteville Police Accountability Community Taskforce, Fire Drill Fridays, Friends of the Earth, GreenFaith, Greenpeace USA, National Children’s Campaign, Oil Change International, Sunrise Movement, The Climate Center, Union of Concerned Scientists, US Climate Action Network. Before Secretary Azar of the Department of Health and Human Services and Secretary Wolf of The Department of Homeland Security “Petition for Emergency Rulemaking and Actions to Allocate, Finance, and Compel the Manufacture of Personal Protective Equipment and Other Critical Materials to Safeguard Frontline Workers in the Covid-19 Crisis Pursuant to the Defense Production Act” https://biologicaldiversity.org/programs/energy-justice/pdfs/2020-08-11-APA-Petition-re-PPE-with-AFL.pdf

The Defense Production Act of 195061 (“DPA” or “Act”) grants the President broad power to mobilize domestic industry to provide essential materials and goods necessary to promote the “national defense” to combat domestic and public health emergencies.62 In his COVID-19 emergency declaration and subsequent executive orders (see infra section II.C), President Trump deemed the production of medical resources, including PPE, as essential for combatting the coronavirus emergency pursuant to the Act. 63 To effectuate the DPA authorities, the statute permits the President to “prescribe such regulations and issue such orders” as determined appropriate.64 Separately, while the DPA authorities are generally afforded to the President, in 2012, former President Obama delegated many of the DPA’s presidential authorities to executive agencies. 65

The Act has been routinely used by the Trump Administration and other Administrations. Since the law’s passage in 1950, it has been invoked by every Administration to prioritize federal contracts or to shore up vulnerabilities in domestic production to protect the national defense.66 In its three years in office, the Trump Administration has relied on the statute hundreds of thousands of times to prioritize Department of Defense procurements as well as mobilize the industrial base for the President’s Space Force project.67

Congress crafted the DPA to empower the Executive Branch to coordinate and compel an at-scale response to matters threatening the national defense. 68 The Act includes three major authorities. First, Title I (Priorities and Allocations) allows the President to identify critical materials necessary for the national defense (§ 101(b)), and require corporations to: (1) prioritize and accept federal government contracts for materials before any other competing interest (§ 101(a)); (2) allocate the general distribution of materials as necessary to promote the national defense (§ 101(a)); and (3) protect against hoarding of such materials (§ 102). 69

Second, while Title I seeks to ensure that the government has priority access to materials being produced by domestic industries, Title III (Expansion of Productive Capacity and Supply) authorities help create a sufficient domestic supply of those critical materials.70 Specifically, Title III authorities permit the President to craft a menu of financial incentives—including loan guarantees (§ 301), loans (§ 302), direct purchases and purchase commitments (§ 303)—to secure domestic industrial capabilities and supply of critical materials for the national defense. 71

Third, Title VII (General Provisions) empowers the President to transform relevant portions of the competitive market into a cooperative one in ways that might otherwise violate antitrust law; such cooperation is crucial for stimulating production in the face of complicated supply bottlenecks of critical materials. 72 Specifically, Title VII grants the President authorities to coordinate a nationwide domestic industry response to a national crisis, including the authority to establish voluntary agreements and plans of action with private industry for the national defense (§ 708). Section 705(a) of Title VII also gives the President authority to “obtain . . . information . . . as may be necessary or appropriate” to the Act’s enforcement, including the authority to “perform industry studies assessing the capabilities of the United States industrial base to support the national defense.”73

#### Key to private sector response to pandemics.

Peter Gaynor 20. Administrator Federal Emergency Management Agency U.S. Department of Homeland Security Before the Committee on Homeland Security United States House of Representatives Washington, D.C. “Examining the National Response to the Worsening Coronavirus Pandemic”. https://www.fema.gov/fact-sheet/examining-national-response-worsening-coronavirus-pandemic

DPA Title VII – Voluntary Agreements with Private Sector Partners:

Based on a finding that COVID-19 presents a direct threat to the national defense and its preparedness programs, FEMA has also initiated efforts under Title VII of the DPA to establish a Section 708 voluntary agreement for the response to COVID-19 and future pandemics. Under Title VII, FEMA plans to enter into a voluntary agreement with private sector manufacturers and distributors of critical healthcare resources necessary in a pandemic. Participants in a voluntary agreement are granted relief from antitrust laws for actions taken pursuant to a voluntary agreement at the direction of the federal government.

As part of the effort to develop a voluntary agreement, FEMA held an open meeting on May 21st to present the draft agreement and solicit stakeholder feedback. Consistent with positive feedback and interest expressed by industry partners, FEMA is in the process of finalizing the agreement. If this agreement is approved by the Attorney General and the Federal Trade Commission, this agreement would formalize the unity of effort between the private sector and the federal government for integrated coordination, planning, and information sharing for the manufacture and distribution of PPE, pharmaceuticals, and critical healthcare resources identified as necessary to respond to COVID-19 and future pandemics.

#### Antitrust immunity is key to solve hoarding

Tyson Herrold and Brady Cummins 20. Tyson Herrold, Associate @ Baker & Hostetler LLP. "Combating COVID-19 Through Competitor Collaboration". Antitrust Advocate. 4-7-2020. https://www.antitrustadvocate.com/2020/04/07/combating-covid-19-through-competitor-collaboration/

Assuming these and some other prerequisites are met, the DPA provides a defense to civil or criminal antitrust liability under both federal and state antitrust laws so long as (a) the conduct in question “was specified in, or was within the scope of, an approved voluntary agreement initiated by the President and approved in accordance with this section or a plan of action adopted under any such agreement and approved in accordance with this section” and (b) the president or a designee “authorized and actively supervised the voluntary agreement or plan of action.”

Used appropriately, the DPA’s antitrust defense could complement the federal government’s COVID-19 response. For example, the Trump administration may consider bestowing antitrust immunity on companies that prioritize sales of personal protection equipment to healthcare providers in the hardest-hit geographic areas, individuals confirmed to have COVID-19 and susceptible populations, thereby curbing the recent phenomenon of healthy individuals hoarding them.

#### The next pandemic will be worse.

Andy Plump 21. President for research and development at Takeda Pharmaceuticals and a cofounder of the Covid R&D Alliance. “Luck is not a strategy: The world needs to start preparing now for the next pandemic” 05-18-21. https://www.statnews.com/2021/05/18/luck-is-not-a-strategy-the-world-needs-to-start-preparing-now-for-the-next-pandemic/

As countries grapple with the worst global pandemic in a century, it’s hard to think about preparing for the next one. But if we don’t, it could be worse than Covid-19. Over the last 30 years, infectious disease outbreaks have emerged with alarming regularity. The World Health Organization lists an influenza pandemic and other high-threat viral diseases such as Ebola and dengue among the top 10 biggest threats to public health. The rate of animal-to-human transmission of viruses has been increasing, with the U.S. Centers for Disease Control and Prevention estimating that 75% of new infectious diseases in humans come from animals. These zoonotic infections can have profound effects on human life. The overall infection fatality rate is around 10% for severe acute respiratory syndrome (SARS), between 40% and 75% for Nipah virus, and as high as 88% for Ebola. While the infection fatality rate for Covid-19 is lower — likely less than 1% — the overall burden of death has been significantly higher since it has affected so many people, more than 160 million people as I write this. Luck is not a pandemic strategy Although the Covid-19 pandemic has been a human and health care disaster, by scientific measures the world was lucky this time. Covid-19 was far less lethal than its predecessors, less contagious than previous pandemic viruses, and we were able to quickly develop a cadre of effective vaccines. But luck is not a strategy. The same way the U.S. invests in and prepares for national defense, it must also prepare for another pandemic. Though the next viral outbreak cannot be prevented, the next pandemic can — but only with better preparation.