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### Inequality---1AC

#### Advantage 1 is Inequality---

#### Increased concentration of buyer power in labor markets drives inequality.

Lauren Sillman, Antitrust Associate, 20. Antitrust Associate, Clifford Chance LLP; J.D., Georgetown University Law Center; B.A., University of Iowa. “ANTITRUST FOR CONSUMERS AND WORKERS: A FRAMEWORK FOR LABOR MARKET ANALYSIS IN MERGER REVIEW.” https://lawjournal.ku.edu/wp-content/uploads/2020/12/4\_Sillman\_Antitrust\_V30\_I1.pdf

A détente is especially desirable today in light of the severe stagnation in American wages. In the past thirty-five years, U.S. gross domestic product has all in all grown but the purchasing power of the average worker has barely changed.3 Labor’s share of national income declined precipitously in the 2000s, and in the five years after the Great Recession it was lower than at any point since World War II.4 Because most people get most of their income from labor, and because those who get most of their income from capital tend to be wealthy, this income shift has dramatic consequences for inequality. Economists and policymakers have advanced numerous explanations for this troubling trend ranging from the decline of unions, to tighter monetary policy, to increased trade liberalization, and more.5 One explanation that has received attention in recent years is an apparent epidemic of market concentration and flagging competition.6 A growing body of evidence suggests that over time fewer and fewer firms have come to dominate sectors across the economy.7 One study found that from 1982 to 2012, the share of sales by the sectors’ top four firms increased in manufacturing, finance, services, utilities, retail trade, and wholesale trade.8 Average markups above cost—a manifestation of market power—rose from eighteen percent in 1980 to sixty-seven percent in 2014.9 This increase in concentration is due, in part, to a growing wave of mergers. By one count over 325,000 mergers have been announced since 1985.10 That year, around 2,000 mergers with a value of a little over $300 billion were announced.11 In 2018, 15,000 mergers occurred—valued at just under two trillion dollars.12 The ability of firms to charge prices for their products or services that exceed the competitive level harms workers in their role as consumers, and the reverberating inefficiencies have consequences for wages as well.13 Workers are harmed more directly, though by firms with buyer power in labor markets. Instead of enabling firms to charge high prices for the goods or services they sell, buyer power—also known as monopsony power—allows firms to push wages below the level workers would receive in competitive labor markets. A recent study applied the Herfindahl-Hirschman Index (HHI), which is used to measure market concentration. The Department of Justice (DOJ) and the Federal Trade Commission (FTC) (“the agencies”) used HHI in merger review, and found that at least forty percent of job markets fell into the “highly concentrated” category, making them especially susceptible to anticompetitive behavior by employers.14 The hiring markets for the twenty-five percent most concentrated occupations in almost every commuting zone in the country have concentration levels nearly tripled the “highly concentrated” threshold.15 In commuting zones across middle America, the hiring market for nearly every occupation is highly concentrated.16 As discussed below, a concentrated labor market generally increases the buyer power of participants in that market. Recent research on labor supply elasticity, which is an indicator of vulnerability to employers’ market power, further challenges traditional assumptions of competitiveness in labor markets.17 Historically, antitrust enforcers have given far less attention to firms’ power as buyers than as sellers and have been particularly hesitant to check their power as buyers of labor. However, the tide may be beginning to change. Federal and state enforcers have begun to challenge anticompetitive labor contracts,18 and there is a small but growing body of precedent addressing increased buyer power in mergers.19 In 2016, the Obama Administration’s Council of Economic Advisors issued a report describing the problem of labor market power and encouraging greater attention to the issue by the antitrust enforcement agencies.20 Separately, then-Acting Assistant Attorney General Renata Hesse stated that antitrust enforcement efforts should not only be concerned with the welfare of consumers, but should “also benefit workers, whose wages won’t be driven down by dominant employers with the power to dictate terms of employment.”21 Nevertheless, to date, the agencies have never blocked a merger on the basis of harm to workers. There are many reasons that may account for the dearth of enforcement, including misunderstandings of the relationship between labor and antitrust laws, the momentum of precedent focused on seller-side harms, and the resistance of some to increased antitrust enforcement as a general matter.22 In addition to these practical and ideological impediments, mistaken intuitions about the economics of buyer power create obstacles for enforcement. At first glance it would seem that if firms use their buyer power to lower their costs, downstream customers are ultimately benefitted. Therefore, the consumer welfare standard, which underpins modern antitrust enforcement, would seem to counsel against intervention contrary to buyer power. In most cases, though, this intuition is simply wrong.23 More competitive labor markets are not just good for workers; they are good for consumers too. Clarifying the relevant interests at stake is crucial as policy reforms begin in earnest, and there is reason to believe that such reforms are on the horizon. Several politicians have recently advocated for greater antitrust scrutiny of labor markets. For example, in 2017 Senator Amy Klobuchar introduced a bill that would require the enforcement agencies to pay greater attention to buyer power in merger review.24 Senator Elizabeth Warren—who seeks more interventionist antitrust policy on many fronts25—and Senator Cory Booker—who in 2017 sent a letter to the DOJ and FTC citing concern with the failure of the agencies to address labor market power—have also taken up the cause.26 Labor market issues are also garnering increased attention from antitrust scholars.27 In an article published in 2018, C. Scott Hemphill and Nancy Rose argued for more interventionist merger policy directed at various forms of buyer market power.28 The same year, Suresh Naidu, Eric Posner and Glen Weyl published Antitrust Remedies for Labor Market Power, a sweeping analysis of the myriad options available to enforcers to promote more competitive labor markets.29 This legal analysis has been spurred by a growing body of empirical work on buyer power in labor markets.30 An array of scholars concluded that labor market power is a problem and one that antitrust institutions should do more to address. This paper similarly argues that buyer power—and specifically buyer power in labor markets—deserves greater antitrust scrutiny and, to that end, develops a framework for systematically evaluating labor market power in merger analysis. The enthusiasm of some progressive politicians for more interventionist antitrust policy has drawn skepticism from many antitrust practitioners and scholars who worry that reforms will unmoor antitrust policy from its foundational principles and turn antitrust enforcement over to political whims.31 At least with respect to labor market power, however, economic theory and empirical evidence support increased enforcement without any reform of the basic legal framework and without deviating from substantial consensus about the proper role for antitrust in the economy.

#### Monopsony power depresses growth---results in underemployment and decreases labor productivity

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

In the United States, and much of the Western world, economic growth has slowed, inequality has risen, and wages have stagnated. Academic research has identified several possible causes, ranging from structural shifts in the economy to public policy failure. One possible cause that has received increasing attention from economists is labor market power, the ability of employers to set wages below workers’ marginal revenue product.1 New evidence suggests that many labor markets around the country are not competitive but instead exhibit considerable market power enjoyed by employers, who use their market power to suppress wages. This phenomenon—the power of employers to suppress wages below the competitive rate—is known among economists as labor monopsony, or simply labor market power. Wage suppression enhances income inequality because it creates a wedge between the incomes of people who work in concentrated and competitive labor markets. Wage suppression also reduces the incomes of workers relative to those of people who live off capital, and the latter are almost uniformly wealthier than the former. Wage suppression also interferes with economic growth since it results in underemployment of labor and, while it may seem to raise the return on capital, actually depresses it, as capital must lie idle to take advantage of monopsony power. With wages artificially suppressed, qualified workers decline to take jobs, and workers may underinvest in skills and schooling. Many workers exit the workforce and rely on government benefits, including disability benefits that have become a hidden welfare system.2 This in turn costs the government both in lost taxes and in greater expenditures. One estimate finds that monopsony power in the U.S. economy reduces overall output and employment by 13% and labor’s share of national output by 22%.3 The claim that labor market power raises inequality and reduces growth mirrors another claim that has received attention lately—that the product market power of firms has contributed to rising inequality and faltering growth.4 A product market is a collection of products defined by frequent consumer substitution. When a small number of sellers or one seller of these products exist, we say that each seller has product market power, which enables it to charge a price higher than marginal cost, or the price that would prevail in a competitive market. When a small number of employers hire from a pool of workers of a certain skill level within the geographic area in which workers commute, the employers have labor market power. One major source of market power in both types of markets is thus concentration, where only a few firms operate in a given market. Imagine, for example, a small town with only a few gas stations. Each gas station sets the price of gas to compete with the prices of the other gas stations. When a gas station lowers its price, it may obtain greater market share from the other gas stations—which increases profits—but it also receives less revenue per sale. If only a single gas station exists, it will maximize profits by charging a high (“monopoly”) price because the gains from buyers willing to pay the price exceed the lost revenue from buyers who stay away. If only a few gas stations exist, they might illegally enter a cartel in which they charge an above-market price and divide the profits, or they might informally coordinate, which is generally not illegal, though the social harm is the same. In contrast, if many gas stations compete, prices will be bargained down to the efficient level—the marginal cost—resulting in low prices for consumers and high aggregate output of gasoline. Labor market concentration creates monopsony (or, if more than one employer, oligopsony, but I use these terms interchangeably) where labor market power is exercised by the buyer rather than (as in the example of gas stations) the seller. Employers are buyers of labor who operate within a labor market. A labor market is a group of jobs (e.g., computer programmers, lawyers, or unskilled workers) within a geographic area where the holders of those jobs could with relative ease switch among the jobs. The geographic area is usually defined by the commuting distance of workers. A labor market is concentrated if only one or a few employers hire from this pool of workers. For example, imagine the gas stations employ specialist maintenance workers who monitor the gas-pumping equipment. If only a few gas stations exist in that area, and no other firms (e.g., oil refineries) hire from this pool of workers, then the labor market is concentrated, and the employers have market power in the labor market. To minimize labor costs, the employers will hold wages down below what the workers would be paid in a competitive labor market—their marginal revenue product. Faced with these low wages, some people qualified to work will refuse to. But the employers gain more from wage savings than they lose in lost output because of the small workforce they employ. Antitrust law does not distinguish monopoly and monopsony (including labor monopsony): firms that achieve monopolies or monopsonies through anticompetitive behavior violate antitrust law. But product market concentration has received a huge amount of attention by courts, researchers, and regulators, while labor market concentration has received hardly any attention at all.5 The Department of Justice (DOJ) and Federal Trade Commission’s (FTC) Horizontal Merger Guidelines, which are used to screen potential mergers for antitrust violations, provide an elaborate analytic framework for evaluating the product market effects of mergers. Yet, while the Merger Guidelines state that there is no distinction between seller and buyer power,6 they say nothing about the possible adverse labor market effects of mergers. Similarly, while there are thousands of reported cases involving allegations that firms have illegally cartelized product markets, there are few cases involving allegations of illegally cartelized labor markets.7 This historic imbalance between what I will call product market antitrust and labor market antitrust has no basis in economic theory. From an economic standpoint, the dangers to public welfare posed by product market power and labor market power are the same. As Adam Smith recognized, businesses gain in the same way by exploiting product market power and labor market power—enabling them to increase profits by raising prices (in the first case) or by lowering costs (in the second case).8 For that reason, businesses have the same incentive to obtain product market power and labor market power. Hence the need—in both cases—for an antitrust regime to prevent businesses from obtaining product and labor market power except when there are offsetting social gains.

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

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Of course, this is not the world in which we live. Even the corner grocery store knows it can raise its prices a little bit without losing all of its customers, which is what the standard competitive theory suggests. More and more, firms have demonstrated high and increasing levels of market power (Philippon 2019; Stiglitz 2019). At the same time, the bargaining power of workers has weakened. It was never an equal match. An employer typically can find an alternative worker far more easily than a worker can find an alternative employer. This is especially so during slack periods in the labor market, or in places where there has been persistent unemployment. Leaving or losing a job is often greatly disruptive to workers and their families. There are mortgages to pay, children to feed, bills coming due. From the perspective of workers, jobs are not easily substitutable. As the chapters in this volume make abundantly clear, this imbalance of market power has consequences. It enables firms to raise prices for goods and services—lowering the real incomes of workers. It enables firms to suppress wages of workers below what they would be in a competitive marketplace—contributing to the inequality crisis facing the country. This economic inequality gets translated into political inequality, especially in our money-driven politics, resulting in rules that evermore favor big corporations at the expense of workers. The growing political inequality, in turn, hampers economic performance, and ensures that most of the benefits of our anemic economic growth go to those at the very top (Stiglitz 2012). In the middle of the 20th century, John K. Galbraith (1952) described an economy based on countervailing power—where labor institutions and government checked the power of large corporations and financial institutions. But policy choices over the past half century have upset this balance in ways that have weakened not only the workers, but also the economy and the country. This volume explores what has happened by concentrating on one understudied part of the problem: the labor market. Explaining the Weakening of Workers’ Bargaining Power Multiple factors have contributed to the weakening of workers’ bargaining position. This volume focuses specifically on the ways that employers have increased their market power over workers. Employer Concentration Permissive antitrust enforcement has promoted concentration across industries, reducing the number of employers—particularly those in rural areas (Stiglitz 2016).1 With few alternatives, workers must accept the low wages that large local employers offer. More precisely, limited competition by buyers—in this case, employers who buy labor services—gives rise to monopsony power.2 Any firm with monopsony power knows that if it hires more workers, it will drive up the wage. The marginal cost of hiring an additional worker is thus greater than the wage. The result is lower employment and lower wages than if there were a competitive labor market. The chapter by Marinescu in this volume forcefully documents the degree of monopsony in labor markets across the United States, especially in rural areas—areas where, not surprisingly, wages lag behind the rest of the country. Collusion Typically there is some, but limited, competition in the labor market, but it is competition that is insufficient to achieve anything approximating what would emerge in a truly competitive marketplace. But employers often do not like even this limited competition, because even some competition means that wages are higher than they would be with no competition. Thus, firms sometimes collude to not compete; and that collusion drives down wages. The incentives for firms to do this—if they can get away with it—are obvious: collusion has been a feature of capitalism from the start. As Adam Smith observed in The Wealth of Nations, “Masters are always and everywhere in a sort of tacit, but constant and uniform, combination, not to raise the wages of labour above their actual rate. . . . Masters, too, sometimes enter into particular combinations to sink the wages of labour even below this rate. These are always conducted with the utmost silence and secrecy” (Smith 1776, book 1, chap. 8). Even then, Smith had observed an asymmetry not only in bargaining power, but also in capitalists’ response to workers’ attempts to redress the balance. When workers combine their forces, “the masters . . . never cease to call aloud for the assistance of the civil magistrate, and the rigorous execution of those laws which have been enacted with so much severity against the combination of servants, labourers, and journeymen” (Smith 1776, book 1, chap. 8). This stance, of course, was markedly different from capitalists’ own behavior—not only in labor markets, but elsewhere, too. As Smith put it in one of his most famous statements, “People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices” (book 1, chap. 10). This issue is central: to redress the natural imbalance of bargaining power, workers have to band together and engage in collective bargaining. Unions are critical. But it is precisely because unions have been somewhat successful in redressing the imbalance that employers have worked so hard to suppress them, as I comment later in this introduction. Contracts In multiple contexts, business enterprises have not been satisfied with the increased profits brought by greater market concentration and occasional collusion. Businesses have figured out how to sustain and amplify those profits by the clever design of contracts that are conceived to inhibit competition in the labor market. This is another method that enables them to drive down wages still further.3 The chapters by Evan Starr and Terri Gerstein (this volume) provide ample evidence of the harmful impact of the misuse of labor contracts, noting in particular that often-used ruses distort the true impact on workers. Noncompete agreements, by definition, reduce competition. There might be some justification for not allowing employees with knowledge of trade secrets to go to work for competitors, but that hardly applies to employees of fast-food chains. Employers have also put into contracts provisions that weaken workers’ rights—and power—if a dispute arises. Inserting arbitration clauses into most contracts has moved dispute resolution out of the public domain— where it can be protected in the public interest, through transparency and basic standards—into private hands. This not only weakens workers’ position after a dispute arises, but also subtly changes the balance of power— making it easier for firms to take advantage of workers, knowing that their ability to get redress is so circumscribed. Making matters worse is a broader set of changes in legal frameworks that has hurt workers and consumers at the expense of corporations. For instance, the ability to bring class-action lawsuits, particularly in arbitration, has been greatly limited. Asymmetric Information The standard competitive theory assumes perfect information. Research over the past 50 years has explained how even a little information asymmetry can have a large impact. Employers have recognized this—they have figured out that such asymmetry can weaken workers’ position and lead to lower wages. They have responded by doing what they can to increase these asymmetries, sharing data with each other but insisting that workers keep their own compensation data confidential, and punishing employees who violate such confidentiality. The chapter by Harris in this volume describes the adverse effects of informational asymmetries, how firms have tried to increase these asymmetries, and what governments have done and can still do to promote transparency—and thus competition—in the labor market.

#### The plan solves inequality and wages.

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

The spectacle of the antitrust challenge to Big Tech has been riveting. But a far more consequential transformation in antitrust law has largely escaped notice — the movement to use antitrust law to address wage suppression and inequality caused by the power of employers in labor markets. Economic theory says that when a pool of workers has only one potential employer, or a small number of potential employers, those workers will be paid below-market wages. Without the credible threat to quit and work for a competitor, workers lack leverage that could allow them to secure a raise and better conditions. This situation is sometimes called monopsony, and it is similar to monopoly in the market for goods. When buyers have no choice among sellers, a monopolist can charge high prices; when workers have little choice among employers, the employer can “charge” low wages. Monopolies result in sluggish economic growth as well as high prices because in order to raise prices, monopolists make fewer goods or provide less in services. Companies that use their market power to suppress wages do something similar: They hire fewer workers, and this leads to unemployment and low growth as well. And because employers push down wages by reducing employment, they supply fewer goods, causing higher prices to consumers even though labor costs are reduced. A business might have monopoly power (over goods it sells), monopsony power (over workers), both or neither. If a small town has one newspaper, the newspaper has both a monopoly over local news and a monopsony over journalists. If the town has a single automobile manufacturing plant, that business will have a monopsony over the relevant skilled workers but not a monopoly over cars, which are sold into a national market where there are competitors. Economists have understood these things since Adam Smith, who famously called wage-fixing by employers “the natural state of things, which nobody ever hears of.” But economists did not take this risk very seriously until recently, instead usually assuming that employers compete vigorously for workers. As a result, though the logic for using antitrust law to address market power is the same for monopsony as it is for monopoly, the legal community did not embrace the possibility that antitrust law should be brought to bear against employers, except in unusual cases. But in recent years, thanks to the remarkable work of a diverse group of mostly young economists, this conventional wisdom was shattered. Exploiting vast data sets of employment and wages that had become available, they discovered that concentrated labor markets — that is, with one or few employers — are ubiquitous. In one paper, José Azar, Ioana Marinescu, Marshall Steinbaum and Bledi Taska found that more than 60 percent of labor markets exceeded levels of concentration that are regarded as presumptive antitrust problems by the Department of Justice. Numerous papers have made similar findings. In highly concentrated labor markets, wages fall — as economic theory would predict. For example, Elena Prager and Matt Schmitt examined hospital mergers and found that when hospitals expand through mergers and gain significant market power, the wage growth of employees declines. Notably, this decline affected skilled health care professionals like nurses — but not administrators and unskilled staff members like cafeteria workers, who could easily find jobs outside hospitals. The work on labor market concentration has been supplemented by growing evidence that employers collude with one another and engage in other anticompetitive practices. Evan Starr and his co-authors have found that agreements not to compete — where employers block workers from moving to competitors — are extremely common (as many as nearly 40 percent of workers have been subject to one) and are associated with lower wages. Alan B. Krueger and Orley Ashenfelter found that nearly 60 percent of major brand-name franchises — companies like McDonald’s and Jiffy Lube — subjected franchise employees to no-poaching agreements, which prevented them, even within the same franchise system, from quitting one employer to join another. As a result, many workers, especially in rural areas and small towns — areas subject to high unemployment and economic stagnation — are squeezed by employers and underpaid. For example, when farm equipment manufacturers merge, they close dealerships, and so a mechanic who used to be able to get a good job as several dealers competed for his work must accept a less-appealing job from the single place in the area or drop out of the labor market. Antitrust law applies to “restraint of trade,” and courts agree that when employers enter cartels to suppress wages, they violate the law. Yet until a few years ago, there were hardly any antitrust cases against employers. The major exception was a 2010 case against Big Tech after Google, Apple and other companies agreed not to solicit one another’s software engineers. This was potentially criminal behavior, but the Justice Department slapped them on the wrist. (A subsequent lawsuit secured more than $400 million in damages for the workers.) But it was the academic research, not the tech case, that finally woke the antitrust community from its torpor. In the past year, the Justice Department has brought several criminal indictments against employers for antitrust violations (the first ever). The Federal Trade Commission is pondering a rule to restrict noncompetes. State attorneys general brought cases against franchises and other employers that used no-poaching agreements and noncompetes. Congress is holding hearings next week on antitrust and the American worker. Private litigators have joined in as discoveries of abusive wage practices have piled up. For example, “Big Chicken” companies face lawsuits not only for fixing the prices of chicken but also for fixing the wages of their workers. If the academic research on labor markets is correct, then millions of Americans are paid thousands or even tens of thousands of dollars less than they should be paid. Labor monopsony affects people at all income levels, but it is a particular problem for lower-income workers and people living in stagnant rural and semirural parts of the country. In his recent executive order on antitrust, President Biden became the first president to commit government resources to ensure that the antitrust laws are used to help workers. Let’s hope he follows through.

#### Income inequality is uniquely high now---wage growth is artificial.

Lawrence Mishel, Fellow at EPI, & Jori Kandra, Research Assistant at EPI, 12/13. \*\*Distinguished fellow at the Economic Policy Institute, served as president from 2002–2017. \*\*Research assistant at the Economic Policy Institute. “Wage inequality continued to increase in 2020.” 12/13/21. https://www.epi.org/blog/wage-inequality-continued-to-increase-in-2020-top-1-0-of-earners-see-wages-up-179-since-1979-while-share-of-wages-for-bottom-90-hits-new-low/

Newly available wage data from the Social Security Administration allow us to analyze wage trends for the top 1.0% and other very high earners as well as for the bottom 90% during 2020. The upward distribution of wages from the bottom 90% to the top 1.0% that was evident over the period from 1979 to 2019 was especially strong in the 2020 pandemic year, yielding historically high wage levels and shares of all wages for the top 1.0% and 0.1%. Correspondingly, the share of wages earned by the bottom 95% fell in 2020.

Two features of the pandemic economy distorted wage patterns in 2020 and led to faster wage growth, especially at the top. One feature was that inflation grew at a subdued 1.2% rate, boosting the average real wage (but not affecting distribution). A second feature was that, as employment fell (the number of earners fell by 1.7 million, or 1.6%) and unemployment rose (to 8.1%), the composition of the workforce changed. Specifically, job losses were heaviest for lower wage workers so the mix of jobs shifted toward higher paying ones, artificially boosting average wages (see Gould) and generating faster measured wage growth especially in the bottom half.

For last year, the data (Table 1) show annual wages rising fastest for those in the top 1.0% (up 7.3%) and top 0.1% (up 9.9%) while those in the bottom 90% saw wages grow by just 1.7%.

This continuous growth of wage inequality undercuts wage growth for the bottom 90% and reaffirms the need to place generating robust wage growth for the vast majority and rebuilding worker power at the center of economic policymaking. See Mishel and Bivens (2021) for the evidence that an erosion of worker power due to excessive unemployment, eroded collective bargaining, corporate-driven globalization, weaker labor standards, new employer-mandated agreements (such as noncompetes), and supply-chain dominance explains wage suppression and wage inequality growth.

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

Frederick Solt, Professor at University of Iowa, 11. Ph.D. in Political Science from University of North Carolina at Chapel Hill, currently Associate Professor of Political Science at the University of Iowa, Assistant Professor, Departments of Political Science and Sociology, Southern Illinois at the time of publication. “Diversionary Nationalism: Economic Inequality and the Formation of National Pride.” The Journal of Politics, Vol. 73, No. 3, pgs. 821-830, July 2011.

One of the oldest theories of nationalism is that states instill the nationalist myth in their citizens to divert their attention from great economic inequality and so forestall pervasive unrest. Because the very concept of nationalism obscures the extent of inequality and is a potent tool for delegitimizing calls for redistribution, it is a perfect diversion, and states should be expected to engage in more nationalist mythmaking when inequality increases. The evidence presented by this study supports this theory: across the countries and over time, where economic inequality is greater, nationalist sentiments are substantially more widespread. This result adds considerably to our understanding of nationalism. To date, many scholars have focused on the international environment as the principal source of threats that prompt states to generate nationalism; the importance of the domestic threat posed by economic inequality has been largely overlooked. However, at least in recent years, domestic inequality is a far more important stimulus for the generation of nationalist sentiments than the international context. Given that nuclear weapons—either their own or their allies’—rather than the mass army now serve as the primary defense of many countries against being overrun by their enemies, perhaps this is not surprising: nationalism-inspired mass mobilization is simply no longer as necessary for protection as it once was (see Mearsheimer 1990, 21; Posen 1993, 122–24). Another important implication of the analyses presented above is that growing economic inequality may increase ethnic conflict. States may foment national pride to stem discontent with increasing inequality, but this pride can also lead to more hostility towards immigrants and minorities. Though pride in the nation is distinct from chauvinism and outgroup hostility, it is nevertheless closely related to these phenomena, and recent experimental research has shown that members of majority groups who express high levels of national pride can be nudged into intolerant and xenophobic responses quite easily (Li and Brewer 2004). This finding suggests that, by leading to the creation of more national pride, higher levels of inequality produce environments favorable to those who would inflame ethnic animosities. Another and perhaps even more worrisome implication regards the likelihood of war. Nationalism is frequently suggested as a cause of war, and more national pride has been found to result in a much greater demand for national security even at the expense of civil liberties (Davis and Silver 2004, 36–37) as well as preferences for “a more militaristic foreign affairs posture and a more interventionist role in world politics” (Conover and Feldman 1987, 3). To the extent that these preferences influence policymaking, the growth in economic inequality over the last quarter century should be expected to lead to more aggressive foreign policies and more international conflict. If economic inequality prompts states to generate diversionary nationalism as the results presented above suggest, then rising inequality could make for a more dangerous world. The results of this work also contribute to our still limited knowledge of the relationship between economic inequality and democratic politics. In particular, it helps explain the fact that, contrary to median-voter models of redistribution (e.g., Meltzer and Richard 1981), democracies with higher levels of inequality do not consistently respond with more redistribution (e.g., Bénabou 1996). Rather than allowing redistribution to be decided through the democratic process suggested by such models, this work suggests that states often respond to higher levels of inequality with more nationalism. Nationalism then works to divert attention from inequality, so many citizens neither realize the extent of inequality nor demand redistributive policies. By prompting states to promote nationalism, greater economic inequality removes the issue of redistribution from debate and therefore narrows the scope of democratic politics.

#### Inequality is the biggest internal link to growth and is an impact filter.

Joseph E. Stiglitz, Columbia Professor, 14. University Professor, Columbia University. “The Price of Inequality: How Today’s Divided Society Endangers our Future.” http://www.pas.va/content/dam/accademia/pdf/es41/es41-stiglitz.pdf

2. The second observation entails looking at the current levels of inequality in a historical context. While I have emphasized the growth of inequality in the last third of a century, Thomas Piketty in his recent book notes that the preceding four decades should perhaps be viewed as an historical anomaly: we are returning to the high levels of inequality that prevailed in the 19th century and in the 20th in the years before the Great Depression. Piketty concludes that inequality is likely to get worse.13 I will comment on this forecast later. But his analysis has some profound implications: it means that Kuznets’s optimism that increasing inequality in the initial process of development gives way to a decrease (an idea referred to as the Kuznets curve),14 may well be wrong. Countries should not accept increasing inequality today, in the blind faith that it will eventually be reversed.

3. The third observation is that much of the inequality at the top cannot be justified as “just deserts” for the large contributions that these individuals have made. If we look at those at the top, they are not those who have made the major innovations that have transformed our economies and societies; they are not the discoverers of DNA, the laser, the transistor; not the brilliant individuals who made the discoveries without which we would not have had the modern computer. Disproportionately, they are those who have excelled in rent seeking, in wealth appropriation, in figuring out how to get a larger share of the nation’s pie, rather than enhancing the size of that pie. (Such rent seeking activity typically actually results in the size of the economic pie shrinking from what it otherwise would be). Among the most notable of these are, of course, those in the financial sector, some of whom made their wealth by market manipulation, by engaging in abusive credit card practices, predatory lending, moving money from the bottom and middle of the income pyramid to the top. So too, a monopolist makes his money by contracting output from what it otherwise would be, not by expanding it.

The inaptness of the “just deserts” argument was shown by the Great Recession, a recession which in no small measure was caused by the financial sector, which itself is responsible for so much of the inequality today. Even as they were bringing their firms and the global economy to the brink of ruin, the managers of these firms walked off with multimillion dollar bonuses.

The notion that large fractions of today’s inequality are associated with rent seeking is supported by a look at the composition of the wealthiest and top income earners. But there is additional evidence. Three striking aspects of the evolution of the American economy (and the economies of other wealthy countries) in the last 35 years are (a) the increase in the wealth-to-income ratio; (b) the stagnation of median wages; and (c) the failure of the return to capital to decline. Standard neoclassical theories, in which “wealth” is equated with “capital”, would suggest that the increase in capital should be associated with a decline in the return to capital and an increase in wages. The failure of wages to increase has been attributed by some (especially in the 1990s) to skill-biased technological change, which increased the premium put by the market on skills. Hence, those with skills saw their wages rise, and those without skills saw them fall. But recent years have seen a decline in the wages paid even to skilled workers. Something else must be going on. While in production functions with multiple inputs (say multiple kinds of labor), an increase in capital does not necessarily increase the wages of each type of labor (capital and unskilled labor can be substitutes rather than complements), if the production function exhibits constant returns to scale (a standard assumption in neoclassical theory), then the average wage must increase.15This does not seem to be happening.

There are two alternative explanations. The first is that rents are increasing (the fraction of income that is appropriated by monopolists and by other forms of exploitation). These rents are captured by (large) owners of capital, and since they are, at least in part, marketable, the present discounted value of these rents themselves become part of “wealth”. But an increase in this form of wealth does not lead to an increase in the productivity of the economy – or to an increase in the average wage of workers; to the contrary, it reduces the amounts received.

The second is that there may be other assets – like land – that can increase in value. These assets may not be very directly related to the production of goods and services,16 and indeed, with more wealth invested in these assets, there may be less invested in real productive capital. (A disproportionate part of America’s savings in the years before the crisis went into the purchase of housing, which did not increase the productivity of the “real” sectors of the economy).

Monetary policies that lead to low interest rates can increase the present value of these fixed assets – an increase in the value of wealth that is unaccompanied by any increase in the flow of goods and services. By the same token, a bubble can lead to an increase in wealth – for an extended period of time – again with possibly adverse effects on the stock of “real” capital. Indeed, it is easy for capitalist economies to generate such bubbles (a fact that should be obvious from the historical record,17 but which has been confirmed in theoretical models).18There has been a “correction” in the housing bubble (and in the underlying price of land); but we should not be confident that there has been a full correction. We still may be on a “bubble” trajectory.

Still another piece of evidence supporting the importance of rent-seeking is that showing that increases in taxes at the very top do not result in decreases in growth rates. If these incomes were a result of their efforts, we might have expected those at the top to respond by working less hard, with adverse effects on GDP.19 Piketty’s recent research has emphasized a different aspect of the “just deserts” argument: the increasing fraction of inequality arising from inheritance.

4. The idea that one shouldn’t worry about inequality – because everyone will benefit as money trickles down – has been thoroughly discredited. In some ways, it would be nice if it were true, because it would mean that the average American would be doing very well today, since the country has been thrown so much money at the top. But the statistics show that trickle-down is a fallacy: while the top has been doing very well, the rest has been stagnating.

In the absence of a change in the degree of inequality, if mean income (GDP) increases, everyone can benefit. But I emphasized above that there has been a large increase in inequality, and this gives rise to an increasing disparity between the mean and the median, between what is happening on average, and what is happening to the typical individual. Those at the very top, in the 1% or the .1%, can see their income increase; while incomes for the bottom 99% (or the bottom 99.9%) can actually decrease. That is what has been happening. An economic system that only delivers for the very top is a failed economic system. If the failures were of a short duration, that would be one thing. But they have been persistent – and there is no evidence of a turnaround.

5. Some go further: it is not just that everyone will benefit from trickledown, but inequality is actually necessary for growth. One of the popular misconceptions is that those at the top are the job creators; and giving more money to them will thus create more jobs – and indeed this is the only way by which jobs can be created. This view, I believe, is fundamentally wrong: America and other countries are full of creative entrepreneurial people throughout the income distribution. What creates jobs is demand: when there is demand, firms (especially if the financial system could be made work in the way it should, providing credit to small and medium-sized enterprises) will create the jobs to satisfy that demand. But in the United States, for example, the distorted tax system provides incentives for those at the top to destroy jobs by moving them abroad.

6. In contrast to those who believe that inequality is necessary for good economic performance, recent research has shown that inequality – when it gets to the level that characterizes the US and some other countries and when it is generated in the manner that it is created in the US and some other countries – is bad for growth, stability, and economic efficiency. This was the central thrust of my book The Price of Inequality, where I argued that inequality was not just a moral issue, but an economic one – we were paying a high price for our inequality. This view has now become mainstream, and the IMF has produced research supporting it, and endorsed it. Thus, the IMF finds that countries with greater inequality tend to be marked by lower growth and greater instability.20

Economists used to think of there being a trade-off: we could achieve more equality, but only at the expense of giving up on overall economic performance. Now we realize that, especially given the extremes of inequality achieved in the United States and the manner in which inequality is generated, greater equality and improved economic performance are complements. By the same token, one of the reasons for the poor economic performance in many countries in recent years is the high and growing level of inequality.

This is especially true if we focus on appropriate measures of growth. If we use the wrong metrics, we will strive for the wrong things. Economic growth as measured by GDP is not enough – there is a growing global consensus that GDP does not provide a good measure of overall economic performance. What matters is whether growth is sustainable, and whether most citizens see their living standards rising year after year. This is the central message of the International Commission on the Measurement of Economic Performance and Social Progress, which I chaired.21 Economists and policymakers need to focus not on what is happening on average, or to those at the top, but how the economy is performing for the typical citizen, reflected for instance in median income. We value opportunity directly, not just for the benefits which it might bring to conventionally measured GDP. And as inequality increases, so does insecurity. Everyone, even those higher up the rungs in the ladder, worry about slipping down: they know the consequences. Once this is taken into account, the surge in inequality looks every worse.

7. One of the reasons that inequality is bad for economic performance is that this growing inequality is weakening demand. The reason that inequality leads to weak demand is easy to understand: those at the bottom spend a larger fraction of their income (they need to, just to get by) than those at the top.

The problem of weak demand is compounded by the flawed responses to this weak demand by monetary authorities, by lowering interest rates, which can easily give rise to a bubble, the bursting of which leads in turn to recessions. This indeed describes what has happened in recent years. (This is not the only possible response: fiscal authorities could lower taxes on say the middle class, or increase government investments in infrastructure, technology and education. But the Bush administration took exactly the opposite strategy – lowering taxes on the rich. These responses are perhaps not a surprise: as I emphasize below, economic inequality translates into political inequality, and those at the top have a tendency to seek their own advantage).

8. There are still other reasons that inequality is bad for the economy and growth. One of the reasons is that today, inequality is associated with rent seeking, and rent seeking distorts the economy. Another is the observation made earlier that inequality of outcomes is associated with inequality of opportunity, and that means that those unfortunate enough to be born at the bottom of the income distribution are at great risk of not living up to their potential. We thus pay a price not only in terms of a weak economy today, but lower growth in the future. With nearly one in four American children growing up in poverty,22 many of whom face a lack of access to adequate nutrition and education, the country’s long-term prospects are being put into jeopardy.

A third is related to the corrosive effect of inequality on morale, especially when it cannot be well-justified (and as I have noted, the inequality evidenced in the United States and elsewhere cannot be justified). There is a widespread understanding of the adverse effects of corruption on morale, societal solidarity, and the functioning of the economy. But increasingly, inequality in the US is viewed as unfair, arising out of a corrupt political and economic system.

Still two further reasons are related to the political economy of inequality: societies with greater inequality are less likely to make investments in the common good, in say public transportation, infrastructure, technology, and education. The rich don’t need these public facilities, and they worry that a strong government which could increase the efficiency of the economy might at the same time use its powers to redistribute. Moreover, with so many at the top making their money from financial market shenanigans and rent-seeking, we wind up with tax and other economic policies that encourage these kinds of activities rather than more productive activities. When we tax speculators at less than half the rate that we tax workers, and when we give speculative derivatives priority in bankruptcy over workers, and when we have tax laws that encourage job creation abroad rather than at home, we wind up with a weaker and more unstable economy.

9. The ninth observation is that the weaknesses in the economy (partly caused by the high levels of inequality) have important budgetary implications. Deficits have become a central focus of policymakers in many countries. But worries about the deficit are exacerbating the real inequalities in our society; it is those at the bottom and middle that suffer the most from government cutbacks in expenditures.

The budget deficits of recent years are a result of the weak economy, not the other way around. If we had more robust growth, the budgetary situation would be far improved. That’s why investments in decreasing inequality and increasing equality of opportunity make sense not only for the economy, but for the budget. When we invest in our children, the asset side of our country’s balance sheet goes up, even more than the liability side: any business would see that its net worth is increased. In the long run, even looking narrowly at the liability side of the balance sheet, it will be improved, as these young people earn higher incomes and contribute more to the tax base. But if we look at these issues the wrong way, the budgetary weaknesses will lead to cutbacks in public investments – including those that help ameliorate inequality – and we reinforce the vicious circle, with lower investment in the public sector (including education) leading to a weaker economy and more inequality, and leading in turn to still lower investments and growth.

10. Countries also pay a high price for this inequality in terms of their democracy and the nature of their societies. A divided society is different – it doesn’t function as well. Democracy is undermined, as economic inequality inevitably translates into political inequality. I describe in my book how the outcomes of America’s politics are increasingly better described as the result of a system not of one person, one vote but of one dollar, one vote. 23 And just as we described earlier how the rules of the economic game affect the outcomes, so too in the realm of politics: with the rich having more and more influence, they write the rules of the political game to give them more power and influence, which means economic inequality gets even more translated into political inequality, and the political inequality gets translated into ever more economic inequality, in a vicious circle. The same process is occurring in other countries where the wealth and income have become stubbornly concentrated.

11. There are further adverse effects of this economic/political inequality as we view societal well-being from the broader perspective that I argued for earlier. Special interests have incentives and scope to shape our society – in their interests. Even when most citizens care about the environment, they see actions to protect the environment as costing them profits, and they use their economic and political power resist such actions. This has proved to be a major impediment to dealing with the challenges of global warming. But as I comment on more extensively in the second part of this paper, the costs of failing to deal with climate change and other environmental hazards are borne disproportionately by the poor.

12. With extreme inequality, the nature of society changes in fundamental ways. Those at the top come to believe that they are entitled to what they have. And this can lead to behaviors which themselves undermine the cohesiveness of society. Those excluded from prosperity begin to expect the worst from their governments and leaders. Trust is eroded, along with civic engagement and a sense of common purpose.

13. For those who believe we would have a better world were more countries to become committed to market economies with democracy, there are further adverse effects: Will other countries want to emulate an economic system in which most individuals’ incomes are simply stagnating? A political system which seems to be captured by the wealthy?

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

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Intuitively, it seems likely that less expensive inputs or lower wages would mean savings for firms to pass on to the consumers. But it turns out that inefficiencies and lack of competition in upstream markets have ripple effects that can harm everyone. In a competitive market, employers pay the market wage; when there are vacancies, a marginal increase in pay will follow so employers can fill those vacancies. Labor monopsonists have different incentives. If they raise pay to fill a marginal vacancy, they might also have to raise pay for their existing employees. The small increase in pay needed to attract one more worker could mean a massive swing in overall labor cost (Krueger 2017). So even if growth would generally be good for the company, they might not be able to add the workers they need specifically because of the special dynamics of controlling too much of the market. This is an extreme example, but the same general principle applies when employers have the market power to depress wages below competitive levels. When the marginal cost of filling vacancies and growing one’s business to efficient levels diverges from the firm’s individual incentives for doing so, firms are constricted and leave jobs unfilled. Constraining inputs like labor leads to constrained outputs, and if firms are producing less of the products that consumers want, then prices for those products go up. After all, supply constraints and price increases are two sides of the same coin, economically. Fewer workers ultimately means fewer goods, and fewer goods means higher prices for the limited amount of goods available.4 Over time, this problem is magnified because fewer workers are incentivized to enter the field at all. The supply of qualified workers will go down, further reducing the firm’s ultimate output below efficient levels. In the end, everyone suffers except the firm with market power, which captures outsized profits. Think: Why does America have a chronic undersupply of nurses or teachers, as well as stagnant wages (Council of Economic Advisers 2016)? In a competitive market, undersupply would lead to higher wages and increased entry to the field. If wages are inefficiently underpriced, we end up without enough nurses and ballooning healthcare costs. (Not to mention that, in the case of nurses, we end up with worse health outcomes for consumers!) This is part of the reason it is so problematic to interpret the consumer welfare standard to mean that short-term consumer prices are increased: presumed price effects could be irrelevant or misleading as to the overall effect on consumers. Antitrust enforcement is supposed to be dynamic and to be able to keep up with the state of economic theory.5 But this cross-pollination is not in evidence. For example, even though inefficiency anywhere in the supply chain leads to worse outcomes for consumers, product market cases outnumber labor market cases by a factor of nearly 15, and in mergers by closer to 35. Moreover, no recent merger has been blocked on the basis of labor market effects alone (Levi 1948, 540, fn10). A quick foray into how antitrust law has developed follows.

#### Employee welfare increases innovation---improves talent retention and productivity.

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As innovation requires the active participation of every employee in the corporation (Dougherty, 1992; Van de Ven, 1986), it is important to increase employee participation in innovation activities. Implementing a series of employee-friendly policies, such as improving employee compensation (Mas, 2006), providing employees with a more comfortable working environment (Faleye and Trahan, 2011), and offering work-family benefits (Meyer et al., 2001), can alleviate employees’ worries, improve their recognition by the corporation, reduce the employee turnover rate and help retain outstanding talents. Therefore, employee welfare may enhance corporate innovation by helping the corporation to retain outstanding talents. Taylor (1911) points out that if employees are regarded as unskilled labor without special status, then employee welfare is a wasteful expenditure. However, with the development of technology and the corporations, the role of employees has also undergone tremendous changes. Highly competitive business environment and human capital-intensive corporation form force corporations to pay more attention to innovation capability (Edmans, 2011). At the same time, technological progress has also increased the demand for highly motivated and well-educated labors to meet the requirements of new technologies. Therefore, it is becoming more and more important to rely on a series of employee welfare policies, such as improving the working environment and enhancing employee treatment, to retain employees and stimulate their enthusiasm and creativity. As we all know, innovation is characterized by long-term and high risks (Holmstrom, 1989), which requires the long-term and stable participation of talented employees. The corporations can increase employee loyalty and productivity by improving employee benefits, such as generous salary, comfortable and safe working environment, good employee care and protection, and attractive retirement protection (Bloom et al., 2011), so as to retain talents for the corporation and attract excellent employees to join (Chen et al., 2016a). At the same time, employees who have solved their worries can increase their risk tolerance and be more willing to improve efficiency (Tian and Wang, 2011; Chen et al., 2016b). Therefore, employee welfare may enhance corporate innovation by improving the inventor efficiency. Innovation requires not only the long-term investment of corporates and the active participation of employees, but also a good external ecological environment. The attention and active publicity of news media will also have a significant impact on the innovation investment of corporates. Corporates with good employee welfare often enjoy good social reputation, which can attract more and better talents to join in and promote innovation efficiency. At the same time, they can also get more positive reports from the media (Ben-Nasr and Ghouma, 2018), creating a relaxed and harmonious external environment for corporates, leading to the improvement of corporates innovation level.

#### Shocks are inevitable, only worker stability makes recovery possible.

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

Thank you Chair Beyer, Ranking Member Lee, and members of the Joint Economic Committee for inviting me to testify today. My name is Kate Bahn and I am the Director of Labor Market Policy and the interim Chief Economist at the Washington Center for Equitable Growth. We seek to advance evidence-backed ideas and policies that promote strong, stable and broad-based growth. Core to this mission is understanding the ways in which inequality has distorted, subverted and obstructed economic growth in recent decades. Mounting evidence, which I will review today, demonstrates how the rising concentration of corporate power has increased economic inequality and made the U.S. economy less efficient. Reversing the trends that have led to a “second gilded age” is critical to encouraging a resilient economic recovery following the pandemic-induced economic crisis of 2020 and encouraging a healthy, competitive economy for the future. Introduction The United States boasts one of the wealthiest economies in the world, but decades of increasing income inequality, job polarization, and stagnant wages for most Americans has plagued our labor market and demonstrated that a rising tide does not lift all boats. Furthermore, economic evidence demonstrates how inequality results in an inefficient allocation of talent and resources while increasing corporate concentration that enriches the few while holding back the entire economy from its potential. Understanding the causes and consequences of the concentration of corporate power will guide policymaking in order to ensure that the economic recovery in the next phase of the pandemic will be broadly shared and ensure a more resilient economy. “Monopsony” is a key economic concept to understand in this discussion. Monopsony is the labor market equivalent of the better-known phenomenon of “monopoly,” but instead of having only one producer of a good or service, there is effectively only one buyer of a good or service, such as only one employer hiring people’s labor in a company town. Like in monopoly, this phenomenon is not limited to when a firm is strictly the only buyer of labor. Today I will explain the circumstances and effects of employers having significant monopsony power over the market and over workers. When employers have outsized power in employment relationships, they are able to set wages for their workers, rather than wages being determined by competitive market forces. Given this monopsony power, employers undercut workers. This means paying them less than the value they contribute to production. One recent survey of all the economic research on monopsony finds that, on average across studies, employers have the power to keep wages over one-third less than they would be in a perfectly competitive market. Put another way, in a theoretical competitive market, if an employer cut wages then all workers would quit. But in reality, these estimates are the equivalent of a firm cutting wages by 5 percent yet only losing 10 percent to 20 percent of their workers, thus growing their profits without significantly impacting their business. It is not only important for workers to earn a fair share so they can support themselves and their families, but also critical to ensure that our economy rebuilds to be stronger and more resilient. Prior to the current public health crisis and resulting recession, earnings inequality had been growing since at least the 1980s while the labor share of national income has been declining in same period. This is cause for concern as recent evidence suggests that the labor share of income has a positive impact on GDP growth in the long-run. The unprecedented economic shock caused by the coronavirus pandemic revealed how economic inequality leads to a fragile economy, where those with the least are hit the hardest, amplifying recessions since lower-income workers typically spend more of their income in the economy. But the crisis also demonstrated how economic policy targeted toward workers and families can provide a foundation for growth. This is because workers are the economy, and pushing back against the concentration corporate power by providing resources to workers is the foundation for strong, stable and broadly shared growth. The Causes of Monopsony The concept of monopsony was initially developed by the early 20th century economist Joan Robinson, who examined how lack of competition led to unfair and inefficient economic outcomes. The prototypical example of monopsony is a company town, where there is one very dominant employer and workers have no choice but to accept low wages since they have no outside options. This is the most extreme case, but it is important to note that firms have monopsony power in any circumstance where workers aren’t moving between jobs seamlessly in search of the highest wages they can get. Firms can use monopsony power to lower workers’ wages any time workers: Have few potential employers Face job mobility constraints Can only gather imperfect information about employers and jobs Have divergent preferences for job attributes Lack the ability to bargain over those offers I will go through each of these factors in turn and demonstrate how labor markets are unique compared to other markets in dealing with competitive forces. While concentrated labor markets are not the norm, they are pervasive across the United States, especially within certain sectors or locations. When markets are very concentrated, employers can give workers smaller yearly raises or make working conditions worse, knowing that their workers have nowhere to go to find a better job with better pay. (See Figure 1.) A study published in the journal Labour Economics by economists Jose Azar, Ioana Marinescu, and Marshall Steinbaum finds that 60 percent of U.S. local labor markets are highly concentrated as defined by U.S. antitrust authorities’ 2010 horizontal merger guidelines. This accounts for 20 percent of employment in the United States. Research by economists Gregor Schubert, Anna Stansbury, and Bledi Tsaka goes further by estimating workers’ outside options, or the likelihood a worker is able to change into a different occupation or industry. This study finds that even with a more expansive definition of job opportunities more than 10 percent of the U.S. workforce is in local labor markets where pay is being suppressed by employer concentration by at least 2 percent, and a significant proportion of these workers facing few outside options are facing pay suppression of 5 percent or more. As study co-author Anna Stansbury noted, “for a typical full-time workers making $50,000 a year, a 2 percent pay reduction is equivalent to losing $1,000 per year and a 5 percent pay reduction is equivalent to losing $2,500 per year.” Certain sectors are now very concentrated, such as the healthcare industry. In a paper by the economists Elena Prager and Matt Schmitt, they find that hospital mergers led to negative wage growth among skilled workers such as nurses or pharmacy workers. Consolidation and outsized employer power, alongside other phenomenon such as the fissuring of the workplace, may have broader impacts on the structure of the U.S. labor market when it affects the overall structure of the labor market, including the hollowing out of middle class jobs that have historically been a pathway for upward mobility.

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

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Four structural forces will shape the future of International Relations: globalization (but without liberal rules, institutions, and leadership)1; multipolarity (the end of American hegemony and wider distribution of power among states and non-states2); the strengthening of distinctive, national and subnational identities, as persistent cultural differences are accentuated by the disruptive effects of Western style globalization (what Samuel Huntington called the “non-westernization of IR”3); and secular economic stagnation, a product of longer term global decline in birth rates combined with aging populations.4 These structural forces do not determine everything. Environmental events, global health challenges, internal political developments, policy mistakes, technology breakthroughs or failures, will intersect with structure to define our future. But these four structural forces will impact the way states behave, in the capacity of great powers to manage their differences, and to act collectively to settle, rather than exploit, the inevitable shocks of the next decade. Some of these structural forces could be managed to promote prosperity and avoid war. Multipolarity (inherently more prone to conflict than other configurations of power, given coordination problems)5 plus globalization can work in a world of prosperity, convergent values, and effective conflict management. The Congress of Vienna system achieved relative peace in Europe over a hundred-year period through informal cooperation among multiple states sharing a fear of populist revolution. It ended decisively in 1914. Contemporary neoliberal institutionalists, such as John Ikenberry, accept multipolarity as our likely future, but are confident that globalization with liberal characteristics can be sustained without American hegemony, arguing that liberal values and practices have been fully accepted by states, global institutions, and private actors as imperative for growth and political legitimacy.6 Divergent values plus multipolarity can work, though at significantly lower levels of economic growth-in an autarchic world of isolated units, a world envisioned by the advocates of decoupling, including the current American president.7 Divergent values plus globalization can be managed by hegemonic power, exemplified by the decade of the 1990s, when the Washington Consensus, imposed by American leverage exerted through the IMF and other U.S. dominated institutions, overrode national differences, but with real costs to those states undergoing “structural adjustment programs,”8 and ultimately at the cost of global growth, as states—especially in Asia—increased their savings to self insure against future financial crises.9 But all four forces operating simultaneously will produce a future of increasing internal polarization and cross border conflict, diminished economic growth and poverty alleviation, weakened global institutions and norms of behavior, and reduced collective capacity to confront emerging challenges of global warming, accelerating technology change, nuclear weapons innovation and proliferation. As in any effective scenario, this future is clearly visible to any keen observer. We have only to abolish wishful thinking and believe our own eyes.10 Secular Stagnation This unbrave new world has been emerging for some time, as US power has declined relative to other states, especially China, global liberalism has failed to deliver on its promises, and totalitarian capitalism has proven effective in leveraging globalization for economic growth and political legitimacy while exploiting technology and the state’s coercive powers to maintain internal political control. But this new era was jumpstarted by the world financial crisis of 2007, which revealed the bankruptcy of unregulated market capitalism, weakened faith in US leadership, exacerbated economic deprivation and inequality around the world, ignited growing populism, and undermined international liberal institutions. The skewed distribution of wealth experienced in most developed countries, politically tolerated in periods of growth, became intolerable as growth rates declined. A combination of aging populations, accelerating technology, and global populism/nationalism promises to make this growth decline very difficult to reverse. What Larry Summers and other international political economists have come to call “secular stagnation” increases the likelihood that illiberal globalization, multipolarity, and rising nationalism will define our future. Summers11 has argued that the world is entering a long period of diminishing economic growth. He suggests that secular stagnation “may be the defining macroeconomic challenge of our times.” Julius Probst, in his recent assessment of Summers’ ideas, explains: …rich countries are ageing as birth rates decline and people live longer. This has pushed down real interest rates because investors think these trends will mean they will make lower returns from investing in future, making them more willing to accept a lower return on government debt as a result. Other factors that make investors similarly pessimistic include rising global inequality and the slowdown in productivity growth… This decline in real interest rates matters because economists believe that to overcome an economic downturn, a central bank must drive down the real interest rate to a certain level to encourage more spending and investment… Because real interest rates are so low, Summers and his supporters believe that the rate required to reach full employment is so far into negative territory that it is effectively impossible. …in the long run, more immigration might be a vital part of curing secular stagnation. Summers also heavily prescribes increased government spending, arguing that it might actually be more prudent than cutting back – especially if the money is spent on infrastructure, education and research and development. Of course, governments in Europe and the US are instead trying to shut their doors to migrants. And austerity policies have taken their toll on infrastructure and public research. This looks set to ensure that the next recession will be particularly nasty when it comes… Unless governments change course radically, we could be in for a sobering period ahead.12 The rise of nationalism/populism is both cause and effect of this economic outlook. Lower growth will make every aspect of the liberal order more difficult to resuscitate post-Trump. Domestic politics will become more polarized and dysfunctional, as competition for diminishing resources intensifies. International collaboration, ad hoc or through institutions, will become politically toxic. Protectionism, in its multiple forms, will make economic recovery from “secular stagnation” a heavy lift, and the liberal hegemonic leadership and strong institutions that limited the damage of previous downturns, will be unavailable. A clear demonstration of this negative feedback loop is the economic damage being inflicted on the world by Trump’s trade war with China, which— despite the so-called phase one agreement—has predictably escalated from negotiating tactic to imbedded reality, with no end in sight. In a world already suffering from inadequate investment, the uncertainties generated by this confrontation will further curb the investments essential for future growth. Another demonstration of the intersection of structural forces is how populist-motivated controls on immigration (always a weakness in the hyper-globalization narrative) deprives developed countries of Summers’ recommended policy response to secular stagnation, which in a more open world would be a win-win for rich and poor countries alike, increasing wage rates and remittance revenues for the developing countries, replenishing the labor supply for rich countries experiencing low birth rates. Illiberal Globalization Economic weakness and rising nationalism (along with multipolarity) will not end globalization, but will profoundly alter its character and greatly reduce its economic and political benefits. Liberal global institutions, under American hegemony, have served multiple purposes, enabling states to improve the quality of international relations and more fully satisfy the needs of their citizens, and provide companies with the legal and institutional stability necessary to manage the inherent risks of global investment. But under present and future conditions these institutions will become the battlegrounds—and the victims—of geopolitical competition. The Trump Administration’s frontal attack on multilateralism is but the final nail in the coffin of the Bretton Woods system in trade and finance, which has been in slow but accelerating decline since the end of the Cold War. Future American leadership may embrace renewed collaboration in global trade and finance, macroeconomic management, environmental sustainability and the like, but repairing the damage requires the heroic assumption that America’s own identity has not been fundamentally altered by the Trump era (four years or eight matters here), and by the internal and global forces that enabled his rise. The fact will remain that a sizeable portion of the American electorate, and a monolithically proTrump Republican Party, is committed to an illiberal future. And even if the effects are transitory, the causes of weakening global collaboration are structural, not subject to the efforts of some hypothetical future US liberal leadership. It is clear that the US has lost respect among its rivals, and trust among its allies. While its economic and military capacity is still greatly superior to all others, its political dysfunction has diminished its ability to convert this wealth into effective power.13 It will furthermore operate in a future system of diffusing material power, diverging economic and political governance approaches, and rising nationalism. Trump has promoted these forces, but did not invent them, and future US Administrations will struggle to cope with them. What will illiberal globalization look like? Consider recent events. The instruments of globalization have been weaponized by strong states in pursuit of their geopolitical objectives. This has turned the liberal argument on behalf of globalization on its head. Instead of interdependence as an unstoppable force pushing states toward collaboration and convergence around market-friendly domestic policies, states are exploiting interdependence to inflict harm on their adversaries, and even on their allies. The increasing interaction across national boundaries that globalization entails, now produces not harmonization and cooperation, but friction and escalating trade and investment disputes.14 The Trump Administration is in the lead here, but it is not alone. Trade and investment friction with China is the most obvious and damaging example, precipitated by China’s long failure to conform to the World Trade Organization (WTO) principles, now escalated by President Trump into a trade and currency war disturbingly reminiscent of the 1930s that Bretton Woods was designed to prevent. Financial sanctions against Iran, in violation of US obligations in the Joint Comprehensive Plan Of Action (JCPOA), is another example of the rule of law succumbing to geopolitical competition. Though more mercantilist in intent than geopolitical, US tariffs on steel and aluminum, and their threatened use in automotives, aimed at the EU, Canada, and Japan,15 are equally destructive of the liberal system and of future economic growth, imposed as they are by the author of that system, and will spread to others. And indeed, Japan has used export controls in its escalating conflict with South Korea16 (as did China in imposing controls on rare earth,17 and as the US has done as part of its trade war with China). Inward foreign direct investment restrictions are spreading. The vitality of the WTO is being sapped by its inability to complete the Doha Round, by the proliferation of bilateral and regional agreements, and now by the Trump Administration’s hold on appointments to WTO judicial panels. It should not surprise anyone if, during a second term, Trump formally withdrew the US from the WTO. At a minimum it will become a “dead letter regime.”18 As such measures gain traction, it will become clear to states—and to companies—that a global trading system more responsive to raw power than to law entails escalating risk and diminishing benefits. This will be the end of economic globalization, and its many benefits, as we know it. It represents nothing less than the subordination of economic globalization, a system which many thought obeyed its own logic, to an international politics of zero-sum power competition among multiple actors with divergent interests and values. The costs will be significant: Bloomberg Economics estimates that the cost in lost US GDP in 2019- dollar terms from the trade war with China has reached $134 billion to date and will rise to a total of $316 billion by the end of 2020.19 Economically, the just-in-time, maximally efficient world of global supply chains, driving down costs, incentivizing innovation, spreading investment, integrating new countries and populations into the global system, is being Balkanized. Bilateral and regional deals are proliferating, while global, nondiscriminatory trade agreements are at an end. Economies of scale will shrink, incentivizing less investment, increasing costs and prices, compromising growth, marginalizing countries whose growth and poverty reduction depended on participation in global supply chains. A world already suffering from excess savings (in the corporate sector, among mostly Asian countries) will respond to heightened risk and uncertainty with further retrenchment. The problem is perfectly captured by Tim Boyle, CEO of Columbia Sportswear, whose supply chain runs through China, reacting to yet another ratcheting up of US tariffs on Chinese imports, most recently on consumer goods: We move stuff around to take advantage of inexpensive labor. That’s why we’re in Bangladesh. That’s why we’re looking at Africa. We’re putting investment capital to work, to get a return for our shareholders. So, when we make a wager on investment, this is not Vegas. We have to have a reasonable expectation we can get a return. That’s predicated on the rule of law: where can we expect the laws to be enforced, and for the foreseeable future, the rules will be in place? That’s what America used to be.20 The international political effects will be equally damaging. The four structural forces act on each other to produce the more dangerous, less prosperous world projected here. Illiberal globalization represents geopolitical conflict by (at first) physically non-kinetic means. It arises from intensifying competition among powerful states with divergent interests and identities, but in its effects drives down growth and fuels increased nationalism/populism, which further contributes to conflict. Twenty-first-century protectionism represents bottom-up forces arising from economic disruption. But it is also a top-down phenomenon, representing a strategic effort by political leadership to reduce the constraints of interdependence on freedom of geopolitical action, in effect a precursor and enabler of war. This is the disturbing hypothesis of Daniel Drezner, argued in an important May 2019 piece in Reason, titled “Will Today’s Global Trade Wars Lead to World War Three,”21 which examines the preWorld War I period of heightened trade conflict, its contribution to the disaster that followed, and its parallels to the present: Before the First World War started, powers great and small took a variety of steps to thwart the globalization of the 19th century. Each of these steps made it easier for the key combatants to conceive of a general war. We are beginning to see a similar approach to the globalization of the 21st century. One by one, the economic constraints on military aggression are eroding. And too many have forgotten—or never knew—how this played out a century ago. …In many ways, 19th century globalization was a victim of its own success. Reduced tariffs and transport costs flooded Europe with inexpensive grains from Russia and the United States. The incomes of landowners in these countries suffered a serious hit, and the Long Depression that ran from 1873 until 1896 generated pressure on European governments to protect against cheap imports. …The primary lesson to draw from the years before 1914 is not that economic interdependence was a weak constraint on military conflict. It is that, even in a globalized economy, governments can take protectionist actions to reduce their interdependence in anticipation of future wars. In retrospect, the 30 years of tariff hikes, trade wars, and currency conflicts that preceded 1914 were harbingers of the devastation to come. European governments did not necessarily want to ignite a war among the great powers. By reducing their interdependence, however, they made that option conceivable. …the backlash to globalization that preceded the Great War seems to be reprised in the current moment. Indeed, there are ways in which the current moment is scarier than the pre-1914 era. Back then, the world’s hegemon, the United Kingdom, acted as a brake on economic closure. In 2019, the United States is the protectionist with its foot on the accelerator. The constraints of Sino-American interdependence—what economist Larry Summers once called “the financial balance of terror”—no longer look so binding. And there are far too many hot spots—the Korean peninsula, the South China Sea, Taiwan—where the kindling seems awfully dry. Multipolarity We can define multipolarity as a wide distribution of power among multiple independent states. Exact equivalence of material power is not implied. What is required is the possession by several states of the capacity to coerce others to act in ways they would otherwise not, through kinetic or other means (economic sanctions, political manipulation, denial of access to essential resources, etc.). Such a distribution of power presents inherently graver challenges to peace and stability than do unipolar or bipolar power configurations,22 though of course none are safe or permanent. In brief, the greater the number of consequential actors, the greater the challenge of coordinating actions to avoid, manage, or de-escalate conflicts. Multipolarity also entails a greater potential for sudden changes in the balance of power, as one state may defect to another coalition or opt out, and as a result, the greater the degree of uncertainty experienced by all states, and the greater the plausibility of downside assumptions about the intentions and capabilities of one’s adversaries. This psychology, always present in international politics but particularly powerful in multipolarity, heightens the potential for escalation of minor conflicts, and of states launching preventive or preemptive wars. In multipolarity, states are always on edge, entertaining worst-case scenarios about actual and potential enemies, and acting on these fears—expanding their armies, introducing new weapon systems, altering doctrine to relax constraints on the use of force—in ways that reinforce the worst fears of others. The risks inherent in multipolarity are heightened by the attendant weakening of global institutions. Even in a state-centric system, such institutions can facilitate communication and transparency, helping states to manage conflicts by reducing the potential for misperception and escalation toward war. But, as Waheguru Pal Singh Sidhu argues in his chapter on the United Nations, the influence of multilateral institutions as agent and actor is clearly in decline, a result of bottom-up populist/nationalist pressures experienced in many countries, as well as the coordination problems that increase in a system of multiple great powers. As conflict resolution institutions atrophy, great powers will find themselves in “security dilemmas”23 in which verification of a rival’s intentions is unavailable, and worst-case assumptions fill the gap created by uncertainty. And the supply of conflicts will expand as a result of growing nationalism and populism, which are premised on hostility, paranoia, and isolation, with governments seeking political legitimacy through external conflict, producing a siege mentality that deliberately cuts off communication with other states. Finally, the transition from unipolarity (roughly 1989–2007) to multipolarity is unregulated and hazardous, as the existing superpower fears and resists challenges to its primacy from a rising power or powers, while the rising power entertains new ambitions as entitlements now within its reach. Such a “power transition” and its dangers were identified by Thucydides in explaining the Peloponnesian Wars,24 by Organski (the “rear-end collision”)25 during the Cold War, and recently repopularized and brought up to date by Graham Allison in predicting conflict between the US and China.26 A useful, and consequential illustration of the inherent challenge of conflict management during a power transition toward multipolarity, is the weakening of the arms control regime negotiated by the US and the Soviet Union during the Cold War. Despite the existential, global conflict between two nuclear armed superpowers embracing diametrically opposed world views and operating in economic isolation from each other, the two managed to avoid worst-case outcomes. They accomplished this in part by institutionalizing verifiable limits on testing and deployment of both strategic and intermediate-range nuclear missiles. Yet as diplomatically and technically challenging as these achievements were, the introduction of a third great power, China, into this twocountry calculus has proven to be a deal breaker. Unconstrained by these bilateral agreements, China has been free to build up its capability, and has taken full advantage in ramping up production and deployment of intermediate-range ground-launched cruise missiles, thus challenging the US ability to credibly guarantee the security of its allies in Asia, and greatly increasing the costs of maintaining its Asian regional hegemony. As a result, the Intermediate Nuclear Force treaty is effectively dead, and the New Start Treaty, covering strategic missiles, is due to expire next year, with no indication of any US–Russian consensus to extend it. The US has with logic indicated its interest in making these agreements trilateral; but China, with its growing power and ambition, has also logically rejected these overtures. Thus, all three great powers are entering a period of nuclear weapons competition unconstrained by the major Cold War arms control regimes. In a period of rapid advances in technology and worsening great power relations, the nuclear competition will be a defining characteristic of the next decade and beyond. This dynamic will also complicate nuclear nonproliferation efforts, as both the demand for nuclear weapons (a consequence of rising regional and global insecurity), and supply of nuclear materials and technology (a result of the weakening of the nonproliferation regime and deteriorating great power relations) will increase. Will deterrence prevent war in a world of several nuclear weapons states, (the current nuclear powers plus South Korea, Iran, Saudi Arabia, Japan, Turkey), as it helped to do during the bipolar Cold War? Some neorealist observers view nuclear weapons proliferation as stabilizing, extending the balance of terror, and the imperative of restraint, to new nuclear weapons states with much to fight over (Saudi Arabia and Iran, for example).27 Others,28 examining issues of command and control of nuclear weapons deployment and use by newly acquiring states, asymmetries in doctrines, force structures, and capabilities between rivals, the perils of variable rates in transition to weapons deployment, problems of communication between states with deep mutual grievances, the heightened risk of transfer of such weapons to non-state actors, have grave doubts about the safety of a multipolar, nuclear-armed world.29 We can at least conclude that prudence dictates heightened efforts to slow the pace of proliferation, while realism requires that we face a proliferated future with eyes wide open. The current distribution of power is not perfectly multipolar. The US still commands the world’s largest economy, and its military power is unrivaled by any state or combination of states. Its population is still growing, despite a recent decline in birth rates. It enjoys extraordinary geographic advantages over its rivals, who are distant and live in far worse neighborhoods. Its economy is less dependent on foreign markets or resources. Its political system has proven—up to now—to be resilient and adaptable. Its global alliance system greatly extends its capacity to defend itself and shape the world to its liking and is still intact, despite growing doubts about America’s reliability as a security guarantor. Based on these mostly material and historical criteria, continued American primacy would seem to be a good bet, if it chooses to use its power in this way.30 So why multipolarity? The clearest and most frequently cited evidence for a widening distribution of global power away from American unipolarity is the narrowing gap in GDP between the US and China. The IMF’s World Economic Outlook forecasts a $0.9 trillion increase in US GDP for 2019–2020, and a $1.3 trillion increase for China in the same period.31 Many who support the American primacy case argue that GDP is an imperfect measure of power, that Chinese GDP data is inflated, that its growth rates are in decline while Chinese debt is rapidly increasing, and that China does poorly on other factors that contribute to power—its low per capita GDP, its political succession challenges, its environmental crisis, its absence of any external alliance system. Yet GDP is a good place to start, as the single most useful measure and long-term predictor of power. It is from the overall economy that states extract and apply material power to leverage desired behavior from other states. It is true that robust future Chinese growth is not guaranteed, nor is its capacity to convert its wealth to power, which is a function of how well its political system works over time. But this is equally the case for the US, and considering recent political developments is not a given for either country. As an alternative to measuring inputs—economic size, political legitimacy, technological innovation, population growth—in assessing relative power and the nature of global power distribution, we should consider outputs: what are states doing with their power? The input measures are useful, possibly predictive, but are usually deployed in the course of making a foreign policy argument, sometimes on behalf of a reassertion of American primacy, sometimes on behalf of retrenchment. As such, their objectivity (despite their generous deployment of “data”) is open to question. What is undeniable, to any clear-eyed observer, is a real decline in American influence in the world, and a rise in the influence of other powers, which predates the Trump administration but has accelerated into America’s free fall over the last four years. This has produced a de facto multipolarity, whether explainable in the various measures of power—actual and latent—or not. This decline results in part from policy mistakes: a reckless squandering of material power and legitimacy in Iraq, an overabundance of caution in Syria, and now pure impulsivity. But more fundamentally, it is a product of relative decline in American capacity—political and economic—to which American leadership is adjusting haphazardly, but in the direction of retrenchment/restraint. It is highly revealing that the last two American presidents, polar opposites in intellect, temperament and values, agreed on one fundamental point: the US is overextended, and needs to retrench. The fact that neither Obama nor Trump (up to this point in his presidency) believed they had the power at their disposal to do anything else, tells us far more about the future of American power and policy—and about the emerging shape of international relations—than the power measures and comparisons made by foreign policy advocates. Observation of recent trends in US versus Russian relative influence prompts another question: do we understand the emerging characteristics of power? Rigorously measuring and comparing the wrong parameters will get us nowhere at best and mislead us into misguided policies at worst. How often have we heard, with puzzlement, that Putin punches far above his weight? Could it be that we misunderstand what constitutes “weight” in the contemporary and emerging world? Putin may be on a high wire, and bound to come crashing down; but the fact is that Russian influence, leveraging sophisticated communications/social media/influence operations, a strong military, an agile (Putin-dominated) decision process, and taking advantage of the egregious mistakes by the West, has been advancing for over a decade, shows no sign of slowing down, and has created additional opportunities for itself in the Middle East, Europe, Asia, Latin America, the Arctic. It has done this with an economy roughly the size of Italy’s. There are few signs of a domestic political challenge to Putin. His external opponents are in disarray, and Russia’s main adversary is politically disabled from confronting the problem. He has established Russia as the Middle East power broker. He has reached into the internal politics of his Western adversaries and influenced their leadership choices. He has invaded and absorbed the territory of neighboring states. His actions have produced deep divisions within NATO. Again, simple observation suggests multipolarity in fact, and a full explanation for this power shift awaiting future historians able to look with more objectivity at twenty-first-century elements of power. When that history is written, surely it will emphasize the extraordinary polarization in American politics. Was multipolarity a case of others finding leverage in new sources of power, or the US underutilizing its own? The material measures suggest sufficient capacity for sustained American primacy, but with this latent capacity unavailable (as perceived, I believe correctly, by political leadership) by virtue of weakening institutions: two major parties in separate universes; a winnertake-all political mentality; deep polarization between the parties’ popular bases of support; divided government, with the Presidency and the Congress often in separate and antagonistic hands; diminishing trust in the permanent government, and in the knowledge it brings to important decisions, and deepening distrust between the intelligence community and policymakers; and, in Trump’s case, a chaotic policy process that lacks any strategic reference points, mis-communicates the Administration’s intentions, and has proven incapable of sustained, coherent diplomacy on behalf of any explicit and consistent set of policy goals. Rising Nationalism/Populism/Authoritarianism The evidence for these trends is clear. Freedom House, the go-to authority on the state of global democracy, just published its annual assessment for 2020, and recorded the fourteenth consecutive year of global democratic decline and advancing authoritarianism. This dramatic deterioration includes both a weakening in democratic practice within states still deemed on balance democratic, and a shift from weak democracies to authoritarianism in others. Commitment to democratic norms and practices—freedom of speech and of the press, independent judiciaries, protection of minority rights—is in decline. The decline is evident across the global system and encompasses all major powers, from India and China, to Europe, to the US. Right-wing populist parties have assumed power, or constitute a politically significant minority, in a lengthening list of democratic states, including both new (Hungary, Poland) and established (India, the US, the UK) democracies. Nationalism, frequently dismissed by liberal globalization advocates as a weak force when confronted by market democracies’ presumed inherent superiority, has experienced a resurgence in Russia, China, the Middle East, and at home. Given the breadth and depth of right-wing populism, the raw power that promotes it—mainly Russian and American—and the disarray of its liberal opponents, this factor will weigh heavily on the future. The major factors contributing to right-wing populism and its global spread is the subject of much discussion.32 The most straightforward explanation is rising inequality and diminished intergenerational mobility, particularly in developed countries whose labor-intensive manufacturing has been hit hardest by the globalization of capital combined with the immobility of labor. Jobs, wages, economic security, a reasonable hope that one’s offspring has a shot at a better life than one’s own, the erosion of social capital within economically marginalized communities, government failure to provide a decent safety net and job retraining for those battered by globalization: all have contributed to a sense of desperation and raw anger in the hollowed-out communities of formerly prosperous industrial areas. The declining life expectancy numbers33 tell a story of immiseration: drug addition, suicide, poor health care, and gun violence. The political expression of such conditions of life should not be surprising. Simple, extremist “solutions” become irresistible. Sectarian, racial, regional divides are strengthened, and exclusive identities are sharpened. Political entrepreneurs offering to blow up the system blamed for such conditions become credible. Those who are perceived as having benefited from the corrupt system—long-standing institutions of government, foreign countries and populations, immigrants, minorities getting a “free ride,” elites—become targets of recrimination and violence. The simple solutions of course, don’t work, deepening the underlying crisis, but in the process politics is poisoned. If this sounds like the US, it should, but it also describes major European countries (the UK, France, Italy, Germany, Poland, Hungary, the Czech Republic), and could be an indication of things to come for non-Western democracies like India. We have emphasized throughout this chapter the interaction of four structural forces in shaping the future, and this interaction is evident here as well. Is it merely coincidence that the period of democratic decline documented by Freedom House, coincides precisely with the global financial and economic crisis? Lower growth, increasing joblessness, wage stagnation, superimposed on longer-term widening of inequality and declining mobility, constitute a forbidding stress test for democratic systems, and many continue to fail. And if we are correct about secular stagnation, the stress will continue, and authoritarianism’s fourteen-year run will not be over for some time. The antidemocratic trend will gain additional impetus from the illiberal direction of globalization, with its growth suppressing protectionism, weaponization of global economic exchange, and weakening global economic institutions. Multipolarity also contributes, in several ways. The former hegemon and author of globalization’s liberal structure has lost its appetite, and arguably its capacity, for leadership, and indeed has become part of the problem, succumbing to and promoting the global right-wing populist surge. It is suffering an unprecedented decline in life expectancy, and recently a decline in the birth rate, signaling a degree of rot commonly associated with a collapsing Soviet Union. While American politics may once again cohere around its liberal values and interests, the time when American leadership had the self-confidence to shape the global system in its liberal image is gone. It may build coalitions of the like-minded to launch liberal projects, but there will be too much power outside these coalitions to permit liberal globalization of the sort imagined at the end of the Cold War. In multipolarity, the values around which global politics revolve will reflect the diversity of major powers, their interests, and the norms they embrace. Convergence of norms, practices, policies is out of the question. Global collective action, even in the face of global crises, will be a long shot. To expect anything else is fantasy Unbrave New World and Future Challenges At the outset of this chapter we described these structural forces as interacting to produce more conflict and diminished prosperity. We also predicted a world with shrinking collective capacity to address new challenges as they arise. What specifically will such a world look like? We address below three principal challenges to global problem solving over the next decade. Interstate Conflict In the world experienced by most readers of this volume, conflict is observed within weak states, sometimes promoted by regional competitors, by terrorist groups, or by great powers, acting through surrogates or by indirect means. Sometimes, as in Syria, this conflict spills over to contiguous states and contributes to regional instability, and challenges other regions to respond effectively, a challenge that Europe has not met. Much of this will continue, but the global significance of such local conflicts will be greatly magnified by increasing great power conflict, which will feed—rather than manage or resolve—local instabilities and will in turn be exacerbated by them. Great powers will jockey for advantage, support their local partners, escalate preemptively. Conflicts initially confined to failing states or unstable regions will be redefined by great powers as global in scope and significance. This tendency of states to view local conflicts in the context of a zero-sum, global struggle for power is familiar to students of the Cold War, but now with the additional challenges to collective action, expanded uncertainty and worst-case thinking associated with the power transition to multipolarity. We can easily observe increased conflict in US–China relations, as we will in US–Russia relations as future US administrations try to make up for ground lost during the Trump presidency, especially in the Middle East. We can observe it among powerful states with mutual historical grievances, now with a weakening presence of the hegemonic security guarantor and having to consider the renationalization of their defense: Japan-South Korea, Germany-France. We can observe it among historical rivals operating in rapidly changing security landscapes: India-China. We can observe it within the Middle East, as internal rivalries are appropriated by regional powers in a contest for regional dominance. We can observe it clearly in Syria, where the regime’s violent suppression of Arab Spring resistance led to all-out civil war, attracted outside support to proxy forces by aspiring regional hegemons Saudi Arabia and Iran, enabled the rise of ISIS, and eventually to great power intervention, principally by Russia. In a world of effective great power collaboration or American primacy, the Syrian civil war might have been settled through power sharing or partition, or if not, contained within Syria. The collapse of Yugoslavia, occurring during a period of US “unipolarity” and managed effectively, demonstrates the possibilities. Instead, with the US retrenching, Middle East rivals unconstrained by great powers, and great power competition rising, the Syria civil war was fed by outside powers, then metastasized into the region, and—in the form of refugee flows—into Europe, fundamentally altering European politics. Libya may be at the early stages of this scenario. This is not the end of the Syria story. Russia has established itself as a major player in Syria and the Middle East’s power broker, the indispensable country with leverage throughout the region. China is poised to reap the financial and power benefits of Syrian reconstruction. The US has just demonstrated, in its act of war against the Iranian regime, its willingness, without consultation, to put its allies’ security in further jeopardy, accentuating the risks of security ties with Washington and generating added opportunities for Russia and China. The purpose here is not to critique US policy, but to point out the dramatically shifting power balance in a critical region, toward multipolarity. The dangers of such a shift will become apparent as some future US president attempts to reassert US influence in the region and finds a crowded playing field. Can a multipolar distribution of power among several states whose interests, values, and political practices are divergent, all experiencing bottom-up nationalist pressures, all seeking advantages in the oversupply of regional instability, be made to work? I think not. Will this more dangerous world descend into direct military confrontation between great powers, and could such confrontation lead to use of nuclear weapons? Here the question becomes, what will this more dangerous world actually look like; what instruments of coercion will be available to states as technology change accelerates; how will states employ these instruments; how will deterrence work (if at all) among several states with large but unequal levels of destructive capacity, weak command, and control, disparate— or opaque—strategies and simmering rivalries; can conflict management work in a world of weak institutions? The collapse of the Cold War era nuclear arms control regime, the threat to the Non-Proliferation Treaty represented by the demise of the JCPOA, and multiple indications of an accelerating nuclear arms race among the three principle powers, augurs badly. Given the structural forces at play, and without predicting the worst, we are indeed entering perilous times. Global Poverty and Inequality Despite the challenges of volatility and disruptive change inherent in globalization, the world under American liberal leadership has managed a dramatic reduction of extreme poverty. According to World Bank estimates, in 2015, 10 percent of the world’s population lived on less than $1.90 a day, down from nearly 36 percent in 1990.34 In fact, as of September 2018, half the world is now middle class or wealthier.35 The uneven success of the UN Millennium Development Goals (MDGs) exemplifies this achievement, and demonstrates what is possible when open markets are managed through strong global institutions, effective leadership and interstate collaboration. What this liberal hegemonic system did not achieve, however, was a fair distribution of the gains from globalization within states, and among those states that for various reasons were not full participants in this system. This record of partial achievement leaves us with a full agenda for the next fifteen years, but without the hegemonic leadership, strong institutions, ascendant liberalism or robust global growth that enabled previous gains. There are powerful reasons to question the sustainability of these poverty reduction gains, leading to doubts about the realization of the Sustainable Development Goals, which have replaced the MDGs as global development targets.36 (See Jens Rudbeck’s chapter and Sidhu’s UN chapter for SDGs). Skeptics have pointed to slowing global growth, specifically in China, whose demand for imported commodities was a major factor in developing country growth and job creation; growing protectionism in developed country markets, fueled by bottom-up forces of nationalism, and from top-down by a weakened global trading regime and increased geopolitical rivalry; the effects of accelerating climate change on agriculture, migration and communal conflict in poor countries; and the growth burst among poor countries from the rapid transition to more efficient use of resources, a transition that is now slowing down.37 Perhaps the greatest concern in this scenario is a general deterioration in the developing country foreign investment climate. Foreign direct investment (FDI) has been a major contributor to growth, job creation, and poverty alleviation among poor countries. It has incentivized growthfriendly policies, reduced corruption, introduced technology and effective management practices, and linked poor countries to foreign markets through global supply chains.38 It has stimulated growth of indigenous manufacturing and service companies to supply new foreign investments. It has been the major cause of economic convergence between rich and poor countries. From 2000 to 2009, developing economies’ growth rates were more than four percentage points higher than those of rich countries, pushing their share of global output from just over a third to nearly half.39 However, FDI flows into poor countries are imperiled by the structural forces discussed here. Political instability arising from slower growth and environmental stress will increase investors’ perception of higher risk, reinforcing their developed country bias. Protectionism among developed countries will threaten the global market access upon which manufacturing investment in developing countries is premised, causing firms to pare back their global supply chains. As companies retrench from direct investment in poor countries, the appeal to those countries of Chinese debt financed infrastructure projects, under the Belt-Road Initiative with little or no conditionality, but at the risk of “debt traps,” will increase. Global Warming The question posed at the beginning of this section is whether the international system, evolving toward multipolarity and rising nationalism, will find the collective political capital to confront challenges as they arise. Global warming is the mother of all challenges, and the weakness in the system’s capacity to respond is clear. With the two major political/economic powers and greenhouse gas emitters locked in deepening geopolitical conflict (and with one of them locked in climate change denial, possibly through 2024), the chances of significantly slowing global warming or even ameliorating its effects are very slim. We are reduced to the default option, nation-specific adaptation to climate change, which will impose rising human, political and economic costs on all, and will widen the gap between rich countries with adaptive capacity (of varying degrees), and the poor, who will suffer deteriorating economic, political, and social conditions. (For a contrary, optimistic view see Michael Shank’s chapter, which credits new actors—like cities—as playing a more constructive role in climate mitigation.) This would bring to a close liberal globalization’s greatest achievement; the raising of 1.1 billion people out of extreme poverty since 1990,40 with all its associated gains in quality of life (in the WHO Africa region, for example, life expectancy rose by 10.3 years between 2000 and 2016, driven mainly by improvements in child survival and expanded access to antiretrovirals for treatment of HIV).41 Several forces are at work here. The problem itself is graver—in magnitude and in rate of worsening—than predicted by climate scientists. The UN Intergovernmental Panel on Climate Change (IPCC), the major source of information on global warming, has consistently underpredicted the rate of climate deterioration. This holds true even for its “worst-case scenarios,” meaning that what was meant as a wake-up call has in fact reinforced complacency.42 (see Michael Shank’s chapter for further discussion of climate change). The IPCC, in its 2019 report, has tried to undo the damage by emphasizing the acceleration in the rate of warming and its effects, the only partially understood dynamic of climate change, and—given wide uncertainty—the possibility of unpleasant surprises yet to come. This strengthens the scientific case for urgency—to both severely limit greenhouse gas emissions, and to increase investment in ameliorating the effects. Unfortunately, the crisis comes at a moment when the climate for collective action is ice cold. Geopolitical competition incentivizes states to out produce each other, regardless of the environmental effects. Multipolarity complicates collective action. Economic stagnation mandates job creation, making regulation politically toxic. Bottom-up nationalism/populism causes states to pursue “relative gains,” meaning that if the nation is seen as gaining in a no-holds-barred economic competition with others, the negative environmental effects can be tolerated. A post-Trump presidency would help, with the US rejoining the Paris Agreement, and lending its weight to tighter regulation, increased R and D, and stronger economic incentives to reduce carbon emissions. Keep in mind, however, that President Obama was fully behind such efforts, but in a deeply polarized America was unable to implement measures needed to fulfill the Paris obligations through legislation, and his executive orders to do this were swiftly overturned by Trump. Conclusion It may be tempting to hope that post-Trump, the US can regain its global leadership and exert its considerable power in a liberal direction, but with enough self-awareness of its relative decline to share responsibility with others. This was, I believe, the broad direction of the Obama strategy, evidenced by the JCPOA and the Trans-Pacific Partnership: liberal, collective solutions to global problems, as US dominance receded. This would constitute an optimistic scenario, and it confronts two major problems: can US internal politics support it (can, for example, the country legislate controls on carbon, essential for the global credibility and durability of such commitments); and is the world ready to reengage with American leadership, given the damage to its reputation and the structural forces discussed in this chapter? My educated guess is no, on both counts. The rot within is extensive, the concrete evidence clear in the economic inequality/immobility numbers, the life expectancy numbers, the deep political polarization, between the two major parties, between regions, between cities and rural areas. We are in fact a long way from fitness for global leadership, and the recognition of this by others will accelerate the decline of American influence. The rest of the world is well on its way toward adjusting to post-American hegemony, some by renationalizing their defense, or by cutting deals with adversaries, by building new alliances or by seizing new opportunities for influence in the vacuum left by American retrenchment. The evidence for this will accumulate. Observe the current and emerging Middle East, where all these post-hegemonic strategies are visible.

#### It overcomes traditional barriers to conflict.

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

Economic recovery efforts since the 2008-2009 global financial crisis have mainly depended on unconventional monetary policies. As fears rise of yet another international financial crisis, there are growing concerns about the increased possibility of large-scale military conflict. More worryingly, in the current political landscape, prolonged economic crisis, combined with rising economic inequality, chauvinistic ethno-populism as well as aggressive jingoist rhetoric, including threats, could easily spin out of control and ‘morph’ into military conflict, and worse, world war. Crisis responses limited The 2008-2009 global financial crisis almost ‘bankrupted’ governments and caused systemic collapse. Policymakers managed to pull the world economy from the brink, but soon switched from counter-cyclical fiscal efforts to unconventional monetary measures, primarily ‘quantitative easing’ and very low, if not negative real interest rates. But while these monetary interventions averted realization of the worst fears at the time by turning the US economy around, they did little to address underlying economic weaknesses, largely due to the ascendance of finance in recent decades at the expense of the real economy. Since then, despite promising to do so, policymakers have not seriously pursued, let alone achieved, such needed reforms. Instead, ostensible structural reformers have taken advantage of the crisis to pursue largely irrelevant efforts to further ‘casualize’ labour markets. This lack of structural reform has meant that the unprecedented liquidity central banks injected into economies has not been well allocated to stimulate resurgence of the real economy. From bust to bubble Instead, easy credit raised asset prices to levels even higher than those prevailing before 2008. US house prices are now 8% more than at the peak of the property bubble in 2006, while its price-to-earnings ratio in late 2018 was even higher than in 2008 and in 1929, when the Wall Street Crash precipitated the Great Depression. As monetary tightening checks asset price bubbles, another economic crisis — possibly more severe than the last, as the economy has become less responsive to such blunt monetary interventions — is considered likely. A decade of such unconventional monetary policies, with very low interest rates, has greatly depleted their ability to revive the economy. The implications beyond the economy of such developments and policy responses are already being seen. Prolonged economic distress has worsened public antipathy towards the culturally alien — not only abroad, but also within. Thus, another round of economic stress is deemed likely to foment unrest, conflict, even war as it is blamed on the foreign. International trade shrank by two-thirds within half a decade after the US passed the Smoot-Hawley Tariff Act in 1930, at the start of the Great Depression, ostensibly to protect American workers and farmers from foreign competition! Liberalization’s discontents Rising economic insecurity, inequalities and deprivation are expected to strengthen ethno-populist and jingoistic nationalist sentiments, and increase social tensions and turmoil, especially among the growing precariat and others who feel vulnerable or threatened.Thus, ethno-populist inspired chauvinistic nationalism may exacerbate tensions, leading to conflicts and tensions among countries, as in the 1930s. Opportunistic leaders have been blaming such misfortunes on outsiders and may seek to reverse policies associated with the perceived causes, such as ‘globalist’ economic liberalization. Policies which successfully check such problems may reduce social tensions, as well as the likelihood of social turmoil and conflict, including among countries. However, these may also inadvertently exacerbate problems. The recent spread of anti-globalization sentiment appears correlated to slow, if not negative per capita income growth and increased economic inequality. To be sure, globalization and liberalization are statistically associated with growing economic inequality and rising ethno-populism. Declining real incomes and growing economic insecurity have apparently strengthened ethno-populism and nationalistic chauvinism, threatening economic liberalization itself, both within and among countries. Insecurity, populism, conflict Thomas Piketty has argued that a sudden increase in income inequality is often followed by a great crisis. Although causality is difficult to prove, with wealth and income inequality now at historical highs, this should give cause for concern. Of course, other factors also contribute to or exacerbate civil and international tensions, with some due to policies intended for other purposes. Nevertheless, even if unintended, such developments could inadvertently catalyse future crises and conflicts. Publics often have good reason to be restless, if not angry, but the emotional appeals of ethno-populism and jingoistic nationalism are leading to chauvinistic policy measures which only make things worse. At the international level, despite the world’s unprecedented and still growing interconnectedness, multilateralism is increasingly being eschewed as the US increasingly resorts to unilateral, sovereigntist policies without bothering to even build coalitions with its usual allies. Avoiding Thucydides’ iceberg Thus, protracted economic distress, economic conflicts or another financial crisis could lead to military confrontation by the protagonists, even if unintended. Less than a decade after the Great Depression started, the Second World War had begun as the Axis powers challenged the earlier entrenched colonial powers. They patently ignored Thucydides’ warning, in chronicling the Peloponnesian wars over two millennia before, when the rise of Athens threatened the established dominance of Sparta! Anticipating and addressing such possibilities may well serve to help avoid otherwise imminent disasters by undertaking pre-emptive collective action, as difficult as that may be.

### FTC---1AC

#### Advantage 2 is the FTC---

#### FTC promised labor protection---they’ll lose now without congressional action.

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

US president Joe Biden is poised to promote two of the country’s most prominent anti-monopoly crusaders to top jobs in his administration. The moves signal that Biden is serious about cracking down on dominant companies that include Facebook, Google, Amazon, and Apple. But for the president’s trustbusting champions to make a real impact, they’ll need support from Congress. Biden appointed Columbia law professor Tim Wu to the National Economic Council (NEC) as his top advisor on technology and competition on March 5. Politico reports that Biden will soon follow up by nominating Lina Khan, also a Columbia law professor, to the Federal Trade Commission (FTC). (Before she can take her seat as one of the antitrust agency’s five commissioners, Khan must be confirmed by the Senate.) Khan and Wu are two of the leading voices in a new movement of legal thought that argues the US should fundamentally overhaul the way it approaches antitrust. The crux of their argument is that courts should broaden the values they consider when deciding whether to block a merger or break up a dominant company. Rather than focus narrowly on the impact a company has on consumer prices, they argue that judges should also think about a company’s impact on small businesses, labor rights, and the health of democracy. Khan and Wu have already secured a win for their cause just by being appointed—essentially a White House stamp of approval on their viewpoints. But despite much handwringing from industry groups, neither appointee will be able to single-handedly remake American antitrust in their image. How the FTC can tackle antitrust To be sure, Wu can advocate loudly for his preferred policies from his perch at the NEC, which advises the president on economic policy. And if Khan makes it to the FTC, which is the top US antitrust enforcement agency, she’ll have direct influence over which investigations the agency prioritizes, which lawsuits it brings, and whether its prosecutors will ask judges to impose fines, break up dominant firms, or require them to change their business practices. But there are clear limits to their power. The most the FTC can do is bring more antitrust cases that ask courts for more aggressive remedies, like breakups. That would allow the agency to make a point about what it considers acceptable business behavior. But many of those lawsuits would be bound to lose in front of judges who have grown far more skeptical of antitrust cases over the past four decades and far more conservative over the past four years. A larger caseload would also require Congress to approve more funding for the cash-strapped agency, which is already struggling to pay for its current docket. “The agencies have been asked on many occasions to do a lot with relatively little…but it’s not for free,” says former FTC chair and George Washington University law professor Bill Kovacic. If the FTC wants to pursue more large cases without a bigger budget, “they’ll have to make choices, and those choices will involve backing off of other areas of enforcement.” The FTC could also decide to dust off its rarely used rule-making power and declare certain anticompetitive business practices illegal. But any new rule would almost certainly trigger legal challenges, which would spark a long, expensive court battle in front of judges who aren’t likely to be sympathetic. Kovacic estimates the process could take four or five years—and in the end, judges might just strike the rule down. How Congress can tackle antitrust The best hope for stricter antitrust enforcement lies in Congress. Lawmakers could pass bills, like one recently proposed by Minnesota senator Amy Klobuchar, that would make it easier for enforcement agencies to challenge mergers and acquisitions. They could even go a step further and draft an updated set of antitrust laws, perhaps following the blueprint laid out in last year’s antitrust report from the House of Representatives (which was co-authored by Khan). Armed with new laws clearly banning specific behaviors, prosecutors at the Department of Justice and the FTC would stand a better chance winning cases against well-funded adversaries like Facebook and Google. Those steps wouldn’t hinge on heroics from antitrust hardliners like Khan and Wu. Instead, their success would depend on the whims of Senate centrists like West Virginia’s Joe Manchin, who has lately been flexing his power to derail the chamber’s democratic majority in opposition to left-wing priorities like a $15 minimum wage. Ultimately, Congress should be the body that sets US antitrust policy. It has the clearest authority to ban the bullying business tactics for which Big Tech firms have been criticized. Legislative fixes are likely to be quicker and less vulnerable to court challenges—not to mention more democratic—than changing FTC rules. And it has traditionally been Congress’s prerogative to keep the country’s antitrust policy up to date: Legislators updated the monopoly laws every two decades or so between 1890 and 1950 to respond to new threats. They’ve just neglected that tradition for the past 70 years.

#### That decimates the FTC.

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

But the current FTC leadership seems to have overlooked the agency’s history. As such, it has already promised to produce different policy outcomes and noted that the Section 5 Policy Guidelines were shortsighted. As a result, the current FTC has decided, with the support of the other two Democratic Commissioners, to rescind the Policy Guidelines. It is unknown whether the current FTC will try to adopt different guidelines or whether it will start opening more cases under Section 5 of the FTC Act. Furthermore, it is less clear whether the new FTC leadership currently counts with the sufficient and aligned Neo-Brandeisian human talent to bring solid cases that are not based on the consumer welfare standard or to litigate before judges that support the Neo-Brandeisian vision of antitrust. What seems clear is that the new agency’s leader might find it hard to bring all Commissioners to an agreement with respect to what the agency can do with Section 5 of the FTC Act, and this situation, in and of itself, puts the agency in peril. The FTC’s Rulemaking Authority Another important policy change that may be detrimental to the FTC is its expressed willingness to expand the agency’s rulemaking authority under, e.g., Section 18 of the FTC Act. It is well known that in addition to its authority to investigate law violations by individuals and businesses, the FTC also has federal rulemaking authority to issue industry-wide regulations. However, the agency’s rulemaking authority has been self-limited since the 80s in an effort to ensure the institution doesn’t overuse its capacity to adopt industry-wide regulations and raise concerns with those policy makers that are against the legislature deferring its core mandate to an independent agency that doesn’t represent the people. Traditionally the legislature has the constitutional mandate to create laws affecting different sectors of the economy. Whereas it is legally accepted to design independent agencies with constrained mandates to adopt regulations, such powers are not necessarily understood to construe independent agencies as substitutes for the legislature’s powers. It is a basic tenet of administrative law, that agencies are constrained by the enabling statute that gives them authority to promulgate regulations in the first place. Against this background, it seems risky for the new leadership to engage in broad rulemaking endeavors that might raise concerns from an institution legitimacy perspective. In the long term, it is predictable that many policymakers might not be supportive of an agency that implements its rulemaking authority in its broadest sense. As a result, some degree of political backlash against the agency might not help the agency’s lifecycle, especially if the agency is not granted with specific legislative guidance in the form of new legislation. The Future of the FTC One of the most challenging matters to tackle when it comes to leadership of antitrust authorities, or administrative agency for that matter, is legacy and the impact for the future of the agency. To put it simply, while antitrust leaders leave agencies, the side effects of leadership’s successes and failures condition the future of the agencies. Their leadership has consequences and sets precedent which will bind the agency well into the future. Under the current political context, it would not be surprising if the current Neo-Brandeisian FTC enjoyed political support and success with its decision to bring big cases, especially against leading tech companies. In the short term, if the FTC makes headlines for opening cases against “Big Tech”, policymakers pushing for antitrust reforms will surely applaud the new changes as they would reflect a commitment to enhanced enforcement outcomes notwithstanding the strength of the cases. However, in the mid-and long-term, if the FTC loses the big cases, the commitment to policy outcomes won’t be met. And then, it is unlikely that the question would be whether the antitrust norms are fit for today’s economy, but rather if the agency is capable of executing its mandate effectively. The recent decision in the FTC v. Facebook case is a good example of this paradigm, where the Judge expressed that the FTC had not carried out a sufficiently robust analysis supported by evidence, and therefore dismissed the case. Eventually, the agency’s short-term reputational gains could quickly turn into a debacle for the institution itself with the caveat that by then, most probably, Neo-Brandeisian leadership will be long gone. Unfortunately then, the U.S. antitrust system — which is the only one to keep two federal antitrust agencies, bringing about positive outcomes for consumers — might be at risk. Political support to merge these two institutions could gain even more support, as has happened in the past, to the detriment of consumers.

#### Trust solves scams.

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

10. Trust the FTC. This final step informs all the others. There can be no doubt that there is more work to do protecting consumers than the FTC currently has the tools or resources to accomplish. There is also no doubt that the FTC has been trammeled in ways that its sister agencies, federal and state, have not. Whatever the reason, it is high time to retire the “zombie ideas” about the FTC – that the Commission is unnecessary, or overreaching, or heavy-handed, or inefficient.23 It is time, as one commissioner stated in Senate testimony last week, to “turn the page on the FTC’s perceived powerlessness.”24 For an American public eager for greater – not lesser – protection from increasingly sophisticated scam artists, deceptive advertisers, and privacy violating tech companies, building an effective FTC is an easy decision. It can and should be for this committee as well. IV. Conclusion This subcommittee meets at a remarkable historical moment, when the COVID-19 pandemic has revealed the profound need for a robust Federal Trade Commission just days after the Supreme Court made action by Congress an absolute necessity. This is a perilous time, with the chief protector of American consumers rendered nearly powerless just when those consumers are experiencing a heightened threat resulting from a once-in-a-century pandemic. The Consumer Protection and Recovery Act provides a critical first step toward restoring authority and effectiveness to the nation’s leading consumer protection agency. Swift action to restore the FTC’s traditional 13(b) authority means that when constituents contact your office, and tell your staff that they have lost their life’s savings to a work-at-home scam, or their identity has been stolen and someone has opened accounts in their name, or they just spent their stimulus payment on a supposed cure for COVID for their grandmother who’s on a respirator – there will still be an agency to refer them to. No one wants that staffer to have to add: “Well, we could send you to the FTC, but they don’t actually have the power to get you your money back.” Inaction or delay will mean no recovery for millions of wronged American consumers. The time to pass the Consumer Protection and Recovery Act is now.

#### Scamming causes extinction.

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

Beginning in the spring of 2018, scammers began to impersonate noted cryptocurrency enthusiast Elon Musk. They would use his profile photo, select a user name similar to his, and tweet out an offer that was effective despite being too good to be true: send him a little cryptocurrency, and he’ll send you a lot back. Sometimes the scammer would reply to a connected, verified account — Musk-owned SpaceX, for example — giving it additional legitimacy. Scammers would also amplify the fake tweet via bot networks, for the same purpose. The events of 2018 showed us three things. One, at least some people fell for the scam, every single time — certainly enough to incentivize further attempts. Two, Twitter was slow to respond to the threat, which persisted well beyond the company’s initial comments that it was taking the issue seriously. And three, the demand from scammers coupled with Twitter’s initial measures to fight back set up a cat-and-mouse game that incentivized bad actors to take more drastic measures to wreak havoc. That brings us to today. The story picks up with Nick Statt in The Verge: The Twitter accounts of major companies and individuals have been compromised in one of the most widespread and confounding hacks the platform has ever seen, all in service of promoting a bitcoin scam that appears to be earning its creator quite a bit of money. We don’t know how it’s happened or even to what extent Twitter’s own systems may have been compromised. The hack appears to have subsided, but new scam tweets were posting to verified accounts on a regular basis starting shortly after 4PM ET and lasting more than two hours. Twitter acknowledged the situation after more than an hour of silence, writing on its support account at 5:45PM ET, “We are aware of a security incident impacting accounts on Twitter. We are investigating and taking steps to fix it. We will update everyone shortly.” Among the hacked accounts were President Barack Obama, Joe Biden, Amazon CEO Jeff Bezos, Bill Gates, the Apple and Uber corporate accounts, and pop star Kanye West. But they came later. The first prominent individual account to be compromised? Elon Musk, of course. Within the first hours of the attack, people were duped into sending more than $118,000 to the hackers. It also seems possible that a great number of sensitive direct messages could have been accessed by the attackers. Of even greater concern, though, is the speed and scale at which the attack unfolded — and the national security concerns it raises, which are profound. The first and most obvious question is, of course, who did this and how? And at press time, we don’t know. At Vice, Joseph Cox, one of the best security reporters I know, reported that members of the underground hacking community are sharing screenshots suggesting someone gained access to an internal Twitter tool used for account management. Cox writes: Two sources close to or inside the underground hacking community provided Motherboard with screenshots of an internal panel they claim is used by Twitter workers to interact with user accounts. One source said the Twitter panel was also used to change ownership of some so-called OG accounts—accounts that have a handle consisting of only one or two characters—as well as facilitating the tweeting of the cryptocurrency scams from the high profile accounts. Twitter has been deleting screenshots of the panel and has suspended users who have tweeted the screenshots, claiming that the tweets violate its rules. To speculate much further would be irresponsible, but Cox’s reporting suggests that this is not a garden-variety hack in which a bunch of people reused their passwords, or a hacker used social engineering to convince AT&T to swap a SIM card. One possibility is that hackers accessed internal Twitter tools; another that Cox raises is that a Twitter employee was involved in the incident — which, if true, would make this the second inside job revealed at Twitter this year. In any case, Twitter’s response to the incident offered further cause for distress. The company’s initial tweet on the subject said almost nothing, and two hours later it had followed only to say what many users were forced to discover for themselves: that Twitter had disabled the ability of many verified users to tweet or reset their passwords while it worked to resolve the hack’s underlying cause. The near-silencing of politicians, celebrities, and the national press corps led to much merriment on the service — see this, along with Those good tweets below, for some fun — but the move had other, darker implications. Twitter is, for better and worse, one of the world’s most important communications systems, and among its users are accounts linked to emergency medical services. The National Weather Service in Lincoln, IL, for example, had just tweeted a tornado warning before suddenly going dark. To the extent that anyone was relying on that account for further information about those tornadoes, they were out of luck. Of course, Twitter’s move to stop verified accounts from tweeting represents a difficult balancing on equities. You would probably rather the National Weather Service not tweet than a hacker sell the account to a bad actor who logs in and falsely suggests that tornadoes are sweeping through every city in America. But the ham-fisted approach to resolving the issue — banning a huge portion of 359,000 verified accounts — reflects the staggering scale of the breach. This is as close to pulling the plug on Twitter as Twitter itself has ever come. And that makes you wonder what contingencies the company has put into place in the event that it is someday taken over not by greedy Bitcoin con artists, but state-level actors or psychopaths. After today it is no longer unthinkable, if it ever truly was, that someone take over the account of a world leader and attempt to start a nuclear war. (A report on that subject from King’s College London came out just last week.) It is in such a world that I find myself in the unusual position of agreeing with Sen. Josh Hawley, the Missouri Republican who among other things wants to end content moderation. He wrote a letter to Twitter CEO Jack Dorsey, and I found myself agreeing with all of it: “I am concerned that this event may represent not merely a coordinated set of separate hacking incidents but rather a successful attack on the security of Twitter itself. As you know, millions of your users rely on your service not just to tweet publicly but also to communicate privately through your direct message service. A successful attack on your system’s servers represents a threat to all of your users’ privacy and data security.” And yet even Hawley doesn’t go far enough. The threat here is not simply user privacy and data security, though those threats are real and substantial. It is about the striking potential of Twitter to incite real-world chaos through impersonation and fraud. As of today, that potential has been realized. And I can only worry about how, with a presidential election now less than four months away, it might be realized further. Twitter will likely spend the next several days investigating how this incident took place. A criminal investigation seems likely, during which the company may not be able to fully describe Wednesday’s events to our satisfaction. But it is vital that as soon as possible, Twitter share as much about what happened today as it can — and, just as importantly, what it will do to ensure that it never happens again. After Wednesday’s catastrophe, it hardly seems like hyperbole to suggest that our world could hang in the balance.

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

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Despite these limitations, the FTC has a formidable reputation as an enforcement authority, and commercial entities, and their lawyers, pay close attention to its orders and decisions.248 For example, when the FTC issues a complaint, it is published on the FTC’s website, which often generates significant attention in the privacy community.249 One reason for this is the fear firms have of the FTC’s auditing process, which not only is “exhaustive and demanding,” but can last for as long as 20 years.250 As such, the FTC settles most of the enforcement actions it initiates.251 Firms are motivated to settle with the FTC because they can avoid having to admit any wrongdoing in exchange for taking remedial measures, and thus they also avoid the costs to their reputation from apologizing.252 Though done by necessity, the rule-making process the FTC engages in with its consent orders and settlement agreements can be of benefit when regulating emerging technologies. 253 For one, it allows the flexibility needed to adapt to new and rapidly changing situations.254 Further, the FTC can wait and see if an industry consensus develops around a particular standard before codifying that rule through its enforcement actions.255 As with the common law, which has long demonstrated the ability to adjust to technological changes iteratively, the FTC’s incremental case-bycase approach can help minimize the risks of producing incorrect or inappropriate regulatory policy outcomes.256 In addition to its use of consent orders and settlement agreements, the FTC has created a type of “soft law” by issuing guidelines, press releases, workshops, and white papers.257 Unlike in enforcement actions, where the FTC looks at a company’s conduct and sees how its behavior compares to industry standards, the FTC arrives at the best practices it develops for guidance purposes through a “deep and ongoing engagement with all stakeholders.”258 As such, not only is the FTC’s authority broad enough to regulate the use of emerging technologies such as AI in commerce, but the FTC’s enforcement actions also constitute a body of jurisprudence the FTC can rely on to address the real and potential harms that stem from the deployment of consumeroriented AI.259 Given its broad grant of authority, the regulatory tools at its disposal, and its experience dealing with emerging technologies, the FTC is currently in the best position to take the lead in regulating AI. The FTC’s leadership is sorely needed to fill in the remaining – and quite large – gaps in those few sectoral laws that specifically address AI and algorithmic decision-making.260 Several factors make the FTC the ideal agency for this role. First, the FTC can use its broad Section 5 powers to respond rapidly and nimbly to the types of unanticipated regulatory issues AI is likely to create.261 Second, the FTC has an established history of approaching emerging technologies with “a light regulatory touch” during their beginning stages, waiting to increase its regulatory efforts only once the technology has become more established.262 This approach provides the innovative space needed for new technologies such as AI to develop to their full potential. Thus, as it has in the past, the FTC would focus on disclosure requirements rather than conduct prohibition, and take a case-by-case approach rather than rely on rulemaking.263 Also, as it has traditionally done, the FTC can hold public events on consumer-related AI and issue reports and white papers to guide industry.264 In other words, the FTC has long taken a co-regulatory approach to regulation, which it can and should proceed to do with AI. As in other emerging technology areas, this will help industry continue to grow and innovate, while allowing for the calibration among all relevant stakeholders of the “appropriate expectations” concerning the use and deployment of AI decision-making systems.265 At the same time, the FTC should use its regulatory powers to nudge, and when necessary, push companies to refrain from engaging in unfair and deceptive trade practices in the design and deployment of AI systems.266 The FTC should also place the onus on firms that design and implement those systems to ensure misplaced or unrealistic consumer expectations about AI are corrected.267 By nudging (or pushing) firms in this way, the FTC can “gradually impose a set of sticky default practices that companies can only deviate from if they very explicitly notify consumers.”268 In terms of disclosure requirements, as it has done in other contexts, the FTC can develop rules and guidelines for “when and how a company must disclose information to avoid deception and protect a consumer from harm,” which can include requiring firms to adopt the equivalent of a privacy policy. 269 Given the black box like nature of most algorithmic decision-making processes, there is much that AI developers might have to disclose to prevent those processes from being deemed unfair or deceptive.270 In addition, given its broad authority under Section 5, the FTC is able to address small, nuanced changes in AI design that could adversely affect consumers, but that other areas of law, such as tort, may not be able to adequately handle.271 Again, this is important because AI and algorithmic decision-making can pose profound and systemic risks of harm, even though the actual harm to individual consumers may be small or hard to quantify. And as it has done in the area of privacy, the FTC can become the de facto federal agency authority charged with protecting consumers from harms caused by AI systems and other algorithmic decisionmaking processes.272 The FTC also can, and should, seek to work with other agencies to address AI-related harms, given that the regulatory efforts of other agencies will still occur and be needed in specific sectors or industries, which would impact and be relevant to the FTC’s efforts as well.273 Agency cooperation is essential to ensuring regulatory consistency, accuracy, and efficiency in the type of complex, varied technological landscape that AI presents.274 This should not be a problem as the FTC’s Section 5 authority overlaps regularly with the authority of other agencies, and the FTC itself has a history of cooperating with those agencies.275 Further, the FTC can use its experience working with other agencies to build standards and policy consensus within the regulatory community and among stakeholders. 276 The overarching role the FTC has played in protecting consumer privacy within the United States also has given it legitimacy within the wider privacy community. The FTC has been pivotal over time in promoting international confidence in the United States’ ability to regulate privacy by for example acting as the essential mechanism for enforcing the Safe Harbor Agreement with the European Union.277 As it takes on a similar overarching regulatory role for AI and algorithmic decision-making processes in this country, the FTC should gain a similar level of legitimacy internationally. This is important given the increasingly cross border nature of AI research and development.

#### Unregulated emerging tech cause extinction.

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The risks from anthropogenic hazards appear at present larger than those from natural ones. Although great progress has been made in reducing the number of nuclear weapons in the world, humanity is still threatened by the possibility of a global thermonuclear war and a resulting nuclear winter. We may face even greater risks from emerging technologies. Advances in synthetic biology might make it possible to engineer pathogens capable of extinction-level pandemics. The knowledge, equipment, and materials needed to engineer pathogens are more accessible than those needed to build nuclear weapons. And unlike other weapons, pathogens are self-replicating, allowing a small arsenal to become exponentially destructive. Pathogens have been implicated in the extinctions of many wild species. Although most pandemics “fade out” by reducing the density of susceptible populations, pathogens with wide host ranges in multiple species can reach even isolated individuals. The intentional or unintentional release of engineered pathogens with high transmissibility, latency, and lethality might be capable of causing human extinction. While such an event seems unlikely today, the likelihood may increase as biotechnologies continue to improve at a rate rivaling Moore’s Law. Farther out in time are technologies that remain theoretical but might be developed this century. Molecular nanotechnology could allow the creation of self-replicating machines capable of destroying the ecosystem. And advances in neuroscience and computation might enable improvements in cognition that accelerate the invention of new weapons. A survey at the Oxford conference found that concerns about human extinction were dominated by fears that new technologies would be misused. These emerging threats are especially challenging as they could become dangerous more quickly than past technologies, outpacing society’s ability to control them. As H.G. Wells noted, “Human history becomes more and more a race between education and catastrophe.” Such remote risks may seem academic in a world plagued by immediate problems, such as global poverty, HIV, and climate change. But as intimidating as these problems are, they do not threaten human existence. In discussing the risk of nuclear winter, Carl Sagan emphasized the astronomical toll of human extinction: A nuclear war imperils all of our descendants, for as long as there will be humans. Even if the population remains static, with an average lifetime of the order of 100 years, over a typical time period for the biological evolution of a successful species (roughly ten million years), we are talking about some 500 trillion people yet to come. By this criterion, the stakes are one million times greater for extinction than for the more modest nuclear wars that kill “only” hundreds of millions of people. There are many other possible measures of the potential loss–including culture and science, the evolutionary history of the planet, and the significance of the lives of all of our ancestors who contributed to the future of their descendants. Extinction is the undoing of the human enterprise. There is a discontinuity between risks that threaten 10 percent or even 99 percent of humanity and those that threaten 100 percent. For disasters killing less than all humanity, there is a good chance that the species could recover. If we value future human generations, then reducing extinction risks should dominate our considerations. Fortunately, most measures to reduce these risks also improve global security against a range of lesser catastrophes, and thus deserve support regardless of how much one worries about extinction. These measures include:

#### Khan is constrained by the existing body of antitrust law---only the plan solves.

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

### Plan---1AC

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

### Solvency---1AC

#### Contention 3 is Solvency.

#### Replacing consumer welfare with worker considerations lets labor win---alternatives legalize exploitation and ban collective bargaining.

Firat Cengiz, School of Law and Social Justice at the University of Liverpool, 20. School of Law and Social Justice, University of Liverpool. "The conflict between market competition and worker solidarity: moving from consumer to a citizen welfare standard in competition law". Cambridge Core. 10-8-2020. https://www.cambridge.org/core/journals/legal-studies/article/conflict-between-market-competition-and-worker-solidarity-moving-from-consumer-to-a-citizen-welfare-standard-in-competition-law/6E783D1FC4BAB5605DFABCD17FBE3F35

Introduction

This paper offers a critical investigation of the law and economics of competition law enforcement in conflicts between workers and employers in the European Union (hereinafter EU) and the US. In such cases competition law comes into direct conflict with the principle of worker solidarity: according to the principle of market competition individuals are expected to take independent economic decisions and actions, whereas workers need to take collective economic actions and decisions to protect their interests. This conflict is particularly obvious in the context of the so-called gig economy,1 in which employers keep casualised workers at legal arms’ length to reduce labour and regulatory costs.2 If gig workers take collective action against their working conditions, they might face attack from competition law, because legally they might be considered independent service providers, rather than workers.3 The legal conundrum facing gig workers has become an increasingly popular subject in the law and economics literature.4 Nevertheless, the more fundamental question of how the enforcement of competition rules affects the overall position of workers beyond the limited case of the gig economy remains largely unexplored. This paper aims to investigate this broader and more fundamental question. In order to provide a sufficiently global answer, the paper focuses on the legal positions of the EU and US, as the leading competition law jurisdictions and primary competition policy exporters.5 The EU–US comparison shows that despite the slightly different legal tests applied in these polities, competition rules constitute nearly equally disciplining mechanisms against collective worker action on either side of the Atlantic. This paper also makes an original contribution to the emerging debate on whether and how competition law can contribute to wealth equality between citizens in the post-2008 crisis economy. The existing debate on the competition law–equality relationship takes the ‘consumer welfare’ standard as its main reference point: it focuses exclusively on the distribution of wealth between consumers and producers; as a result, it overlooks the production process that takes place before consumers meet products and services, and the position of workers within it.6 This is a natural result of competition law's reliance on a limited area of neoclassical economics called ‘equilibrium economics’ that understands efficiency exclusively as a market mechanism in which the price manifests itself where supply meets demand.7 Departing from the mainstream competition law and economics methodology, this paper builds its investigation on a holistic theoretical foundation, looking beyond equilibrium economics at labour exploitation theory as established in neoclassical as well as Marxian models. This analysis shows that despite standing at opposing ends of the political spectrum and whilst having some fundamental differences, Marxist and neoclassical models agree that collective worker action is economically beneficial and socially necessary. As a result, a critical analysis of the current legal situation on both sides of the Atlantic in light of this holistic framework illustrates how competition law's hostility towards collective worker action is not only unjust but also economically unsound. This paper demonstrates that the key problem in competition law's treatment of labour stems from the application of the consumer welfare standard in cases involving the competition–solidarity conflict without paying any attention to the idiosyncratic qualities of labour that render it naturally open to exploitation. Similarly, the consumer welfare standard overlooks the fact that consumers and workers are essentially the same group of people and one's welfare cannot be increased or decreased without affecting the other's.8 Even if worker exploitation could result in reduced labour costs and decreased prices, this cannot be deemed efficient as it reduces the workers’ welfare and results in broader negative socio-economic effects. Similarly, collective worker action resulting in higher labour costs and potentially higher prices cannot automatically be deemed inefficient, because although this might increase the prices consumers pay, they benefit from higher wages and better working conditions in their position as workers. As a result of this critical analysis, the paper proposes an original and more inclusive ‘citizen welfare’ standard that takes into account the economic effects of anti-competitive behaviour on workers as well as consumers. The citizen welfare standard could also potentially be applied in other contexts to solve long-standing conflicts between competition and other policy objectives, such as industrial, environmental and social policy objectives,9 although this paper primarily focuses on the application of citizen welfare to the competition–solidarity conflict. The structure of the paper is as follows: the next section provides an opening discussion of competition law, consumer welfare and equality. This is followed by a discussion of the economic theory of labour exploitation. Then, the paper investigates how competition law approaches the competition–solidarity conflict in the EU and the US. The fourth section critically discusses the EU and US legal positions in light of economic theory. This section also develops the citizen welfare approach as an alternative to consumer welfare for the resolution of the competition–solidarity conflict. This is finally followed with conclusions. Regarding terminology, this paper uses the term ‘worker’ (rather than employee) as a non-legal, generic term encompassing all individuals who make a living by providing labour power as a production factor in the production process of goods and services. Similarly, the term ‘labour’ is used to refer to the contribution of the workers to the production process as an abstract human factor. However, if the courts or authorities in question use a different term (such as employee) in a specific case, the paper uses the same term in the discussion of that specific case.

#### Worker welfare can easily be assessed.

Eugene K. Kim, JD Yale, 20. J.D. 2020; Yale College, B.A. 2016. “Labor’s Antitrust Problem: A Case for Worker Welfare” The Yale Law Journal. 2020. https://www.yalelawjournal.org/pdf/130.2Kim\_q1s8bt8t.pdf

Just as consumer welfare can be measured through economic factors like price, output, quality, and innovation, **courts and economic experts can assess worker welfare through a set of analogous factors:** wages and benefits, hours, working conditions,65 and training. One major tension between these two standards is that workers benefit from higher wages while consumers benefit from lower prices, but these factors capture **similar characteristics of equilibria in both markets**.66 Wages and hours are the labor-market analogs of price and quantity, and benefits can be considered along with wages as a type of compensation. **Working conditions reflect heterogeneity within a single type of employment**, just as quality reflects heterogeneity within a single type of product. And training reflects how labor markets can be dynamic, just as innovation reflects how product markets can be dynamic: that is, labor productivity can improve over time, just as firm productivity can improve over time. As in product-market analysis, courts and economic experts can assess how a contested activity (e.g., a merger) **affects these factors and estimate the net effect on worker welfare.** A worker welfare standard would be similar to a consumer welfare standard in that much of its application would fall on economic experts, whose work would be assessed and weighed by courts. Of course, some cases will be clearer and may be amenable to per se analysis, like an agreement between firms to fix wages. But, as in product markets, other cases will be subtle, and economics will have a role to play. **Just as economic models are used to forecast** the effects of certain market events on price and quantity, and aggregate those effects to estimate net effects on consumer welfare,67 economics will also be instrumental in forecasting the effects of market events on wages and hours, and aggregating those effects to estimate net effects on worker welfare. Antitrust analysis is highly technical in the status quo,68 and **a worker welfare standard would not be any different in its reliance on economics**. The main difference is that a worker welfare standard **focuses attention on the interests of workers, who are often neglected** despite their vulnerability to rent-extractive firm behavior, and recognizes that advancing the interests of workers may **require more than advancing the interests of consumers.**

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

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

Anticompetitive behavior. Plaintiffs would be able to base their case on any of the following anticompetitive acts: mergers in highly concentrated markets; use of noncompete and related clauses; restrictions on employees’ freedom to disclose wage and benefit information; unfair labor practices under the National Labor Relations Act;38 misclassification of employees as independent contractors; no-poaching, wage-fixing, and related agreements that are also presumptively illegal under Section 1; and prohibitions on class actions. Of course, current law gives employees the theoretical right to allege these types of anticompetitive behavior, but the cases show a pattern of judicial skepticism, as noted earlier. Codification would help employees by compelling courts to take these claims seriously. Employers would be allowed to rebut a prima facie case of anticompetitive behavior by showing that the act in question would likely lead to an increase in wages. This reform would strengthen and extend Section 2 actions against labor monopsonists by standardizing a list of anticompetitive acts. While not all of these acts are invariably anticompetitive, the employer would be able to defend itself by citing a business justification. For example, a noncompete could be justified because it protects an employer’s investment in training. If so, an employer could avoid antitrust liability by showing that its use of noncompetes benefits workers, who obtain higher wages as a result of their training.39 These reforms would strengthen Section 2 claims against labor monopsonies but would also preserve the doctrinal structure of Section 2. They would not generate significant legal uncertainty or require a revision in the way that we think about antitrust law.

#### Alternative remedies don’t solve deterrence.

Samuel Weinstein, Professor at Yeshiva University, 19. Assistant Professor of Law, Benjamin N. Cardozo School of Law, Yeshiva University. “Article: Financial Regulation in the (Receding) Shadow of Antitrust.” *Temple Law Review* (91): 487-491.

Even when sector regulators prioritize protecting competition, many lack the expertise and institutional mechanisms to do so effectively. Regulatory agencies might not employ investigatory and adjudicatory procedures sufficient to root out anticompetitive conduct. While courts must in many cases allow for exhaustive discovery, the same cannot be said for most agency proceedings. As a result, even those sector regulators that value protecting competition may not have the institutional systems necessary to follow through effectively. The relative weakness of remedies typically available to regulatory agencies compounds these problems. Most agencies do not have access to remedies as stringent as an antitrust court's power to assign treble damages under the Sherman Act or to permanently enjoin anticompetitive conduct. The administrative record in Trinko showed that Verizon admitted it had violated its open-access commitments and voluntarily paid $ 3 million to the FCC and $ 10 [\*488] million to competitive local exchange carriers. While the Trinko opinion relied on these sanctions in part for its conclusion that the FCC's regulatory regime had fulfilled the antitrust function, the FCC Chairman subsequently told Congress that the Commission's maximum fine authority was in many instances "insufficient to punish and deter violations" that incumbent local exchange carriers like Verizon had committed with the aim of "slow[ing] the development of local competition." Among other measures, Chairman Powell recommended increasing the FCC's forfeiture authority against common carriers for single continuing violations of the Telecommunications Act from $ 1.2 million to "at least $ 10 million." Agency capture is another explanation for regulators' relative weakness as competition enforcers. The literature on capture is well developed. There is a general scholarly consensus that the political nature of top agency jobs and the revolving door between agencies and the industries they oversee make sector regulators much more susceptible to industry pressure than antitrust courts. Studies have shown that capture may be a particular problem at the financial regulatory agencies. There is a steady flow of lawyers between the SEC and CFTC, on the one hand, and Wall Street firms and the law firms and lobbyists [\*489] that represent them on the other, which appears to affect outcomes of agency proceedings in some cases. Objective measures of the relative competition-enforcement abilities of the antitrust agencies versus the sector regulators tend to confirm the supposition that sector regulators generally cannot be relied on to fulfill the antitrust function in regulated markets. The expert staffs of the antitrust agencies are far larger and more experienced than the competition staffs, if any, at the sector regulators. In recent years, the Antitrust Division typically has had between 340 and 400 attorneys and approximately 50 economists dedicated to competition enforcement, while the FTC's Bureau of Competition has had around 300 attorneys and support staff and approximately 50 antitrust economists. Some regulatory agencies, like the FCC, Federal Deposit Insurance Corporation (FDIC), and the Federal Reserve, have dedicated competition staff with specific expertise. The FCC has a Wireline Competition Bureau, which includes a Competition Policy Division. The FDIC, Federal Reserve, and the Office of the Comptroller of the Currency have staff dedicated to reviewing proposed bank mergers. Even at these agencies, however, the competition staff is smaller and more narrowly focused than the staffs of the Antitrust Division and FTC. [\*490] The comparison with the SEC and CFTC is starker. Neither agency has a dedicated competition division or group. And neither agency established such a body post-Credit Suisse, when it appeared the SEC and CFTC would have increased responsibility for competition matters, or in the wake of Dodd-Frank, which required the agencies to monitor and protect competition in the derivatives markets. This paucity of personnel resources is perhaps predictable given these agencies' bureaucratic cultures. Considering this lack of experienced competition staff, it is unsurprising that the SEC and CFTC bring very few independent competition-related enforcement actions. While these agencies have collaborated with the [\*491] Department of Justice and other enforcement agencies on significant competition investigations, there is little evidence that they would bring such cases on their own. It seems clear that the financial services agencies are either unwilling or unable to "perform the antitrust function" as envisioned by the Supreme Court's case law balancing antitrust and regulation. This conclusion is troubling. It means that when courts apply Credit Suisse or Trinko to shift the responsibility for policing competition away from the expert antitrust agencies to regulatory bodies that are unprepared for the task, they are leaving some regulated markets, especially the financial markets, vulnerable to anticompetitive conduct.

#### Only the plan can adapt to market conditions.

Howard Shelanski, Professor at Georgetown, 21. Professor of Law, Georgetown University; Partner, Davis Polk & Wardwell LLP. “Antitrust and Deregulation.” *Yale Law Journal* (127): 1951-1953. <https://www.yalelawjournal.org/pdf/Shelanski_kcn6n4k3.pdf>.

A longstanding debate examines the comparative advantages of antitrust and regulation. The late Cornell economist Alfred Kahn, the architect of airline deregulation in the Carter Administration, wrote that “society’s choices are always between or among imperfect systems, but that, wherever it seems likely to be effective, even very imperfect competition is preferable to regulation.”117 Kahn does not address antitrust in that quotation, but it suggests that he would find antitrust law’s more targeted, case-by-case approach to governing competition to be preferable to regulation. Indeed, Kahn elsewhere wrote, while expressing his “belief in vigorous enforcement of the antitrust laws,” that “the antitrust laws are not just another form of regulation but an alternative to it—indeed, its very opposite.”118 Then-Judge Stephen Breyer has similarly stated that “antitrust is not another form of regulation. Antitrust is an alternative to regulation and, where feasible, a better alternative.”119 The comparisons that Breyer and Kahn made were, in context, mostly between antitrust and rate regulation, where the agency was trying to protect consumers from monopoly pricing.120 But some of these criticisms, including “high cost; ineffectiveness and waste; procedural unfairness, complexity, and delay; unresponsiveness to democratic control; and the inherent unpredictability of the end result,” apply to most kinds of regulation.121 Regulation might well be worthwhile despite those potential drawbacks, but certain attributes—ex post and case-by-case enforcement, judicial oversight with the government bearing the burden of proof—make antitrust enforcement less vulnerable to those critiques. Regulation can also be comparatively slow to adapt to new market conditions, and that delay can affect an entire regulated industry.122 Antitrust authorities also might fail to foresee relevant market changes, but their actions typically affect only one discrete case and they generally have flexibility, as conditions change, to modify relevant consent decrees and decline to pursue similar investigations or sanctions.123 It is harder for government agencies to make changes to established regulatory programs,124 making regulation more likely than antitrust to outlast the problems it was implemented to solve. Regulation’s delayed adaptation to changing conditions can be costly,125 especially as markets transition to more competitive structures.126 As Michael Boudin, a former DOJ antitrust official (and later federal judge) put it, “regulation almost always will be very difficult to dislodge, even if it proves mistaken. Almost any regulatory regime will develop a constituency, armed with congressmen and self-interested bureaucrats . . . [and] become[] the foundation on which private arrangements are constructed, arrangements that cannot easily be discarded.”127

#### The plan creates a flexible standard that overcomes new challenges faced by workers.

Alden Abbott, Research Fellow at Mercatus Center, 21. Senior Research Fellow at the Mercatus Center at George Mason University. “FTC Competition Regulation: A Cost-Benefit Appraisal.” 6/28/2021. https://www.mercatus.org/publications/antitrust-and-competition/ftc-competition-regulation-cost-benefit-appraisal

Competition rules, however, inherently would be overbroad and would suffer from a very high rate of false positives. By characterizing certain practices as inherently anticompetitive without allowing for consideration of case-specific facts bearing on actual competitive effects, findings of rule violations inevitably would condemn some (perhaps many) efficient arrangements. Furthermore, because rules by their nature are fixed in stone (at least until they are amended or repealed), they “frequently fail to account for market dynamic, new sources of competition, and consumer preferences.” Thus, they lack case law adjudication’s feature of analytic improvement (reflected in periodically updated federal antitrust guidelines) based on changing market conditions and improved economic analysis.

In sum, competition rules are a far more blunt and inflexible tool than adjudication and, as such, are less conducive to welfare-enhancing competition policy outcomes.

#### State action gets struck down.

Moshe Marvit, Attorney, 17. attorney and fellow at the Century Foundation, and co-author with Richard D. Kahlenberg of Why Labor Organizing Should Be a Civil Right: Rebuilding a Middle-Class Democracy by Enhancing Worker Voice. “The Way Forward for Labor Is Through the States.” The American Prospect. 9/1/2017. <https://prospect.org/labor/way-forward-labor-states/>

While reforms to federal law have been blocked by Congress, states and cities have faced a different hurdle: the courts. Starting in 1959, **the Supreme Court has written into the National Labor Relations Act (NLRA) a continually expanding preemption doctrine that prevents states and cities from passing laws that touch upon anything related to labor**, involve the interpretation of a collective bargaining agreement, or even involve issues that the courts believe Congress intended to leave to the free play of market forces. Congress can, and often does, expressly preempt states from passing laws that fall within a defined scope. Neither the NLRA nor its extensive legislative history, however, contains any mention of preemption: Congress did not expressly preempt states from acting. **In instances where Congress has not expressly preempted states from acting, state laws that actually conflict with federal laws are still preempted**. However, neither the NLRA nor its legislative history show any consensus that Congress meant to push states and cities from making laws that advanced, and do not conflict with, the pro-collective-bargaining policies of the NLRA. And yet, as Harvard Law Professor Ben Sachs has pointed out, the Supreme Court has not employed the typical typologies of preemption at all when dealing with labor law. Rather, it has created a preemption doctrine [that] is among the broadest and most robust in federal law. In most other areas of worker protection, from minimum wage to antidiscrimination laws, the federal government has set the floor under which states and cities may not go, but they can and often do raise the ceiling by increasing state or local minimum wage or including additional protected categories such as sexual orientation to existing protections. Indeed, the evolution of many of the nation's employment and civil rights protections began at the state level and trickled up to the federal government. It is only in the area of workers' labor rights that states and cities are powerless to act and that, solely as the result of judicial decisions. The Supreme Court's preemption doctrine started with the 1959 case, San Diego Building Trades v. Garmon, where the employer got a state court injunction against the union for picketing. The Supreme Court should have held that the picketing that the union was engaged in was a protected right under federal labor law, and therefore the state could not pass a law that conflicts with that right. Instead, the Court went further and held that Congress gave the National Labor Relations Board primary agency jurisdiction, and so when something is arguably protected or prohibited by the NLRA, then only the Board can act. Furthermore, only the Board can answer the initial question of whether conduct is arguably under the Board’s jurisdiction. The Supreme Court then doubled down on its preemption doctrine in the 1976 case, Machinists v. Wisconsin Employment Relations Commission. In the Machinist case, an employer brought an unfair labor practice charge against union workers who engaged in concerted refusal to work overtime during contract negotiations. The NLRB dismissed the charge because it held that the work refusal was not prohibited under the NLRA, so the employer brought a state court action against the union. In response, the Supreme Court expanded its earlier Garmon preemption to hold that Congress intended that certain conduct be left unregulated and left to be controlled by the free play of economic forces. Though the union in the Machinists case benefitted from the Court’s expansion of federal preemption, the decision has led to states and cities being almost absolutely prohibited from passing laws that promote unionization and collective bargaining. These Court decisions, and **thousands of lower court decisions that have followed the precedent in overturning state and local laws,** rely on three types of specious and archaic reasons that deserve challenge and reconsideration. First, the Court has repeatedly shown a strong reliance on the state of the economy and labor force during the time when these decisions were issued. In the Machinists case, the Court described how it experimented with various types of preemption before settling on the broad form begun by Garmon, stating, as it was, in short, experience, not pure logic, which initially taught that each of these methods sacrificed important federal interests in a uniform law of labor relations. The experience the Court referred to was that of the late 1940s and 1950s, when union membership was at its peak. Whatever balance between labor and management that may have existed then has since eroded. Second, the Court has long interpreted the statute to require a uniform labor law across the country, and yet, labor law has become in many ways a crazy quilt, varying from region to region, from state to state, and from one president to the next. The NLRB has become a highly politicized agency, with its decisions swinging wildly every time a new president appoints new members and a general counsel. Cases that proceed through the National Labor Relations Board are often appealed to federal courts, and different federal circuits often come to opposite conclusions, meaning that the laws in different states effectively differ though it is the courts, not state or local governments, that create those differences. Further, the expansion of state right to work laws, as well as a variety of state public sector labor laws have also undermined any goal of national uniformity in labor law. Lastly, the Court's determination that Congress intended to leave a wide variety of conduct to the free play of economic forces has, in the words of NYU Law Professor Cynthia Estlund, done what Congress did not do in the NLRA, or even with the Taft-Hartley Act: It has granted to employers a federal right to use their economic power against unions. The Congress that passed the NLRA may have intended to ensure a balance between employer and union power, but there is no indication that it intended employers to be able to use the Act to evade any regulation in broad areas through a laissez faire argument. The result of this judicially created broad preemption has been to limit state and local experimentation in line with what Justice Brandeis described as laboratories of democracy with labor laws that advance the stated purpose of federal labor law. However, since states and cities cannot act in the field of labor law, all discussions of federal labor law reform are purely theoretical and lack any empirical basis for their possible effects. Numerous labor law scholars have written critically over the years of the rationale for such broad preemption, as well as the effects it has had on workers' ability to organize. Recently, Lewis & Clark Law Professor Henry Drummonds came up with a list of ten potential reforms that would advance the pro-collective bargaining mission of the NLRA if states could be able to pass such reforms under normal preemption rules. These include allowing states to: increase damages for violating workers' labor rights so the penalties are in line with those for other forms of workplace discrimination; experiment with restrictions on permanent replacement of striking workers and on the use of employer lockouts; experiment with â€œcard checkâ€ recognition of the union; provide equal access to union advocates as well as employers during a campaign for unions; and require arbitration if an impasse arises in the bargaining over a first contract. **The one and only major state labor reform since** the **1935** enactment of the NLRA has had a profound effect on the division of wealth and power in the United States. That, of course, **was the provision of the 1947 Taft-Hartley Act enabling states to pass right to work laws.** Allowing states and cities to create local rules that promote unionization and collective bargaining that are tailored to local needs and local industries could prove just as significant in the opposite direction.

#### Growth is sustainable---alternatives fail and collapse global living standards.

Noah **Smith 9/6/21**. Assistant Professor of finance @ SUNY Stony Brook, an economics PhD student at the University of Michigan, an academic editor in Japan, and a physics major at Stanford. “People are realizing that degrowth is bad.” <https://noahpinion.substack.com/p/people-are-realizing-that-degrowth>

I was going to write a lengthy post explaining why “**degrowth**” — the idea that we need to halt economic growth in order to save the planet — **is a very bad idea**. But in the meantime, other people have written that post, or recorded that podcast, and done it well. These include Branko Milanovic, Kelsey Piper, and Ezra Klein. So instead I’ll write a shorter post trying to catalog and boil down the arguments against degrowth.

But first, let’s go over the standard argument, so we can see why these new arguments are necessary.

The standard argument against degrowth

First, note that the typical argument against degrowth, which I laid out in a Bloomberg post a while back, is that we don’t need it; we can raise human living standards **without exhausting the planet**. This argument was capably put forward by Andy McAfee, in his excellent book More From Less, which you should buy and read. Essentially, the idea that economic growth requires growth in resource use is **false**; rich countries have started to grow while **using less and less of the planet’s** most important **resources**. For example, here is U.S. use of **fresh water** and various **metals**, as well as trade-adjusted **carbon** emissions:

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So the idea here is that **we don’t need degrowth**; instead, we can keep raising everyone’s standard of living **without exhausting the planet’s resources**. Because growth doesn’t just mean using more and more stuff; instead, it can mean finding **more efficient ways** to use the stuff we have.

Degrowthers have two counters to this. Their first counter, typically, is to show a graph of resource use for the entire world, and show that it’s correlated with global growth. This is a **weak response**, for two reasons:

1.     **Degrowthers** have no idea how to combine various resources into an overall measure of resource use, so they typically go with gross weight. This is **absurd**, since **some materials are recyclable** and others are not — if you “use” a ton of copper you **still have the copper**, whereas if you “use” a ton of oil, your oil is gone. It’s also absurd because it doesn’t take into account the **relative abundance** of resources — if you figure out how to substitute 2 tons of sand for 1 ton of oil, you’re getting more efficient, since sand is much more plentiful than oil (and doesn’t pollute as much when you use it). A lot of growth is figuring out how to substitute plentiful resources for rare ones, and simply adding up gross tonnage **ignores this**.

2.      **Past trends are no guarantee of future trends**. Until the 70s, for instance, U.S. economic growth was closely correlated with both energy use and carbon emissions; after

3.       the 70s, this correlation **broke down completely** and the lines started moving in **opposite directions**. Degrowthers present historical curves as if these are laws of nature, but we know that **they are not**. The trend is your friend only til the bend at the end. And the fact that rich countries have hit an inflection point where economic growth no longer depends on growing resource **use is a strong indicator that industrializing countries** like China **will** also hit this point as well. (And no, falling use in rich countries is mostly not due to outsourcing, as the emissions graph above illustrates.)

So this degrowther argument is just **wrong**. But degrowthers have a second, far better counter to McAfee’s notion that we can have our cake and eat it too: Decoupling isn’t happening fast enough. If we wait for China and India and all the countries of Africa to industrialize in a resource-intensive way like today’s developed countries did, and then to dematerialize their growth like today’s developed countries are doing now, it will be far too late and the planet will suffer ecological catastrophe.

**This argument isn’t** as **strong** as it sounds — China and India and the rest will be able to **take advantage of the efficiency-inducing technologies** created by the developed countries, like solar power (indeed, they are already doing so). And they will be able to embrace “dematerialized” goods and services like social networks and video games (sorry, Xi Jinping) very early in their growth path. So these countries’ resource use trajectories **won’t look quite like the U.S.**’ or Europe’s.

But this degrowther argument does contain a nugget of truth: Global resource use is currently on an unsustainable trajectory. Here, via Zeke Hausfather, are the current projections for global warming by century’s end, even with the advances in techologies like solar:

**[CHART OMITTED]**

Any one of these scenarios represents utter global catastrophe.

So even if there is a sustainable growth path, we are not currently on it. About this, degrowthers are right; a gentle, natural transition to green growth is possible, but is an unaffordable luxury. **But degrowthers’ prescription is** the **wrong** one.

The reason, in a word, is **politics**. The kind of massive intention reordering of global production and consumption that degrowthers fantasize about is not just **pragmatically impossible** to implement, it’s the kind of thing that essentially **everyone in the world** except for a few very shouty people in Northern Europe and the occasional Twitter activist **is going to reject**. To see why, let us turn to the excellent articles/podcasts by Milanovic, Piper, and Klein.

The political argument against **degrowth**

Milanovic actually has two excellent posts on the topic of degrowth. In the first one, he lays out why forcing developing countries to stay in poverty would be **bad**:

Let us suppose, for the sake of the argument, that we interpret “degrowth” as the decision to fix global GDP at its current level…Then, unless we change the distribution of income, **we are condemning to permanent abject poverty** some **15 percent** of world population that currently earn less than $1.90 per day and some **quarter of humankind** who earn less than $2.50 per day…Keeping so many people in **abject poverty** so that the rich can continue to enjoy their current standard of living is obviously something that the proponents of degrowth would not condone.

Enforcing global degrowth would require **freezing world income** at about $17,000/year. That means that most people in the world would **never even come close to current rich-world living standards** — instead, they would at best only be able to reach the level currently enjoyed in China or Botswana. Perhaps that’s not such a horrible fate, but as Milanovic notes, this would require **impoverishing most of the population** of developed countries. He elaborates on this point in his new post, pulling no punches:

[In order to avoid keeping most of the world in poverty, degrowthers must] introduce a different [income] distribution (B) where everybody who is above the current mean world income ($PPP 16  per day) is driven down to this mean, and the poor countries and people are,  at least for a while, allowed to continue growing until they too achieve the level of $PPP 16 per day. But the problem with that approach is that one would have to engage in a massive reduction of incomes for…practically all of the Western population. Only 14% of the population in Western countries live at the level of income less than the global mean…**Degrowers thus need to convince 86% of the population living in rich countries that their incomes are too high and need to be reduced**….It is quite obvious that such a proposition is a **political suicide**.

Milanovic quite rightly waves away degrowthers’ protestations that GDP is not a good measure of human welfare. GDP isn’t perfect, he notes, but it’s close enough where the basic point stands.

Demanding that people in rich countries accept absolutely catastrophic declines in their living standards **is a political non-starter**. Klein, on his podcast, tries to point this out as gently as possible:

I think that if the political demand of the [degrowth] movement becomes you don’t get to eat beef, **you will set climate politics back so far, so fast, it would be disastrous**. Same thing with S.U.V.s. I don’t like S.U.V.s. I don’t drive one. But if you are telling people in rich countries that the climate movement is for them not having the cars they want to have, **you are just going to lose**. You are going to lose fast…This is where **the politics of** [**degrowth**] for me **fall apart**…

I just don’t see the argument for degrowth as being anything but an **extraordinarily slower way of approaching the politics**, probably **counterproductive compared to what we’re doing**, which is I think you can make tremendous strides on climate change by deploying renewable energy technologies and giving people the opportunity to have a more materially fulfilling life atop those technologies.

Milanovic is less gentle, calling this “**outright magical thinking**”. He is correct. When you look at how much people in America are willing to sacrifice in terms of their material well-being in order to fight climate change, it’s **far less** than what Klein is talking about. And Klein is really softballing it here — it’s not just giving up **beef** and **SUVs**, it’s a dramatic reduction in the size of **housing** and the amount of **food** and the ease of **transportation** and the quality of **medical care** that people in rich countries enjoy. It is, frankly, **not happening**.

But even this vastly understates the political and practical difficulties of degrowth. Piper adds several key points. First of all, she notes, because developed countries have been decoupling resource use and growth for a while now, curbing resource use will actually cause a lot more restrictions on developing countries than Milanovic’s simple calculations would suggest:

From a climate change perspective, though, there’s a problem [with simply reducing rich-world living standards]. First, it means that degrowth would do nothing about the **bulk of emissions**, which are occurring in **developing countries**.

This is an incredibly important point. For example, China now produces more CO2 emissions than the U.S., the EU, and Japan combined:

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(**And no, this is not because of outsourcing**, as you can see by looking at the trade-adjusted emissions numbers.)

Another way of looking at this is that China’s CO2 emissions per dollar of GDP are more than twice America’s, and about five times that of the EU. Any global degrowth plan that actually reduces resource use is going to entail more pain for China than its GDP numbers would suggest, simply because China is at a more resource-intensive stage of growth.

Do you think **China will accept a substantial diminution of its living standards**, in order to satisfy the environmental-economic diktats of activists in Northern Europe? If so, you need to **rethink a great many things**.

Anyway, Piper makes a second crucially important point. So far we’ve been waving our hands and talking about lowering rich-world GDP while raising GDP for poor countries. In fact, economies don’t work like that:

Second, the global economy is more interconnected than Hickel implies. When Covid-19 hit, poor countries were devastated not just by the virus but by the aftershocks of virus-induced slowdowns in consumption in rich countries.

There’s some genuine appeal to the idea of an end to “consumerism,” but the pandemic offered a taste of how a sudden drop in rich-world consumption would actually affect the developing world. Covid-19 dramatically curtailed Western imports and tourism for a time. The consequences in poor countries were **devastating**. **Hunger** rose, and **child mortality** followed.

Degrowth would thus require deep changes in the entire way that the global economy works. Change happens, but not like that; implementing the kind of reallocation schemes that degrowthers throw around with abandon would require global economic planning that would put Gosplan to shame. Klein points this out, again rather gently:

Degrowth is, as its advocates understand it, a act of global economic planning really **without equal anywhere in human history**. It is an act of extraordinary central planning.

In other words, **it is abject fantasy**.

Taken together, these criticisms are **utterly devastating** to the entire degrowth project. In its current form, it will not advance beyond a **media fad**. No matter how shrilly degrowthers quote apocalyptic projections, the things they call for simply **will not happen**.

## 2ac

### Ftc adv---2ac

#### 2---we agree there’s enough resources for scams right now, but thumpers---disprove trade off

Lina Saigol, 1-18-22. reporter for Barron's in London, spent 16 years at the Financial Times Reuters. "M&A Is Booming. Gear Up for an Antitrust Crackdown.". Barrons. 1-18-2022. https://www.barrons.com/articles/mergers-booming-us-regulators-crackdown-51642534456?tesla=y

Aggressive antitrust enforcement is back. That is the stark message that President Joe Biden has sent the business community, and regulators have already kicked into action, threatening to rein in a [record-setting merger boom](https://www.wsj.com/articles/m-a-likely-to-remain-strong-in-2022-as-covid-19-looms-over-business-plans-11640255406?mod=Searchresults_pos9&page=1). Those charged with delivering Biden’s message are two Big Tech critics: Lina Khan, chair of the Federal Trade Commission, and Jonathan Kanter, head of the Justice Department’s antitrust division. On Tuesday, they outlined a plan to [revise how the agencies will review mergers](https://www.ftc.gov/news-events/press-releases/2022/01/ftc-and-justice-department-seek-to-strengthen-enforcement-against-illegal-mergers). They want public comment on how to update federal guidelines “to better detect and prevent illegal, anticompetitive deals,” they said in a statement. “Our country depends on competition to drive progress, innovation, and prosperity,” Kanter said. “We need to understand why so many industries have too few competitors, and to think carefully about how to ensure our merger enforcement tools are fit for purpose in the modern economy.” Earlier on Tuesday, [Microsoft](https://www.barrons.com/market-data/stocks/msft) (ticker: MSFT) said it would acquire gaming company [Activision Blizzard](https://www.barrons.com/market-data/stocks/atvi) (ATVI) in [an all-cash transaction valued at nearly $70 billion](https://www.barrons.com/articles/microsoft-buys-activision-blizzard-stock-acquisition-51642513147?mod=hp_LEAD_1&mod=article_inline). The acquisition needs regulatory and shareholder approval. Wedbush analyst Dan Ives wrote that there may be regulatory hurdles because of [the acquisition’s size](https://www.barrons.com/articles/microsoft-stock-activision-blizzard-deal-metaverse-51642522838?mod=hp_LEAD_1_B_1&mod=article_inline). But he expects the deal to close because Microsoft isn’t under the same scrutiny as some of its tech rivals. Earlier this month, a federal judge ruled the [FTC can move forward with its revised antitrust lawsuit](https://www.wsj.com/articles/federal-judge-rejects-facebooks-request-to-dismiss-ftcs-latest-antitrust-lawsuit-11641932982?mod=Searchresults_pos5&page=1) against [Meta Platform](https://www.barrons.com/market-data/stocks/fb) ‘s (FB) Facebook that alleges the social media platform is unlawfully suppressing competition. Many bankers and lawyers say they aren’t too worried, contending that tighter enforcement might slow the mergers and acquisitions market rather than derail it. That is due in part because the FTC is constrained by limited manpower and budget. Also, regulators don’t have authority on their own to block a merger—federal judges can issue orders blocking it. “Of course there has been an increased level of scrutiny and managements and boards have raised the bar on what they will consider, but we will continue to see large deals with compelling strategic imperative,” Bruce Evans, global co-head of M&A at [Deutsche Bank](https://www.barrons.com/market-data/stocks/db) , told Barron’s. In December, the FTC [sued to block](https://www.barrons.com/articles/ftc-sues-to-block-nvidias-40b-acquisition-of-arm-51638481709?mod=article_inline) computer-chip powerhouse [Nvidia](https://www.barrons.com/market-data/stocks/nvda) (ticker: NVDA) from spending [$40 billion](https://www.ftc.gov/news-events/press-releases/2021/12/ftc-sues-block-40-billion-semiconductor-chip-merger) for British technology provider Arm, saying the blockbuster deal would unfairly stifle competition. Just weeks earlier, the Justice Department [sued to halt](https://www.barrons.com/articles/justice-department-penguin-random-house-simon-schuster-merger-51635873536?mod=article_inline) a proposed [$2.2 billion](https://www.justice.gov/opa/press-release/file/1445916/download) tie-up between publishers Penguin Random House and Simon & Schuster, which would create a mega-publisher in the books market. The agency argues that consolidation would hurt authors and readers. The lawsuits come after Biden signed a sweeping [executive order](https://www.whitehouse.gov/briefing-room/presidential-actions/2021/07/09/executive-order-on-promoting-competition-in-the-american-economy/) in July aimed at curbing the power of big business by cracking down on anticompetitive practices in sectors ranging from agriculture to pharmaceuticals to labor. Consolidation in industries over the past several decades has denied Americans the benefits of an open economy and widened racial, income, and wealth inequality, the executive order stated. The administration sees less corporate competition as one of the causes of inflation. “Higher prices and lower wages caused by lack of competition are now estimated to cost the median American household [$5,000](https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/09/fact-sheet-executive-order-on-promoting-competition-in-the-american-economy/) a year,” according to the order. Rising equity markets and widespread stimulus measures helped spur companies worldwide to clinch more than 62,000 deals worth [$5.8 trillion](https://www.barrons.com/articles/global-deal-making-record-high-2021-51640960224?mod=article_inline) last year, up 64% from the previous year, according to data provider Refinitiv. [Big pharmaceutical companies](https://www.barrons.com/articles/drug-companies-cash-product-buys-research-51641423117?tesla=y&mod=article_inline) could be one of the biggest sectors at risk of regulatory scrutiny. The FTC put the industry on alert in July when it said it would review more deals amid skyrocketing drug prices and ongoing concerns about anticompetitive conduct. The industry still has record levels of cash to spend and needs to merge to innovate. By the end of this year, 18 large-cap U.S. and European biopharmas will have more than $500 billion in cash on hand, according to estimates by SVB Leerink analyst Geoffrey Porges. Deal makers will be closely watching [Pfizer](https://www.barrons.com/market-data/stocks/pfe) ‘s (PFE) [$6.7 billion takeover](https://www.barrons.com/articles/pfizer-arena-pharmaceuticals-acquisition-51639396154?mod=article_inline) of [Arena Pharmaceuticals](https://www.barrons.com/market-data/stocks/arna) , announced in December, which could become a test case for the FTC’s view of pharma M&A. Citi analyst Andrew Baum said the deal was “highly attractive” for Pfizer, but the key issue would be whether the “newly muscular” FTC would fight it and allow it to proceed given the significant overlap between important drugs. The two companies might need to sell parts of the business to push the deal through. Some companies are calling off their planned mergers as soon as they receive feedback. In December, outdoor sporting goods retailer [Sportsman’s Warehouse Holdings](https://www.barrons.com/market-data/stocks/spwh) (SPWH) and Great Outdoors Group, owner of the Bass Pro Shops chain, [canned](https://www.marketwatch.com/story/sportsman-s-warehouse-shares-fall-19-after-takeover-deal-terminated-271638556601) their deal in the belief that it wouldn’t be approved, according to a regulatory filing. Months earlier, insurance brokers [Aon](https://www.barrons.com/market-data/stocks/aon) (AON) and [Willis Towers Watson](https://www.barrons.com/market-data/stocks/wtw) (WTW) pulled their merger after the DOJ sued to stop the [$30 billion](https://www.barrons.com/articles/aon-willis-towers-scrap-30-billion-merger-amid-antitrust-impasse-51627328024?mod=article_inline) tie-up. The brokers said regulators’ objections created “unacceptable delay and uncertainty.”

#### 3---Antitrust and overstretch now

Joshua Fineman 1/19/22. SeekingAlpha News Editor. “FTC head Khan sees a 'fierce sense of urgency' to her job at the antitrust agency.” https://seekingalpha.com/news/3789295-ftc-head-khan-sees-a-fierce-sense-of-urgency-to-her-job-at-the-antitrust-agency

Federal Trade Commission Chairwoman Lina Khan sees a "fierce sense of urgency" to her time at the antitrust agency before a new administration takes over after the next election. "Look for us it’s a big moment," Khan said in an interview with CNBC. "I think there’s an opportunity here to really change and learn from the mistakes of the past and that’s what we are going to try to do.” Khan's comments come after the FTC and the Dept. of Justice yesterday announced plans to review merger guidelines in an attempt to potentially make them stricter. Her comments also follow yesterday's announcement of Microsoft's (NASDAQ:MSFT) planned almost $70B purchase of Activision (NASDAQ:ATVI), which analysts and investors expect will get a very thorough antitrust review. Khan said that her antitrust agency is "severely" understaffed and has about 1,100 employees, which is two-thirds of the number of workers the agency had in the 1980s. "The number of transactions has dramatically increased," Khan said in the interview. "That creates significant strain and we have to make very difficult choices about which billion dollar deals we are going to ensure we are closely investigating. But there are very real tradeoffs in terms of what that work is going to come at the expense of.”

#### 5---the plan is popular too

Tirza J Angerhofer and Roger D Blair 21. Tirza J Angerhofer, Doctoral Fellow, Department of Economics. \*\*Roger D Blair, Professor, Department of Economics and Affiliate Faculty of Law, University of Florida. “Considerations of Buyer Power in Merger Review” Journal of Antitrust Enforcement. 10-18-21. <https://academic.oup.com/antitrust/advance-article/doi/10.1093/jaenfo/jnab015/6400043?searchresult=1>

Recently, there has been **increasing recognition** of the adverse welfare effects of buyer power in various jurisdictions around the world.2 First, a firm that has monopsony power can reduce the quantity that it buys in order to depress the price that it pays for inputs which leads to a social welfare loss. Secondly, a firm with bargaining power can use the threat of walking away from the negotiations to extract surplus from suppliers. Mergers have the potential to increase buyer power and thereby cause substantial . anticompetitive harm. But this harm has traditionally been ignored in merger review. Our improved understanding of the relationship between mergers and buying power has led to **requests by Congress and policymakers** that the US Department of Justice (DOJ) and the Federal Trade Commission (FTC) **pay closer attention to threats of monopsony when conducting their merger reviews.** In the USA, at least, policymakers have focused their efforts on monopsony power due to its clear social welfare impact and its relevance to labour markets. Congress and policymakers have **proposed bills** that would encourage the Agencies to **consider monopsony in merger review** and would help them to do this by increasing their budget.3 In both the House and Senate, a **proposed bill would amend section 7 of the Clayton Act** by explicitly including monopsony in the statutory language in order to strengthen the emphasis on monopsony in merger review.4 As we will show in this Article, both the economic theory and the empirical evidence provide support for considering the potential effects of monopsony in merger review. This evidence is particularly clear in labour markets but is also relevant to other input markets.

### Inequality adv---2ac

#### 4---Key to solving their impacts

Zoë Baird 20. CEO and President of the Markle Foundation. A.B. Phi Beta Kappa and a J.D. from the University of California, Berkeley. “Equitable Economic Recovery Is a National Security Imperative”. https://www.markle.org/sites/default/files/Chapter-13-Baird-Equitable-Economic-Recovery.pdf

Broadly shared economic prosperity is a bedrock of America’s economic and political strength—both domestically and in the international arena. A strong and equitable recovery from the economic crisis created by COVID-19 would be a powerful testament to the resilience of the American system and its ability to create prosperity at a time of seismic change and persistent global crisis. Such a recovery could attack the profound economic inequities that have developed over the past several decades. Without bold action to help all workers access good jobs as the economy returns, the United States risks undermining the legitimacy of its institutions and its international standing. The outcome will be a key determinant of America’s national security for years to come.

An equitable recovery requires a national commitment to help all workers obtain good jobs—particularly the twothirds of adults without a bachelor’s degree and people of color who have been most affected by the crisis and were denied opportunity before it. As the nation engages in a historic debate about how to accelerate economic recovery, ambitious public investment is necessary to put Americans back to work with dignity and opportunity. We need an intentional effort to make sure that the jobs that come back are good jobs with decent wages, benefits, and mobility and to empower workers to access these opportunities in a profoundly changed labor market.

To achieve these goals, American policy makers need to establish job growth strategies that address urgent public needs through major programs in green energy, infrastructure, and health. Alongside these job growth strategies, we need to recognize and develop the talents of workers by creating an adult learning system that meets workers’ needs and develops skills for the digital economy. The national security community must lend its support to this cause. And as it does so, it can bring home the lessons from the advances made in these areas in other countries, particularly our European allies, and consider this a realm of international cooperation and international engagement.

Shared Economic Prosperity Is a National Security Asset

A strong economy is essential to America’s security and diplomatic strategy. Economic strength increases our influence on the global stage, expands markets, and funds a strong and agile military and national defense. Yet it is not enough for America’s economy to be strong for some—prosperity must be broadly shared. Widespread belief in the ability of the American economic system to create economic security and mobility for all—the American Dream— creates credibility and legitimacy for America’s values, governance, and alliances around the world.

After World War II, the United States grew the middle class to historic size and strength. This achievement made America the model of the free world—setting the stage for decades of American political and economic leadership.

Domestically, broad participation in the economy is core to the legitimacy of our democracy and the strength of our political institutions. A belief that the economic system works for millions is an important part of creating trust in a democratic government’s ability to meet the needs of the people.

The COVID-19 Crisis Puts Millions of American Workers at Risk

For the last several decades, the American Dream has been on the wane. Opportunity has been increasingly concentrated in the hands of a small share of workers able to access the knowledge economy. Too many Americans, particularly those without four-year degrees, experienced stagnant wages, less stability, and fewer opportunities for advancement.

Since COVID-19 hit, millions have lost their jobs or income and are struggling to meet their basic needs—including food, housing, and medical care.1 The crisis has impacted sectors like hospitality, leisure, and retail, which employ a large share of America’s most economically vulnerable workers, resulting in alarming disparities in unemployment rates along education and racial lines. In August, the unemployment rate for those with a high school degree or less was more than double the rate for those with a bachelor’s degree.2 Black and Hispanic Americans are experiencing disproportionately high unemployment, with the gulf widening as the crisis continues.3

The experience of the Great Recession shows that without intentional effort to drive an inclusive recovery, inequality may get worse: while workers with a high school education or less experienced the majority of job losses, nearly all new jobs went to workers with postsecondary education. Inequalities across racial lines also increased as workers of color worked in the hardest-hit sectors and were slower to recover earnings and income than White workers.4

The Case for an Inclusive Recovery

A recovery that promotes broad economic participation, renewed opportunity, and equity will strengthen American moral and political authority around the world. It will send a strong message about the strength and resilience of democratic government and the American people’s ability to adapt to a changing global economic landscape.

An inclusive recovery will reaffirm American leadership as core to the success of our most critical international alliances, which are rooted in the notion of shared destiny and interdependence. For example, NATO, which has been a cornerstone of U.S. foreign policy and a force of global stability for decades, has suffered from American disengagement in recent years. A strong American recovery—coupled with a renewed openness to international collaboration—is core to NATO’s ability to solve shared geopolitical and security challenges. A renewed partnership with our European allies from a position of economic strength will enable us to address global crises such as climate change, global pandemics, and refugees. Together, the United States and Europe can pursue a commitment to investing in workers for shared economic competitiveness, innovation, and long-term prosperity.

#### 2---Unipolarity is sustainable and prevents great power war. Transition risks extinction

Michael Beckley 18. Professor of political science at Tufts. *Unrivaled: Why America Will Remain the World’s Sole Superpower*. Cornell University Press. 1-2.

Yet in terms of wealth and military capabilities—the pillars of global power—the United States is in a league of its own. With only 5 percent of the world’s population, the United States accounts for 25 percent of global wealth, 35 percent of world innovation, and 40 percent of global military spending. 4 It is home to nearly 600 of the world’s 2,000 most proﬁ table companies and 50 of the top 100 universities. 5 And it is the only country that can ﬁght major wars beyond its home region and strike targets anywhere on earth within an hour, with 587 bases scattered across 42 countries and a navy and air force stronger than that of the next ten nations combined. 6 According to Yale historian Paul Kennedy, “Nothing has ever existed like this disparity of power; nothing.” The United States is, quite simply, “the greatest superpower ever.” 7

Why is the United States so dominant? And how long will this imbalance of power last? In the following pages, I argue that the United States will remain the world’s sole superpower for many decades, and probably throughout this century. We are not living in a transitional post–Cold War era. Instead, we are in the midst of what could be called the unipolar era—a period as profound as any epoch in modern history.

This conclusion challenges the conventional wisdom among pundits, policymakers, and the public. 8 Since the end of the Cold War, scholars have dismissed unipolarity as a ﬂeeting “moment” that would soon be swept away by the rise of new powers. 9 Bookstores feature bestsellers such as The Post-American World and Easternization: Asia’s Rise and America’s Decline ; 10 the U.S. National Intelligence Council has issued multiple reports advising the president to prepare the country for multipolarity by 2030; 11 and the “rise of China” has been the most read-about news story of the twenty-ﬁ rst century. 12 These writings, in turn, have shaped public opinion: polls show that most people in most countries think that China is overtaking the United States as the world’s leading power. 13

How can all of these people be wrong? I argue that the current literature suffers from two shortcomings that distort peoples’ perceptions of the balance of power.

First, the literature mismeasures power. Most studies size up countries using gross indicators of economic and military resources, such as gross domestic product (GDP) and military spending. 14 These indicators tally countries’ resources without deducting the costs countries pay to police, protect, and provide services for their people. As a result, standard indicators exaggerate the wealth and military power of poor, populous countries like China and India—these countries produce vast output and ﬁeld large armies, but they also bear massive welfare and security burdens that drain their resources.

To account for these costs, I measure power in net rather than gross terms. In essence, I create a balance sheet for each country: assets go on one side of the ledger, liabilities go on the other, and net resources are calculated by subtracting the latter from the former. When this is done, it becomes clear that America’s economic and military lead over other countries is much larger than typically assumed—and the trends are mostly in its favor.

Second, many projections of U.S. power are based on ﬂawed notions about why great powers rise and fall. Much of the literature assumes that great powers have predictable life spans and that the more powerful a country becomes the more it suffers from crippling ailments that doom it to decline. 15 The Habsburg, French, and British empires all collapsed. It is therefore natural to assume that the American empire is also destined for the dustbin of history.

I argue, however, that the laws of history do not apply today. The United States is not like other great powers. Rather, it enjoys a unique set of geographic, demographic, and institutional advantages that translate into a commanding geopolitical position. The United States does not rank ﬁrst in all sources of national strength, but it scores highly across the board, whereas all of its potential rivals suffer from critical weaknesses. The United States thus has the best prospects of any nation to amass wealth and military power in the decades ahead.

For the foreseeable future, therefore, no country is likely to acquire the means to challenge the United States for global primacy. This is an extraordinary development, because the world has been plagued by great power rivalry for millennia. In the past ﬁve hundred years alone, there have been sixteen hegemonic rivalries between a ruling power and a rising power, and twelve of them ended in catastrophic wars. 16 In the ﬁrst half of the twentieth century, for example, when the world was multipolar, Germany twice challenged Britain for European primacy. The result was two world wars. In the second half of the twentieth century, under bipolarity, the Soviet Union challenged the United States for global primacy. The result was the Cold War, a conﬂict in which the superpowers spent between 6 and 25 percent of their GDPs on defense every year, waged proxy wars that killed millions of people, and brought the world to the brink of nuclear Armageddon.

Today, by contrast, unipolarity makes a comparable level of great power competition impossible and thus makes a comparable level of conﬂict highly unlikely. 17

#### 4---Both sides miscalc---powers misread the transition.

Min-hyung Kim 20. Department of Political Science and International Relations, Kyung Hee University, Seoul, South Korea. “A real driver of US–China trade conflict: The Sino–US competition for global hegemony and its implications for the future” Emerald Insight. 02-04-2019. <https://www.emerald.com/insight/content/doi/10.1108/ITPD-02-2019-003/full/html>

Underlying these arguments for an inevitable war between the two superpowers is PTT. PTT originally formulated by Organski (1958) posits that **war is likely** when the power of the dominant state in the international system (i.e. hegemon) is **declining** and that a dissatisfied rising challenger **substantially reduces the power gap between the hegemon and itself**. Unlike balance of power theory, PTT argues that the war is most likely when there is near power parity between a dominant state and a rising and dissatisfied challenger (Organski and Kugler, 1980, pp. 19-20)[5]. A rising power here is generally dissatisfied with the existing international order and **initiates war against a declining hegemon in order to impose orders that are more favorable to itself** (Organski 1958, pp. 364-367). Layne (2018, p. 110) put these power transition dynamics quite succinctly as follows: “Over time, however, the relative power of states changes, and eventually the international order no longer reflects the actual distribution of power between or among the leading Great Powers. When that happens, the legitimacy of the prevailing order is called into question, and it will be challenged by the rising power(s).” And when the balance of power between a dominant state and a rising challenger changes sufficiently, a new order replaces an old one typically **by a hegemonic war** (2018, p. 104). Paying close attention to the **growing Sino–US competition** over hegemony in the twenty-first century, therefore, Shirk (2007, p. 4), China specialist, argues that “History teaches us that rising powers are likely to provoke war.” On the other hand, scholars like Gilpin (1981) contend that the power transition war between great powers is likely to occur when a hegemonic state whose power is declining due to imperial overstretch[6] views “**preventive war as the most attractive means of eliminating the threat** posed by challengers” (Ned Lebow and Valentino, 2009, p. 391), although they do acknowledge that there might be some “ways to prolong the period of its power preponderance vis-à-vis the rising challenger, so that the rapidly rising power will not dare to challenge the hegemonic leadership” (Kim and Gates, 2015, p. 221). In this case, the initiator of war is a declining hegemon, rather than a rising challenger. The declining hegemon who fears a rising challenger’s overtaking its power in the near future **sees war as a better option** than other options of maintaining its hegemony such as reducing its commitments abroad and appeasing a rising challenger.

#### 5---Retrenchment doesn’t solve---primacy necessitates long-ranged offensive capabilities regardless of basing.

Matthew Fay 17. Director of Defense and Foreign Policy Studies. "America Unrestrained? Engagement, Retrenchment, and Libertarian Foreign Policy." The Niskanen Center. Page 27-29. 11-16-17. <https://niskanencenter.org/wp-content/uploads/2017/11/America-Unrestrained.pdf>.

Advocates of retrenchment assume if that if America is not restrained, as they define it, it is therefore unrestrained.125 That is, the United States will continue to use military force frequently and counterproductively unless it narrowly defines its interest in terms of its own security, gives up its alliances, and brings its forward-deployed military forces home. History provides some evidence to back up this assumption. With the end of the Cold War, America’s military might and lack of rivals enabled military interventions in places ranging from the Caribbean to the Horn of Africa to the Balkans to the Persian Gulf and the Hindu Kush—for reasons ranging from altruistic to venal to foolish. During the Cold War, the United States too often went to war because of misperceptions about the spread of Communism and because American leaders wrongly believed they needed to prove their credibility to allies.126 These interventions have been costly in terms of lives—both of American military personnel and innocent civilians in foreign war zones—and treasure. At the same time, the perception that the United States is an aggressive military power undermines the liberal international order it helped construct.127

Former Secretary of State Madeleine Albright inadvertently summed up this problem when she reportedly said to former Chairman of the Joint Chiefs of Staff Colin Powell, “What’s the point of this superb military that you’re always talking about if we can’t use it?”128 To act as a security guarantor, the United States is required to maintain a superb military. Yet possessing such a superb military and forward deploying to it to deter aggression and assure allies inevitably tempts policymakers to use it.

As discussed above, the assumption that retrenchment would solve this problem is flawed. The supposition that retrenchment would help avoid the promiscuous use of military force is premised on starving policymakers of the forces necessary to undertake what Brooks and Wohlforth refer to as “optional” military interventions. However, as discussed above, the United States would still maintain a military capable of projecting power globally even if it retrenched.129 Libertarians putting their hope in retrenchment as a means to doing away with the promiscuous use of military force are in reality pinning their hopes on the consistent election of presidents who share their world-view. Regardless of who is elected after the United States retrenches, they will still retain a “superb military” that can be used frequently.

#### 6---American primacy solves every threat---decline emboldens rivals and causes miscalc and arms races that escalate.

Hal Brands 18. Henry A. Kissinger Distinguished Professor of Global Affairs at the Johns Hopkins University School of Advanced International Studies, Senior Fellow at the Center for Strategic and Budgetary Assessments and the Foreign Policy Research Institute, Ph.D. in history from Yale University. “Chapter 6: Does America Have Enough Hard Power?” American Grand Strategy in the Age of Trump; pp. 129-133.

Much contemporary commentary favors the first option—reducing commitments—and denounces the third as financially ruinous and perhaps impossible.5 Yet significantly expanding American capabilities would not be nearly as economically onerous as it may seem. Compared to the alternatives, in fact, this approach represents the best option for sustaining American primacy and preventing a slide into strategic bankruptcy that will eventually be punished. Since World War II, the United States has had a military second to none. Since the Cold War, America has committed to having overwhelming military primacy. The idea, as George W. Bush declared in 2002, that America must possess “strengths beyond challenge” has featured in every major U.S. strategy document for a quarter century; it has also been reflected in concrete terms.6 From the early 1990s, for example, the United States consistently accounted for around 35 to 45 percent of world defense spending and maintained peerless global power-projection capabilities.7 Perhaps more important, U.S. primacy was also unrivaled in key overseas strategic regions—Europe, East Asia, the Middle East. From thrashing Saddam Hussein’s million-man Iraqi military during Operation Desert Storm, to deploying—with impunity—two carrier strike groups off Taiwan during the China-Taiwan crisis of 1995– 96, Washington has been able to project military power superior to anything a regional rival could employ even on its own geopolitical doorstep. This military dominance has constituted the hard-power backbone of an ambitious global strategy. After the Cold War, U.S. policymakers committed to averting a return to the unstable multipolarity of earlier eras, and to perpetuating the more favorable unipolar order. They committed to building on the successes of the postwar era by further advancing liberal political values and an open international economy, and to suppressing international scourges such as rogue states, nuclear proliferation, and catastrophic terrorism. And because they recognized that military force remained the ultima ratio regum, they understood the centrality of military preponderance. Washington would need the military power necessary to underwrite worldwide alliance commitments. It would have to preserve substantial overmatch versus any potential great-power rival. It must be able to answer the sharpest challenges to the international system, such as Saddam’s invasion of Kuwait in 1990 or jihadist extremism after 9/11. Finally, because prevailing global norms generally reflect hard-power realities, America would need the superiority to assure that its own values remained ascendant. It was impolitic to say that U.S. strategy and the international order required “strengths beyond challenge,” but it was not at all inaccurate. American primacy, moreover, was eminently affordable. At the height of the Cold War, the United States spent over 12 percent of GDP on defense. Since the mid-1990s, the number has usually been between 3 and 4 percent.8 In a historically favorable international environment, Washington could enjoy primacy—and its geopolitical fruits—on the cheap. Yet U.S. strategy also heeded, at least until recently, the fact that there was a limit to how cheaply that primacy could be had. The American military did shrink significantly during the 1990s, but U.S. officials understood that if Washington cut back too far, its primacy would erode to a point where it ceased to deliver its geopolitical benefits. Alliances would lose credibility; the stability of key regions would be eroded; rivals would be emboldened; international crises would go unaddressed. American primacy was thus like a reasonably priced insurance policy. It required nontrivial expenditures, but protected against far costlier outcomes.9 Washington paid its insurance premiums for two decades after the Cold War. But more recently American primacy and strategic solvency have been imperiled. THE DARKENING HORIZON For most of the post–Cold War era, the international system was— by historical standards—remarkably benign. Dangers existed, and as the terrorist attacks of September 11, 2001, demonstrated, they could manifest with horrific effect. But for two decades after the Soviet collapse, the world was characterized by remarkably low levels of great-power competition, high levels of security in key theaters such as Europe and East Asia, and the comparative weakness of those “rogue” actors—Iran, Iraq, North Korea, al-Qaeda—who most aggressively challenged American power. During the 1990s, some observers even spoke of a “strategic pause,” the idea being that the end of the Cold War had afforded the United States a respite from normal levels of geopolitical danger and competition. Now, however, the strategic horizon is darkening, due to four factors. First, great-power military competition is back. The world’s two leading authoritarian powers—China and Russia—are seeking regional hegemony, contesting global norms such as nonaggression and freedom of navigation, and developing the military punch to underwrite these ambitions. Notwithstanding severe economic and demographic problems, Russia has conducted a major military modernization emphasizing nuclear weapons, high-end conventional capabilities, and rapid-deployment and special operations forces— and utilized many of these capabilities in conflicts in Ukraine and Syria.10 China, meanwhile, has carried out a buildup of historic proportions, with constant-dollar defense outlays rising from US$26 billion in 1995 to US$226 billion in 2016.11 Ominously, these expenditures have funded development of power-projection and antiaccess/area denial (A2/AD) tools necessary to threaten China’s neighbors and complicate U.S. intervention on their behalf. Washington has grown accustomed to having a generational military lead; Russian and Chinese modernization efforts are now creating a far more competitive environment. Second, the international outlaws are no longer so weak. North Korea’s conventional forces have atrophied, but it has amassed a growing nuclear arsenal and is developing an intercontinental delivery capability that will soon allow it to threaten not just America’s regional allies but also the continental United States.12 Iran remains a nuclear threshold state, one that continues to develop ballistic missiles and A2/AD capabilities while employing sectarian and proxy forces across the Middle East. The Islamic State, for its part, is headed for defeat, but has displayed military capabilities unprecedented for any terrorist group, and shown that counterterrorism will continue to place significant operational demands on U.S. forces whether in this context or in others. Rogue actors have long preoccupied American planners, but the rogues are now more capable than at any time in decades. Third, the democratization of technology has allowed more actors to contest American superiority in dangerous ways. The spread of antisatellite and cyberwarfare capabilities; the proliferation of man-portable air defense systems and ballistic missiles; the increasing availability of key elements of the precision-strike complex— these phenomena have had a military leveling effect by giving weaker actors capabilities which were formerly unique to technologically advanced states. As such technologies “proliferate worldwide,” Air Force Chief of Staff General David Goldfein commented in 2016, “the technology and capability gaps between America and our adversaries are closing dangerously fast.”13 Indeed, as these capabilities spread, fourth-generation systems (such as F-15s and F-16s) may provide decreasing utility against even non-great-power competitors, and far more fifth-generation capabilities may be needed to perpetuate American overmatch. Finally, the number of challenges has multiplied. During the 1990s and early 2000s, Washington faced rogue states and jihadist extremism—but not intense great-power rivalry. America faced conflicts in the Middle East—but East Asia and Europe were comparatively secure. Now, the old threats still exist—but the more permissive conditions have vanished. The United States confronts rogue states, lethal jihadist organizations, and great-power competition; there are severe challenges in all three Eurasian theaters. “I don’t recall a time when we have been confronted with a more diverse array of threats, whether it’s the nation state threats posed by Russia and China and particularly their substantial nuclear capabilities, or non-nation states of the likes of ISIL, Al Qaida, etc.,” Director of National Intelligence James Clapper commented in 2016. Trends in the strategic landscape constituted a veritable “litany of doom.”14 The United States thus faces not just more significant, but also more numerous, challenges to its military dominance than it has for at least a quarter century.

#### China is a revisionist power---must be deterred cohesively.

Dr. John Hemmings and James Rogers 21. Dr. John Hemmings is an associate professor at the Daniel K. Inouye Asia-Pacific Center for Security Studies based in Honolulu and an adjunct fellow at the Center for Strategic and International Studies. The views voiced here are his alone. James Rogers. “America’s New Great-Power Problem” The National Interest. 01-23-21. <https://nationalinterest.org/feature/america’s-new-great-power-problem-176949>

**China Is Developing Two Stealth Bombers** If we apply this typology to the three most recent historical episodes of “rising-power challenges,” then we believe that we can extract lessons in relation to the emerging competition with China. These periods include the European rivalry before World War I, the global competition before World War II, and the era of geopolitical struggle now known as the Cold War. From there, it is clear that there are many commonalities between those periods and the one we are moving into. What do these three eras of competition offer American, British and Indo-Pacific policymakers in terms of insight when dealing with the rise of China? China has a leader around which **power has become increasingly centralized** to the extent that a cult-of-personality style of leadership has emerged. These behaviors might have been predicted in the first years of Xi Jinping’s regime by looking at his **earliest speeches to the CCP** cadre. As with other totalitarian leaders, such as Stalin and Hitler, Xi believes in the power of the party-state ideology to drive policy as well as consolidate domestic control. As we saw from those unhappy regimes, as power is centralized, intolerance towards pluralism grows, to the extent that minorities—especially those considered hostile by the regime—come under mounting surveillance and discrimination. Here there are echoes between the plight of the Uighurs and various ethnicities in Nazi Germany and the USSR. Likewise, under Xi’s authoritarian leadership, more and more of China’s society has fallen under the power of an increasingly expansive party-state structure (similar to the totalitarian party-states of the 1930s), which utilizes an international ideology (socialism), combined with nationalism (with Chinese characteristics), **to export the Chinese model abroad to reorder the international system.** This approach is not unlike those of past regimes. Like the Kaiser, Xi believes China has the right to shine like the sun. Unlike Hitler, he shies away from open warfare as a means of policy. But, like the party bosses of the USSR, he believes in economic and political **warfare to expand China’s power.** In terms of regime type, we can see forces at work in China that were also found in Wilhelmian and Nazi Germany. This is because there are few mechanisms for legitimizing the leadership of the party, such as elections or referendums in one-party systems. Therefore, **jingoistic nationalism begins to fill that space**—or is deliberately positioned to fill it—and if allowed to become too virulent, can **lead to domestic pressures for more aggressive, even expansionist, foreign policies.** As an authoritarian state, contemporary China, much like the Nazi and Soviet regimes before it, has proven adroit at integrating the dimensions of state power to the extent that it appears more successful than the fatigued and exhausted liberal democracies. As we know from the struggles with those regimes, the United States, the UK and their allies in the Indo-Pacific region will need to develop greater internal **cohesion** and overcome many of the “critical” or “core” assumptions that have sapped them of their strength if they are to **compete successfully against China.** In terms of polarity, the previous struggles were more focused. While Japan was a major regional power in the run-up to World War II, the key powers have been concentrated in the Euro-Atlantic region for the past three centuries. In the emerging period of competition, the major powers are spread out. China, India and Japan are in Asia, the United States is in the Americas, and Britain, Germany and Russia are in Europe. American, British and Indo-Pacific policymakers will need to look at an increasingly global theatre, one where the Euro-Atlantic region and the Indo-Pacific region are intrinsically linked. **Polarity matters**, and whether this period is a transition to a bipolar U.S.-China era or a truly multipolar era will **impact how states construct their national strategies**. If China and the United States are the only superpowers—or whether India and the Europeans are able to develop superpower metrics and the political will to use them—then that sill deeply impact alignment behavior, and correspondingly the leadership approach of the United States. Methods of competition also have historical echoes. While China is, like the USSR, a communist regime, it has a **much higher GDP relative** to the leading democracy, the US, than the Soviet Union ever did. It is also, similarly to Wilhelmian Germany, deeply ingrained into global supply chains and the world economy. Therefore, rather than looking for examples of dealing with economic statecraft or coercion from the Cold War, policymakers might consider Wilhelmian Germany in 1914 which utilized dumping, finance, and trade for strategic ends across Europe. Thus, we should look to the policy options of France, Italy, and the UK for dealing with economic conflict with China. The West relied heavily on regional alliances to deal with the Wilhelmian and Soviet threats. And now, similar to what occurred in the 1930s, there is an aversion to developing regional alliances or collective defense measures against today’s revisionist: China. This is despite the fact that NATO kept the peace in Europe for nearly seventy years. In addition, there is an allergic reaction to giving Taiwan an open defense guarantee; however, the 1930s showed that the same style of strategic ambiguity by France and Great Britain toward Austria and Czechoslovakia encouraged Nazi ambitions. Indeed, as we think about how Nazi Germany went from attempting to unify German-speaking peoples to absorbing non-Germans, we should think about whether or not a failure to react to more “legitimate” claims can give encouragement to entirely illegitimate ones. While modern-day China is not as aggressive as Nazi Germany, allied weakness and lack of cohesion at critical moments—as when Berlin took the Ruhr region, undermined the governments of Austria and Czechoslovakia before using diplomacy to expand its power—made **miscalculation more**, not less, **likely**. When thinking about Hong Kong and Taiwan, this is a relevant lesson.

### T Exemptions---2ac

#### a---The plan expands the area, so core laws deal with employer power. That’s a non-statutory exemption because Courts are ruling against labor.

Sanjukta Paul 19. Assistant Professor of Law, Romano Stancroff Research Scholar. “9 - The Case for Repealing the Firm Exemption to Antitrust (A Modest Proposal; or, a Response to Professor Epstein)”. from Part II - Labor Law Is Out of Date. Published online by Cambridge University Press: 01 November 2019 <https://www-cambridge-org.proxy.library.emory.edu/core/books/cambridge-handbook-of-us-labor-law-for-the-twentyfirst-century/case-for-repealing-the-firm-exemption-to-antitrust/E8BA98C6D6606A6E6BC1073291C3F277>

Professor Epstein argues in this volume and elsewhere for repealing the already limited economic coordination rights accorded to working people. In this chapter, I respond to his argument – and by extension, to the more general skepticism toward the coordination rights of working people. I begin by first questioning a different exemption from the putatively general norm about the “dangers of collective behavior.”Footnote6 Business associations themselves enjoy an almost unlimited exemption from antitrust law, one that is now treated as axiomatic. But it wasn’t always. The “firm exemption” is not based upon the text of the statute, and it was never endorsed by the legislators who conceived and drafted the Sherman Act. Indeed, they would likely have rejected it in its present form. At the same time, the legislative record is plain that legislators favored and intended coordination rights for working people to be preserved under the statute.Footnote7 But judges rewrote the Act in light of their own vision for the allocation of coordination rights – and that vision favored business firms as the locus of economic coordination and disfavored labor organizations.Footnote8

Professor Epstein’s “welfarist” argument against the labor exemption relies upon a normative benchmark given by “the competitive order” centered by Chicago School law and economics.Footnote9 But no such benchmark can exist without a definition – necessarily supplied by law, not economics – of the entities that are to engage in that competition.Footnote10 The law defines business firms, rather than, say, cartels, as the entities that are to engage in competition, thereby exempting their internal coordination from antitrust scrutiny. The other normative benchmark upon which Professor Epstein’s argument at least indirectly relies is the notion of freedom of contract, as embodied in the pre–New Deal common law of labor relations. However, the common law’s denial of coordination rights to working people was in fact justified in hierarchical, antiliberty terms – illustrating a more basic justificatory problem with the policy decision to abridge working people’s freedom of association from a liberal perspective.

#### The scope of competition law defines it goals.

ESE No Date. Erasmus School of Economics (as per their website, “The Erasmus Center for Economic and Financial Governance is an international multidisciplinary network of leading researchers and societal stakeholders initiated by researchers from Erasmus School of Economics and Erasmus School of Law. ECEFG conducts interdisciplinary research (law, economics and political science) and contributes to current debates in public and in academia on issues relating to European and global economic and financial governance.”). "Competition Policy". <https://www.eur.nl/en/ese/affiliated/ecefg/research/competition-policy>

Competition Policy

Research in this field consists of two broad areas. The first area – Theory and Implementation of Competition Law and Policy – refers to fundamental and applied research into topics that are traditionally seen as the core of competition policy. The second area – Scope of Competition Law and Policy – refers to all research on the effect and desirability of including new considerations in competition law and policy in order to address the challenges of our time, such as the increasing power of big tech firms, or global warming.

Theory and Implementation of Competition Policy

This covers for instance collusion, abuse of dominance, mergers, market regulation and state aid. Some examples of research topics are:

* the practices firms can use to engage in collusion and its welfare consequences;
* the practices firms can use to abuse a dominant position and its welfare consequences;
* which practices can be considered proof of such activities;
* how to regulate access to a market;
* how to properly assess the effects of a particular practice or merger;
* the practices, by which the state and public authorities distort competition such as subisidies and tax measures
* the interpretation and application of EU and national competition law by Competition Authorities and Courts and the extent to which they achieve the goals of competition policy

Scope of Competition Policy

The effectiveness of European competition law and policy in combination with rapid technological changes have raised questions about its proper scope. Which policy objectives can and should be pursued by means of competition law and policy, and which should be delegated to other legal fields and policies? Some examples of specific research questions include:

* Can and should competition law be used to protect the privacy of consumers on the internet?
* Information gathered by firms can be used to increase their own profits. How does this affect consumers, and what does this depend on? Can and should competition law deal with market power derived from information gathering? For instance, should the big five tech giants be forced to divest activities?
* Should competition policy also include considerations of economic inequality or environmental effects?
* Can competition law remain effective if it is used for more than safeguarding fair competition?

#### That means the aff must change the consumer welfare standard.

Trevor Wagener 21. "The Curse of Tradeoffs: Neo-Brandeisians vs. Consumers". Disruptive Competition Project. 5-21-2021. https://www.project-disco.org/competition/052121-the-curse-of-tradeoffs-neo-brandeisian-antitrust-versus-consumers/

Neo-Brandeisians seek to replace the longstanding objective and principles-based framework of the consumer welfare standard in antitrust enforcement with an amorphous, process-based framework guided by an ethos one Neo-Brandeisian described as: “Big is bad. Just don’t let big firms merge. The end.” A movement dedicated to replacing a consumer welfare-maximizing approach with an assortment of competing goals has proven unable to offer a quantified, systematic cost-benefit analysis justifying such a radical change, instead relying upon anecdotal evidence and moving prose. The many goals of the Neo-Brandeisian approach are often rhetorically appealing, but the rhetoric hides a simple truth: When you target every variable, you effectively target none. Addressing a wide range of goals through antitrust policy requires de-emphasizing consumer welfare, creating fundamental tradeoffs expected to harm consumers relative to the status quo. The willingness to sacrifice consumer welfare in order to achieve other ends is a defining characteristic of Neo-Brandeisian antitrust. This is illustrated by concrete Neo-Brandeisian critiques, which typically emphasize perceived harms to businesses rather than harms to consumers. For example, the Neo-Brandeisian activist group American Economic Liberties Project (AELP) published a pair of policy briefs on May 3 that criticize online service operators for a litany of purported inconveniences to businesses over a combined 22 pages, but struggle to quantify any harms to ordinary consumers and users. Those few purported harms to consumers that AELP raised are distinctly qualitative rather than quantitative, consistent with the broader reluctance of prominent Neo-Brandeisian thinkers to conduct a rigorous quantitative cost-benefit analysis of their antitrust policy prescriptions relative to the consumer welfare standard.

### T Per Se---2ac

#### a---the aff per se bans patterns of conduct in labor markets---like wage fixing--- that’s Posner, cengiz, and…

Joseph E. Stiglitz 4/6/2021. Joseph E. Stiglitz is an economist and professor at Columbia University. He is the co-chair of the High-Level Expert Group on the Measurement of Economic Performance and Social Progress at the OECD, and the Chief Economist of the Roosevelt Institute. He has served as chief economist of the World Bank and chairman of the Council of Economic Advisers. He was awarded the Nobel Prize in economics in 2001“Fostering More-Competitive Labor Markets” Inequality and the Labor Market: The Case for Greater Competition. Brookings Institution Press. (2021) https://www.jstor.org/stable/10.7864/j.ctv13vdhvm.6

Conclusion This volume outlines several essential steps to redress the imbalances and rein in the power of employers. It offers ideas on how we can rewrite the rules of the economy to make the labor market more competitive and prevent the anticompetitive practices employers have systematically used to increase their market power. The chapters in this volume show that there is much that can be done at both the state and the national levels. For instance, mergers should be screened for effects on workers, just as they are already screened for effects on consumers. No-poach and noncompete agreements should be made per se illegal for low-wage workers.

#### ---Anticompetitive business practices distort competition.

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

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

#### ---Prohibitions include per se and rule of reason.

Anu Bradford and Adam S. Chilton 18. Anu Bradford Henry L. Moses Professor of Law and International Organization, Columbia Law School. Adam S. Chilton. Assistant Professor of Law and Walter Mander Research Scholar. “Competition Law Around the World from 1889 to 2010: The Competition Law Index”. JOURNAL OF COMPETITION LAW & ECONOMICS, VOL. 14, P. 393, 2018 (2018). https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=3519&context=faculty\_scholarship

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

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

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

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

### Inequality CP---2ac

#### A global concert fails---everyone says no.

Daniel W. Drezner 21. Professor of international politics, Fletcher School of Law and Diplomacy, Tufts University. “The most pessimistic article I have read in 2021: The new call for a great-power concert and what it means”. Washington Post. 4-8-2021. https://www.washingtonpost.com/outlook/2021/04/08/most-pessimistic-article-i-have-read-2021/

That leaves their idea of a great-power concert. Color me skeptical. For it to even get started, the territorial squabbles over Crimea and the East China Sea would have to be settled or cabined, and may I just say: Good luck with that.

Mostly, the problem with this proposal is that there is not enough of an incentive for any of the actors to participate. The 19th-century Concert of Europe was a self-sustaining project because it offered tangible spheres of influence to the participating states; Haass and Kupchan explicitly reject that idea for their 21st-century version. Other forms of connective tissue — trade relations, cooperation against common threats — are trending in a negative direction. And the distribution of power remains too contested and uncertain for the salient actors to agree to such an arrangement.

### Cap K---2ac

#### 7---Past the tipping point and the alt is dictatorship---only tech can solve.

Eric Levitz 5/17/21. Senior Writer at New York Magazine. MA Johns Hopkins. "We’ll Innovate Our Way Out of the Climate Crisis or Die Trying". Intelligencer. 5-17-2021. https://nymag.com/intelligencer/2021/05/climate-biden-green-tech-innovation.html

Today’s best-case ecological scenario was a horror story just three decades ago. In 1993, Bill Clinton declared that global warming presented such a profound threat to civilization that the U.S. would have to bring its “emissions of greenhouse gases to their 1990 levels by the year 2000.” Instead, we waited until 2020 to do so; in the interim, humanity burned more carbon than it had since the advent of agriculture. Now, it will take a historically unprecedented, worldwide economic transformation to freeze warming at “only” 2 degrees — a level of temperature rise that will turn “once in a century” storms into annual events, drown entire island nations, and render major cities in the Middle East uninhabitable in summertime (at least for those whose lifestyles involve “walking outdoors without dying of heatstroke”). This is what passes for a utopian vision in 2021. If we confine ourselves to mere optimism — and assume that every Paris Agreement signatory meets its current pledged target for decarbonization — then warming will hit 2.4 degrees by century’s end.

The reality of our ecological predicament invites denial of our political one. Put simply, it is hard to reconcile the scale of the climate crisis with the limits of contemporary American politics. Delusions rush in to fill the gap. Among these is the fantasy of national autonomy; the notion that the United States can save the planet or destroy it, depending on the precise timeline of its domestic decarbonization. A rapid energy transition in the U.S. is a vital cause, not least for its potential to expedite similar transformations abroad. But the battle for a sustainable planet will be won or lost in the developing world. Although American consumption played a central role in the history of the climate crisis, it is peripheral to the planet’s future: Over the coming century, U.S. emissions are expected to account for only 5 percent of the global total.

There is also the delusion of “de-growth’s” viability. The fact that there is no plausible path for global economic expansion that won’t entail climate-induced death and displacement has led some environmentalists to insist on global stagnation. Yet there is neither a mass constituency for this project, nor any reason to believe that there will be any time soon. Freeze the status-quo economy in amber, and you’ll condemn nearly half of humanity to permanent poverty. Divide existing GDP into perfectly even slices, and every person on the planet will live on about $5,500 a year. American voters may express a generalized concern about the climate in surveys, but they don’t seem willing to accept even a modest rise in gas prices — let alone a total collapse in living standards — to address the issue. Meanwhile, any Chinese or Indian leader who attempted to stymy income growth in the name of sustainability would be ousted in short order. It’s conceivable that one could radically reorder advanced economies in a manner that enabled living standards to rise even as GDP fell; Americans might well find themselves happier and more secure in an ultra-low-carbon communal economy in which individual car ownership is heavily restricted, and housing, healthcare, and myriad low-carbon leisure activities are social rights. But nothing short of an absolute dictatorship could affect such a transformation at the necessary speed. And the specter of eco-Bolshevism does not haunt the Global North. Humanity is going to find a way to get rich sustainably, or die trying.

Thus, the chasm between the ecologically necessary and the politically possible can only be bridged by technological advance. And on that front, the U.S. actually has the resources to make a decisive contribution to global decarbonization — and some political will to leverage those resources. Unfortunately, due to some combination of fiscal superstitions and misplaced priorities, the Biden administration’s proposed investments in green innovation remain paltry. An American Jobs Plan with much higher funding for green R&D is both imminently winnable and environmentally imperative. U.S. climate hawks should make securing such legislation a top priority.

The choice before us is techno-optimism or barbarism.

If governments are forced to choose between increasing income growth in the present, and mitigating temperature rise in the future, they are going to pick the former. We’ll get cheap, lab-grown Kobe beef before we get a U.S. Senate willing to tax meat, and steel plants powered by “green hydrogen” before we get anarcho-primitivism with Chinese characteristics.

The question is whether we’ll get such breakthroughs before it’s too late.

Techno-optimism has its hazards, but the progress we’ve made toward decarbonization has come largely through technological innovation. When India canceled plans to construct 14 gigawatts of new coal-fired power stations in 2019, it did not do so in deference to international pressure or domestic environmental movements, but rather to the cost-competitiveness of solar energy. The same story holds across Asia’s developing countries: Thanks to a ninefold reduction in the cost of solar energy over the past decade, the number of new coal plants slated for construction in the region has fallen by 80 percent. Meanwhile, the road to an electric-car revolution was cleared by a collapse in the cost of lithium batteries, the challenge of powering cities with solar energy on cloudy days was eased by a 70 percent drop in the price of utility-scale batteries, and wind power grew 40 percent cheaper. Our species remains lackluster at solidarity and self-government, but we’ve got a real knack for building cool shit.

The technological progress of the past decade was not sufficient to compensate for tepid climate policy. But real techno-utopianism has never been tried: As of 2019, global spending on clean energy R&D totaled $22 billion a year, or 3 percent of the Pentagon’s annual budget. Increasing spending on such research — while expediting cost-reductions in existing technologies by deploying them en masse — should be twin priorities of American climate policy.

The preconditions for green industrialization can be made in America.

The United States has more fiscal capacity and better-financed research universities than any nation on the planet. And, for all the pathologies of our politics, public investment in green tech inspires far weaker opposition than many less-indispensable climate policies. In fact, late last year, with Republicans controlling the Senate and Donald Trump in the White House, the U.S. increased funding for zero-emission technology R&D by $35 billion. America does not have sovereignty over enough humans to save the planet by slashing our domestic emissions. But we just might have the resources and political economy necessary to help the developing world save us all.

Although progress on renewables has exceeded optimistic expectations, the technical obstacles to global decarbonization remain immense. In the most optimistic scenario, scaling up existing, cost-competitive technologies can get us about 16 percent of the emissions reductions necessary for achieving net-zero by 2050, according to the International Energy Agency. Driving down the price of tech we already have will get us another 39 percent. The rest must come from technologies that have yet to be fully developed. We need electrified cement, hydrogen-powered steel plants, and evaporative cooling. We need utility-scale energy storage, electric airplanes, and ultra-high voltage transmission lines. And we’d be remiss to not toss a bit of our collective wealth at game-changing hail marys like nuclear fusion.

#### 8---System changes are infeasible---can’t get governmental or international buy-in---reform is comparatively quicker.

Ezra Klein 8/31/21. American journalist, political analyst, New York Times columnist, and the host of The Ezra Klein Show podcast. "Transcript: Ezra Klein Answers Listener Questions". No Publication. 8-31-2021. https://www.nytimes.com/2021/08/31/podcasts/transcript-ezra-klein-ask-me-anything.html

EZRA KLEIN: Yeah. And maybe we should do an episode on this. I have very complicated feelings about degrowth. So one is that it is tricky to talk about, as you say, because I find its advocates will continue to say that you’re defining it wrong. So let me use a definition from Hickel, which is, and I’m quoting him here, “Degrowth is a planned reduction of energy and resource throughput designed to bring the economy back into balance with the living world in a way that reduces inequality and improves human well-being.”

And so I’d note two things here. One is “designed.” Degrowth is, as its advocates understand it, a act of global economic planning really without equal anywhere in human history. It is an act of extraordinary central planning. So that’s one thing that is going to become important in my answer.

I’d say there’s part of this vision I’m sympathetic to, and then part of it that I just don’t think holds together. I would distinguish a critique of want and a critique of growth. And the way I would do that is that, as you hear if you listen to the show, I’m pretty critical of a lot of the ways capitalism generates desire.

Desire is something we build through advertising, through social mimicry. This is a show that is supported by advertising. This is part of the desire- generation complex in its business model. And we are told and taught to want a lot of things, not only that we don’t need, but that don’t make us happier. And so not all growth as measured by G.D.P. is good growth.

But a lot of what people want is fine, or great, or whatever. It’s their desire, and it’s not for me to tell them the jeans they’re interested in are incorrect. And a lot of it I don’t think is under the power of policymakers to control. I don’t think it’s all advertising. I don’t know that if you cut down advertising, the amount people would spend on consumption would go way down. They might simply consume other things.

And so I want people to have rich, materially fulfilling lives. And I think it’ll be a very hard piece to change. So in terms of having a counterweight to the materialism, the ideology of materialism in modern society, that’s a part of degrowth that I’m very open to.

But now let me talk about degrowth more in the terms of it is a direct political project, which is as an answer to climate change. I would cut this into a few pieces. Is degrowth necessary for addressing climate change? Is it the fastest way to address climate change? And is it desirable? It has to be at least one of those things to be the strategy you’d want to take.

And I don’t think it is. Let’s start with necessary. Many countries in Europe, even the United States, are growing while reducing their carbon footprint. Now, you could say they’re not doing so fast enough depending on the country. But they could all do so much faster if there was enough political will to deploy more renewable technology, to tax carbon, to do a bunch of things that we have not been able to pass. So it is clearly true that we can decouple growth and energy usage.

Hickel, to be fair, will say that that may be true. But given the speed at which we need to act, we can’t just be deploying renewable energy technology. It would also help the situation if we stopped using as much through material consumption. That is, I think, conceptually true and politically false.

I mean, let’s just state that speed is, first and foremost, a political problem. There is a delta between where we are right now in terms of what we are doing on climate change and where we could be. That delta is big, and that delta gets bigger every year because it gets harder every year. And the time we have to act before we start getting some of the really truly catastrophic feedback loops in play is shortening. So you’re now talking here about the speed at which you can move politics.

So for something to be faster, it doesn’t just need to be faster if you implemented it. It needs to be something you can implement such it accelerates the politics of radical climate action. And that’s where I think degrowth completely falls apart. And I have tried to look for the answer people give on this, and I’ve never found one that is convincing.

So again, I’ll quote Hickel on this: “Degrowth has a discriminating approach to reducing economic activity. It seeks to scale down ecologically destructive and socially less necessary production, i.e., the production of S.U.V.s, arms, beef, private transportation, advertising and planned obsolescence” — by which he means there, the fact that expiration dates are built into a lot of our electronics — “while expanding socially important sectors like health care, education, care and conviviality.”

And I’d urge people to think about that for a minute. I mean, you can listen to that and you will assume correctly that I am sympathetic to the idea that a lot of those goods are not great. I’m a vegan. I don’t eat beef. I would like nobody else to eat beef.

I think that if the political demand of the climate movement becomes you don’t get to eat beef, you will set climate politics back so far, so fast, it would be disastrous. Same thing with S.U.V.s. I don’t like S.U.V.s. I don’t drive one. But if you are telling people in rich countries that the climate movement is for them not having the cars they want to have, you are just going to lose. You are going to lose fast.

We watched this happen for years before Elon Musk and some others began inventing cars that were both electrified and were actually cool cars. You weren’t going to get everybody in a Prius. You might, over time, get them into the post-Tesla generations of electronic vehicles.

This is where the politics of it for me fall apart. I’d at least like to see some empirical evidence for the claim that degrowthers are right, and that their appeal will speed the politics of doing hard things on climate change. Because I think it will do the opposite. And I don’t see politicians winning in the countries they would need to win on anything like this platform. Quite the contrary.

I watched the most effective attack against Joe Biden’s climate policies. It dominated the news for a day or two. It was Fox News just making up — just completely making up — a false claim that Biden was going to limit or restrict red meat.

ANNIE GALVIN: Right. [LAUGHS]

EZRA KLEIN: So my worry with degrowth is that it is trying to take the politics out of politics. It is attacking the flaws of the current strategy as not moving fast enough when the impediments are political, but then not accepting the impediments to its own political path forward.

I will say, because I think it’ll be weird to people if I don’t mention this, that there is the big problem, of course, that the rising generation of emissions is coming from China, from India. I think it’s something like ⅔ of emissions are now from middle income countries. That is only going up.

Hickel and other degrowthers will say that, yes, the point of this is that the rich countries, which have already used more than their fair share of the carbon budget, should cut their carbon usage so poor countries can grow. I cannot imagine how you are going to enforce this as a political and economic planning regime. How you will get rich countries to agree to do less so poor countries can have more. I mean, look at what has happened with vaccine hoarding.

I don’t want to say that this isn’t a good moral weight on the conversation or, in the long term, a good push for people to think about different ways of having growth, different ways of human flourishing. But the entirety — as the degrowth people will agree — the entire question of the climate change conversation is speed. And I just don’t see the argument for degrowth as being anything but an extraordinarily slower way of approaching the politics, probably counterproductive compared to what we’re doing, which is I think you can make tremendous strides on climate change by deploying renewable energy technologies and giving people the opportunity to have a more materially fulfilling life atop those technologies.

And by the way, when that happens in rich countries, as we have seen, it ends up subsidizing these renewable energy technological advances for poorer countries. So it is a fact that Germany and other countries did so much to subsidize solar for themselves, it has also made it possible for countries like China and India to have such a rapid advance in solar technology that it’s affordable for them to do a lot of their growth on that platform.

So I also think there are cross-subsidies in rich countries trying to maintain growth renewable energy deployment that end up helping poor countries change what they’re doing in a useful way, too. So that’s my take on degrowth. But I understand its appeal. I just don’t understand its politics.

#### 9---only capitalism sustains colonization and solves inevitable extinction.

**Skran 16** [Dale Skran is Executive Vice President of the National Space Society and a member of the Board of Directors of the Alliance for Space Development. “Settling space is the only sustainable reason for humans to be in space,” <http://www.thespacereview.com/article/2915/1>]

As robotic and artificial intelligence technologies improve and enable increasingly robust exploration without a human presence, eventually there will be only one sustainable reason for humans to be in space: settlement. Research into the recycling technology required for long-term off-Earth settlements will directly benefit terrestrial sustainability. Actively working toward developing and settling space will make available mineral and energy resources for use on Earth on a vast scale. Finally, space settlement offers the hope of long-term species survival that remaining on Earth does not. There are more than seven billion people on the Earth today. No rational space settlement advocate suggests that any significant portion of that population, or even of those who are rich, will be moving to Mars or anywhere else in space. However, a recent essay by Astro Teller, head of Google X Labs, and his wife Danielle, a physician and researcher takes the bold position that “It’s completely ridiculous to think that humans could live on Mars.” This essay, published by Quartz, repeats with little examination some of the hoariest arguments against space settlement. To support this view, the Tellers quote their 12-year-old daughter: “I can’t stand that people think we’re all going to live on Mars after we destroy our own planet.” This quote contains two mischaracterizations that demand refutation: that “we are all” going to live in space and that we are going to live in space after we destroy Earth. Another canard that has long floated about was given form by the recent film Elysium starring Matt Damon: the rich will leave the poor on the Earth and escape to space settlements. Upon examination, all three of these ideas are strawmen. There are more than seven billion people on the Earth today. No rational space settlement advocate suggests that any significant portion of that population, or even of those who are rich, will be moving to Mars or anywhere else in space. Instead, we expect that relatively small numbers of highly qualified individuals, or those who are deeply dedicated to living in space, would form the first settlements. Over a significant period of time, thousands more from the Earth would join those settlements as they become increasingly self-sufficient. Over more time, various possible niches for settlement (Moon, Mars, asteroids, free space, etc.) will be occupied, and eventually the population in space will total many millions, most of whom will have been born in space. So why then do Elon Musk, Stephen Hawking, and many others, including organizations like the National Space Society (NSS) and Alliance for Space Development, believe strongly that space settlement is essential to human survival? Although this may seem surprising, the Earth is not a “safe space.” The destiny of virtually all species on Earth is extinction in a relatively short span of geologic time. The Tellers claim that “we live on a planet that is perfect for us.” This statement is both completely true and total nonsense. We fit well on the Earth because we have evolved over millions of years to become creatures that are both adapted to live here and to like living here. It is truer to say that we are perfect for the Earth than the reverse. In fact, the Earth is not such a commodious place. It is subject to periodic calamities of various sorts, ranging from massive asteroid and comet impacts to titanic volcanic eruptions, and from periodic ice ages to disastrous solar flares. In the short run, the Earth seems balmy and comfortable. Viewed from the perspective of deep time, it starts to look more like a death trap, bedeviled by regular mass extinctions. However, things are actually quite a bit worse. Although there are many potentially bad things that might happen to the human race on the Earth from natural sources, there are many more from unnatural sources. We have been dancing with nuclear disaster for a long time. An apocalyptic atomic war is not inevitable, but it is possible. Add to this scenario the genetically engineered killer virus, “gray goo,” a robot revolt, and other horrors as yet undreamt, and the odds against human survival get longer. Hence, the need to abandon the fiction of Earth as our eternal and unchanging perfect home and to appreciate both the need for, and promise of, space settlement. Not so the rich can escape to an Elysium in the sky, or so we can all leave behind a polluted and overheated Earth, but simply so that the human species and human culture has a chance at surviving and flourishing in the long term. The Tellers believe that sustainability on the Earth has no relationship to what we do in space, but the same technologies that enable deep space settlement will have a profound impact on terrestrial sustainability. The Tellers write, “We haven’t even colonized the Sahara desert, the bottom of the oceans… because it makes no economic sense.” This may be true, but it also makes no sense to settle the Sahara desert, the bottom of the oceans, or Antarctica since these locations are on the Earth, and humans living there will not increase the probability of species survival. Near-Earth free space settlements and lunar bases are just stepping stones to ones much further out that are quarantined from Earth by millions of kilometers of vacuum. Once the motivation of species survival is put front and center, it becomes clear that a settlement in low Earth orbit, on the Moon, at L5, or on the Martian surface is not nearly sufficient. What is needed is a large set of thriving communities distributed throughout the solar system, and even ultimately in the Oort Cloud surrounding the solar system proper. This vision is not a small thing. It will be the work of many generations, just as was the settling of the New World or, even earlier in history, the human diaspora out of Africa along the Asian coast to Australia and beyond. The Tellers believe that sustainability on the Earth has no relationship to what we do in space, but the same technologies that enable deep space settlement will have a profound impact on terrestrial sustainability. Space settlements, of necessity, push the limits of food production per square meter and per liter of water. Space settlement agricultural methods can also be applied to growing food in parched California or in vertical farms in crowded urban areas. Space settlements require humans and technology to co-exist in close proximity. This implies an absolute minimization of pollution and sustained recycling of all waste. Such technologies seem highly applicable to sustainability on Earth as well. We will need to provide the best possible medical care for remote space settlements, which will be far from hospitals on Earth. The technologies that make such medicine effective—“tricorders”, telemedicine, and so on—can also bring medical care to underdeveloped and underserved areas of the Earth. The Tellers raise the specter of “winter-over syndrome” in the Antarctic, writing that “living on Mars would be way, way more miserable than living in Antarctica,” and concluding, “Nobody wants to live there.” Although it is clear that the Tellers will not be going, the large numbers who signed up for Mars One’s sketchy settlement plans suggest that a lot of people do want to live on Mars. There are real challenges to constructing space settlements, but current Antarctic bases are not true settlements. Nobody lives there with their families, with the exception of the coastal Esperanza Base, where about ten families routinely winter over. No real effort is made to create any kind of human environment that is comfortable over a long period of time. Conditions in Antarctica might be better compared to living in a campground than a self-sustaining settlement. Additionally, the current Antarctic Treaty essentially prevents any extraction or use of the natural resources found there, thus making economically independent settlements infeasible. The Tellers think that, from an economic perspective, “Mars has nothing to offer in return.” Here, at least in the short run, they have a point. Let us not shy from the truth. Conditions in the early settlements in the New World were difficult at best, and the casualty rate was high. We should expect the same to hold true for early space settlements. However, Jamestown and Plymouth gave rise to vast cities and a tamed landscape on a scale of hundreds of years. We now bring to the table technological means that would seem magical to the Jamestown settlers. Even as difficult an environment as the Moon can be developed and settled using technology that either exists currently or is an engineering project, as one book suggests. The Tellers think that, from an economic perspective, “Mars has nothing to offer in return.” Here, at least in the short run, they have a point. Although Mars may have more of the natural resources a settlement will need than, say, the Moon, it is at the bottom of a fairly steep gravity well and, for the time being, it is not likely that there will be many Mars-to-Earth exports. However, this is like looking at the resources of the New World via a keyhole, seeing a swamp, and reporting back that there is no point in going there. It is worth keeping in mind the example of “Seward’s Folly.” The purchase of Alaska from Russia was mocked as “Seward’s icebox” and a “polar bear garden.” At the time, the oil and mineral riches of Alaska were undiscovered and undreamt of. Space itself teems with valuable resources, including continuous and abundant solar energy and mineral wealth on a scale beyond imagination just in the near Earth asteroids. Just as the Tellers were dismissing space resources as irrelevant, the US Congress was laying the legal groundwork for asteroid and lunar mining with the passage of the Commercial Space Launch Competitiveness Act, signed by President Obama on November 23, 2015. The Tellers also seem unaware that their leadership at Google, Larry Page and Eric Schmidt, are investors in the asteroid mining firm Planetary Resources. The Tellers say that “we won’t survive [on Earth] unless we learn to live in a resource neutral way.” This statement assumes that that Earth is a closed system, which it is not. The Earth is flooded daily with vast amounts of solar energy that, if exploited, could power just about any civilization we wish to maintain. There is no technical limitation to providing continuous, carbon-free power from space solar power satellites beaming power back to the surface of the Earth anywhere it might be needed. The main opposition to this idea derives from an unwillingness to consider centralized power systems on ideological grounds, combined with the unexpected reality of very cheap natural gas today. Even the most conservative consideration of near-Earth asteroid resources suggests that there is no reason to view the Earth as a closed system to which nothing can be added. The time for the settlement of Mars will come, but first we need to build on our success in developing the resources of Earth orbit, in the form of navigation, Earth observation, communication, and weather satellites, by fully developing the economic potential of the Earth-Moon system. Space settlements must flow out of the development of the economic resources of space if they are to be sustainable in the long term. The NSS has developed a complete description of milestones toward the development of space settlements. In view of the above, Astro Teller was probably right to turn down the “space cadet” who wanted Google X to spend money on Mars settlement. But wait—Google is doing exactly that. A key first step toward space settlement is ensuring a gapless transition from the existing International Space Station to commercially owned and operated LEO space stations as described in the NSS position paper “Next Generation Space Stations.” Next will come the development of the resources of the Moon and neaby asteroids leading to the creation of a self-sustaining Earth-Moon economy. Once we have established an asteroid-Earth-Moon economy that makes the resources found in this region fully available for projects ranging from the construction of solar power satellites to fueling future Mars missions, trips to Mars will be far less of a reach than they are today. In view of the above, Astro Teller was probably right to turn down the “space cadet” who wanted Google X to spend money on Mars settlement. Currently Google’s money would be better spent in low Earth orbit, among the asteroids, and on the Moon, joining forces with the growing number of entrepreneurs seeking their fortunes in space. But wait—Google is doing exactly that by sponsoring the Google Lunar X PRIZE to encourage private groups to send landers to the Moon, and investing $900 million in Elon Musk’s SpaceX. Given that corporate Google (now Alphabet) has just made a massive investment in a company founded to settle Mars, the Tellers’ essay sounds a bit like sour grapes. In any case, the Tellers are completely wrong in their disregard of the potential economic benefits of space development and the underlying motivation for space settlement.

#### 10---racial cap’s wrong---

Smith 21, \*Noah Smith, Bloomberg Opinion columnist. He was an assistant professor of finance at Stony Brook University, and he blogs at Noahpinion; (April 2nd, 2021, “Against Hickelism”, https://noahpinion.substack.com/p/against-hickelism)

What Hickel gets wrong is his idea that Western powers, libertarian ideology, and international institutions have conspired to keep poor countries from adopting mixed approaches to their economies. In fact, activist state policies are quite common, and have contributed substantially to the poverty reduction documented above.

For example, take India. Dani Rodrik and Arvind Subramanian, in [a 2004 paper about India’s growth surge](https://www.imf.org/external/pubs/ft/staffp/2004/00-00/rodrik.pdf), write the following:

Most conventional accounts of India’s recent economic performance associate the pick-up in economic growth with the liberalization of 1991. This paper demonstrates that the transition to high growth occurred around 1980, a full decade before economic liberalization. We investigate a number of hypotheses about the causes of this growth—favorable external environment, fiscal stimulus, trade liberalization, internal liberalization, the green revolution, public investment—and find them wanting. We argue that growth was triggered by an attitudinal shift on the part of the national government towards a pro-business (as opposed to pro-liberalization) approach. We provide some evidence that is consistent with this argument. We also find that registered manufacturing built up in previous decades played an important role in influencing the pattern of growth across the Indian states.

In other words, India didn’t just liberalize things; it implemented its own version of a development state, and prospered as a result. The same is true of Southeast Asia, where Malaysia, Thailand, and to a lesser degree Indonesia have emerged as success stories and [have relied thoroughly](https://core.ac.uk/download/pdf/303071859.pdf) on development states and industrial policy. See Vietnam’s recent growth for another example.

In Latin America, it’s true that the Washington Consensus [slowed down structural change and productivity growth](https://rodrik.typepad.com/dani_rodriks_weblog/2010/06/the-most-telling-chart-i-have-seen-in-a-long-time.html). But that doesn’t mean Latin American governments had no role in reducing poverty. Bad advice may have held back the development state in Latin America, but governments there have engaged in extensive redistribution and better education.

A [series](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2304715) of [papers](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2226538) by Nora Lustig, Luis F. Lopez-Calva, and Eduardo Ortiz-Juarez documents these policies. Inequality in Latin American countries fell substantially during the 2000s:

Lustig et al. find that roughly half of this was due to government transfers and pension policies, while the other half was due to increasing incomes for workers at the bottom of the distribution — which in turn was due to better education. So Latin American governments, though they didn’t pursue the kind of manufacturing-intensive, export-led development policy used by many Asian countries, did manage to cut poverty with government action.

## 1ar

### Inequality adv---1ar

#### Robust studies prove---multipolarity increases the propensity for and severity of war

Daniel S. Geller & Konstantinos Travlos 19. Daniel S. Geller is a Professor in the Department of Political Science at Wayne State University. Konstantinos Travlos is in the Department of Political Science at Ozyegin University in Instanbul, Turkey. “Integrating Realist and Neoliberal Theories of War” De Gruyter. Peace Economics, Peace Science and Public Policy. Vol. 25: Issue 2. 02-28-19. <https://www-degruyter-com.proxy.library.emory.edu/view/journals/peps/25/2/article-20180018.xml?rskey=qwhQa9&result=1>

**6.1 Bivariate regression analysis** To explore the relative impact on war of the four system-level measures drawn from the structural realist and neoliberal institutionalist paradigms, we first estimate a set of bivariate regression coefficients. We then specify an integrated theoretical model and examine several possible interactions. The bivariate regression results suggest that all four system-level independent variables have significant effects on the frequency or characteristics of interstate war. Due to its distributions, the dependent variable of war is treated in two ways: the frequency (or onset) of war is presented in its raw form; severity, duration, and magnitude of war are presented in logged form. Table 2 shows the results of this bivariate regression analysis. Table 2: Bivariate regression analysis, 1816–2007 (n = 192). Independent variables Frequency of war onset Severity (logged) Duration (logged) Magnitude (logged) Managerial coordination −0.270 (0.001)\*\*\* −0.148 (0.040)\*\* −0.047 (0.518) −0.072 (0.320) Number of major powers (polarity) 0.142 (0.051)\* 0.092 (0.171) 0.032 (0.665) 0.058 (0.425) System concentration 0.086 (0.234) −0.055 (0.447) −0.125 (0.083)\* −0.113 (0.121) Hierarchy −0.126 (0.080)\* −0.053 (0.468) 0.008 (0.909) −0.026 (0.723) p Value in parenthesis, statistical significance levels, \* = 0.10, \*\* = 0.05, \*\*\* = 0.01. Hypothesis 1, predicting a positive relationship between the polarity (number of major powers) of the system and war, is **supported for the variable war frequency.** The coefficient is positive and significant at the 0.1 level. Polarity shows positive, but statistically insignificant, correlations with war severity, duration, and magnitude. Hence, the results are consistent with the prediction (e.g. Gilpin, 1981; Waltz 1979; 1993) that **as the number of major powers increases, the number of system-level wars also increases.** However, polarity has no meaningful relationship with the characteristics of those wars. Hypothesis 2, predicting an inverse association between the stability of the international hierarchy and war, is also supported for the measure of war frequency. The correlation is negative and, as with polarity, significant at the 0.1 level. Hierarchy also indicates negative correlations with war severity and magnitude, but these do not reach an acceptable level of statistical significance. Therefore, the results are consistent with the prediction (e.g. Geller & Singer, 1998; Modelski, 1983; Organski & Kugler, 1980; Thompson, 1988; Wohlforth, 1999) that as the relative power advantage of the strongest state in the international hierarchy improves, the number of system-level wars decline. Once again, as in the case of polarity, hierarchy has no significant relationship with the characteristics of those wars. Hypothesis 3, predicting an inverse association between system-level concentration of material capabilities and war, is supported for the measure of war duration. The coefficient is negative and, as with both polarity and hierarchy, significant at the 0.1 level. The concentration of capabilities also indicates negative associations with war severity and magnitude, but these coefficients do not reach acceptable levels of statistical significance. Thus, the results are consonant with the prediction (e.g. Singer et al., 1972) that as the aggregate concentration in power among all the major states increases, system-level wars should decline – in this case for the duration of war as measured by the months of war. Hypothesis 4, predicting an inverse relationship between foreign policy coordination among the major powers and war is supported for the measures of war frequency and severity. The coefficients between managerial coordination and war are negative and statistically significant for frequency (0.01 level) and severity (0.05 level). Major power managerial coordination also shows negative associations with war duration and magnitude, but these do not achieve acceptable levels of statistical significance. Hence, the results are supportive of the prediction (e.g. Braumoeller, 2012; Hoffmann, 1978; Vayrynen, 2013) that policy coordination among the strongest states in the world will reduce interstate war – with the significant effects evidenced in system-level measures of war frequency and severity. **6.2 Multivariate regression analysis** To assess the influence of each of the independent variables while controlling for effects of the others, we conduct a multivariate regression analysis using both negative binomial and Poisson models. The negative binomial model provides the best fit with the data and its results are reported in Table 3. Table 3: Negative binomial multivariate regression analyses, 1816–2007 (n = 192). Independent variables Frequency of war onset Severity Duration Magnitude Managerial coordination −0.3285428 (0.0927803)\*\*\* −0.4717731 (0.2811803)\* −0.2367987 (0.1697267) −0.326746 (0.1933167)\* Number of major powers (polarity) 0.0733169 (0.1398645) 1.199715 (0.5240746)\* 0.2740884 (0.2713143) 0.4933461 (0.3305439) System concentration −0.0237303 (0.6340396) −2.404962 (1.885275) −2.823451 (1.138941)\*\* −3.180252 (1.354894)\*\* Hierarchy −0.0090288 (0.0227669) 0.1320817 (0.0541276)\*\* 0.0343964 (0.032656) 0.0872206 (0.0397927)\*\* Model information Wald χ2 (4) 17.97 14.08 7.43 9.64 Log-Pseudolike. −208.036 −1128.32 −413.54 −509.61 Prob>χ2 0.0013 0.0071 0.1149 0.0469 /ln α −2.11 (1.16) 3.21 (0.126) 2.05 (0.138) 2.38 (0.139) A 0.121 (0.140) 24.6 (3.11) 7.81 (1.08) 10.9 (1.52) n = 192 Dispersion set at mean. Robust Standard Errors in Parentheses. Statistical Significance Levels: \* = 0.10, \*\* = 0.05, \*\*\* = 0.01. Hypothesis 1, predicting a **positive association between polarity and war**, is supported once again – this time through negative binomial multivariate regression – for the system-level variable war severity. The coefficient is positive and statistically significant at the 0.05 level with controls for the effects of the other independent variables. **As the number of major powers in the international system expands, the severity of system-level wars also increase.**

#### Multipolarity without unipolarity leads to conflict

Lundestad and Jakobsen 13 (Eirik and Tor, \*Associate Professor of Philosophy at Norges Arktiske Universitet (UiT), \*\*Ph.D., Statistics, “A Unipolar World: Systems and Wars in Three Different Military Eras”, Popular Social Science, <http://www.popularsocialscience.com/2013/02/05/a-unipolar-world-systems-and-wars-in-three-different-military-eras/>)

A system of multipolarity increases rivalry in world politics, the reason being that many states of similar strength compete for power and influence. These states are often uncertain of other states’ intentions, which increases the probability of military action. Also, the power balance in this type of system is changing constantly, as a result of changing alliances. ¶ Multipolarity denotes the fundamental power structure in an international system dominated by several large powers, and is characterized by antagonism between these. ¶ What we know as the classical era of power balance came as a result of planned big power politics. The Napoleonic Wars had led the great powers desiring to prevent similar events taking place in the future. After the defeat of France, the Congress of Vienna determined that five states should dominate world politics together, namely Great Britain, Russia, Prussia, France, and Austria-Hungary.¶ This power-sharing functioned well for 40 years, until other powers came into play and try to dominate politics. The instability of this system became manifest during the Crimean War (1853–56) when Russia invaded the Ottoman Empire and Britain and France joined forces to counter the Russians. Yet, the hardest blow to peace came with German power ambitions which ended in the First World War. This marked the end of Austria-Hungary. ¶ Finally, the Second World War can be described as the coup de grâce for the multipolar system. This became the end of the European golden age. The end of multipolarity meant that a new challenger was to enter world power politics. Together with the Soviet Union, the United States was to dominate the global arena for the next half century

#### No counterbalancing — historical evidence proves that forward-presence makes countries align with the US.

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Offshore balancing, then, would probably not pay great dividends on essential security issues like terrorism and nuclear proliferation, and, in key respects, it would likely cause more harm than good. But how does offshore balancing fare when one considers the broader and even more crucial issue at hand—the question of how successful that strategy will be in preserving U.S. global influence and maintaining a comparatively stable and advantageous international environment? A core assumption of offshore balancing is that retrenchment will not imperil that environment. Offshore balancers believe that a more circumspect grand strategy will lessen great power frictions, compel free-riding American allies to bear more of the load, and thus sustain basic global stability at a reduced price. As noted earlier, some proponents of the strategy also believe that offshore balancing will, counterintuitively, enhance American influence overseas. Here as elsewhere, the central claim of offshore balancing is that less activism and engagement will produce equal or even better results. Here as elsewhere, however, that argument is deeply suspect. Grasping this point requires understanding that offshore balancers’ critique of the inherited U.S. strategy is considerably overdrawn. From reading arguments in favor of offshore balancing, one often gets the impression that American strategy actively undercuts the nation’s influence and interests, by eliciting widespread systemic resistance and making Washington more enemies than friends. Yet the reality is not nearly so bleak. Yes, American power and interventions undoubtedly appear threatening to U.S. rivals, and certain post-Cold War endeavors—particularly the invasion of Iraq—were highly unpopular overseas.91 But even so, it is misleading to suggest that American policy causes such widespread, systematic alienation and pushback as offshore balancers believe. As several leading scholars have noted, for example, the importance of anti-U.S. “soft balancing” is frequently exaggerated, because empirical support for that phenomenon is actually quite weak, and because it is really Washington that most frequently utilizes the tools of “soft balancing”—international institutions, diplomatic coalition-building, and others—to achieve its foreign-policy preferences.92 Moreover, and contrary to what one might expect from reading the offshore balancing literature, the dominant tendency of the post-Cold War era has been for countries to align with, rather than against, America. This has been true in Europe, where the United States has not simply maintained NATO but taken on 12 additional allies since the outset of the unipolar period. It has also been true in Asia, where American defense, security, and political relationships have frequently been upgraded, intensified, and expanded since the mid1990s. Even during the George W. Bush administration—the years when anti-American sentiment was probably at its peak—Washington actually increased and improved its security ties with a wide range of second- and third-tier states that saw American influence not as a threat but as a source of reassurance and protection vis-à-vis rising regional powers like Russia and China. Certain American policies may elicit widespread global disapproval, but the recent trend has been one of “balancing with” the United States rather than “balancing against it.”93 Far from being a geopolitical liability, in fact, America’s forward presence and engagement have long been deeply interlinked with both U.S. influence and international stability. On the subject of influence, the security that America has provided its friends and allies has, in turn, provided America with substantial leverage in shaping those partners’ policies. “The more U.S. troops are stationed in a country,” one statistical analysis of this question finds, “the more closely that country’s foreign policy orientation aligns with that of the United States.”94 Historical evidence supports this assertion. From the early Cold War to the present, U.S. officials have often invoked the sway afforded by America’s forward presence to prevent allies from pursuing nuclear weapons, to gain more beneficial terms in trade and financial pacts, and even to impact the makeup of its allies’ governments.95 In the trade and financial realm, for instance, U.S. troop presence provided a bargaining chip that Washington employed to get NATO allies to bolster the dollar during the 1960s. Over 40 years later, the U.S.-South Korea security relationship provided leverage that American negotiators used to obtain better terms in the U.S.­ South Korea Free Trade Agreement.96 More broadly, American alliances have served as mechanisms for influencing economic, political, and security agendas in key regions, and for projecting Washington’s voice on a wide array of matters. Admittedly, that voice might not be as strong as U.S. officials desire or some international observers believe, but it has nonetheless been quite powerful and pervasive by any meaningful comparison

#### Heg is sustainable---litany of reasons, but retrenchment guarantees conflict

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It is easy to lose sight of this fact amid all the upheaval both in America and overseas. Yet the basic picture remains unambiguous. **The United States is no fallen hegemon.** America still accounted for **22 percent of global GDP** in 2016—not far off the historical average since the 1970s—and it **spent as much on defense as the next eight nations combined.** When U.S. treaty allies are factored in, America’s geopolitical coalition possessed nearly **60 percent of global GDP and military spending**, an amount that still vastly exceeds the economic and military power of all U.S. rivals put together, and that seems unimpressive only in comparison to the utterly peerless primacy of the 1990s. Washington remains at the **center of a global network made up of over thirty treaty allie**s, another thirty or so quasi-allies, and still more security and diplomatic partners, **giving it geopolitical leverage and relationships** that no competitor can approach. And **even in the age of Trump, no rival boasts anything close to America’s experience and expertise in coordinating complex military and diplomatic endeavors.** This is not to say that all is well. America’s competitors have closed the gap in some key areas; that narrowing margin is **encouraging the geopolitical tests Washington confronts today.** There are questions regarding whether the United States still has enough military might to uphold key regional balances around the world, which are inseparable from questions about how wisely the country will address its long-term fiscal dilemmas. There are even graver questions as to whether Americans and their leaders still want to use the nation’s power in the service of the postwar order. But the primary limiting factors here are political and psychological rather than material. They relate to historical amnesia, and to a reluctance to make hard choices and face hard facts, rather than any catastrophic collapse of American power. The United States still **possesses advantages that most previous leading powers can only envy; its capabilities are surely sufficient**—particularly when combined with the strengths of its allies—to mount a credible defense of the international system it has constructed. To say the U.S.-led order is endangered is a counsel of realism, but to say the situation is irretrievable is a counsel of unwarranted despair.

#### Grand strategy is strong---their authors exaggerate advantage of rising powers.

Hal Brands 18. Henry Kissinger Distinguished Professor at Johns Hopkins University's School of Advanced International Studies and a senior fellow at the Center for Strategic and Budgetary Assessments. “American Grand Strategy in the Age of Trump." Page 11-16.

This argument is not baseless, for America’s margin of superiority has slipped from its post–Cold War peak. In 1994, the United States accounted for nearly one-fourth of global GDP and 40 percent of world military spending, with those numbers rising even higher by the early 2000s. By 2015, however, these statistics had fallen— not dramatically, but not trivially—to 22.4 percent of global GDP and 33.8 percent of world military spending. The share of global wealth and power wielded by America’s core treaty allies had also declined, from roughly 47 percent of global GDP and 35 percent of global military spending in 1994 to roughly 39 and 25 percent, respectively, in 2015. Meanwhile, the share wielded by the chief challenger to American primacy rose dramatically. In 1994, China accounted for just 3.3 percent of global GDP and 2.2 percent of world military spending; by 2015 two decades of booming economic growth and double-digit annual increases in military spending had taken those numbers to 11.8 and 12.2 percent, respectively.19 By these common measures of global power, the world is not as unbalanced as it used to be. As the global power gap has narrowed, Washington has also been faced with more—and arguably more severe—threats to its position and interests than at any time since the Cold War. Greatpower competition has returned, as Russia and China test the contours of an order that they never fully accepted, and that they now have greater capacity—economic, military, or both—to challenge. Moscow and Beijing are seeking to assert primacy within their own regions, probing the distant peripheries of the U.S. alliance system, and developing military capabilities that severely threaten America’s ability to project power and uphold its security commitments in eastern Europe and the western Pacific. China’s antiship ballistic missiles and its coercion of its neighbors, like Russia’s hybridwarfare activities and its anti-access/area-denial (A2/AD) capabilities, represent growing challenges to U.S. military superiority in key areas of Eurasia, and to the benign regional orders Washington has sought to maintain.20 Meanwhile, the long-standing challenge of handling rogue actors has also become more difficult as those actors have become more empowered. North Korea boasts a sizable nuclear arsenal and is rapidly developing a reliable intercontinental strike capability with which to underwrite its serial provocations.21 Iran is fanning sectarianism, fighting multiple proxy wars, and destabilizing an already-disordered Middle East as it also emerges from punishing international sanctions. The Islamic State is losing ground militarily, but it has shown the capacity of nonstate actors to sow chaos across a crucial region while also spreading and inspiring terrorism across the globe. The world is ablaze, it sometimes seems. In virtually every key region, the United States confronts rising challenges to the post–Cold War order. The world ideological climate is now more contested as well. After being in retreat for decades, authoritarian regimes are increasingly pushing back against liberalizing currents, as the 2008 global financial crisis and its aftermath have raised questions about whether democracies can deliver the goods. Russia, China, and other authoritarian regimes have meanwhile reentered the global ideological competition in significant ways, touting the virtues of centralized control and “state capitalism,” and pushing back against Western concepts of political liberalism and human rights. Even countries that are part of the U.S.-led alliance system have regressed politically. Hungarian prime minister Viktor Orbán has proclaimed the rise of the “illiberal state” as an antidote to the weaknesses of liberal democracy, and his example has gained admirers in Poland, Slovakia, and elsewhere. As a result of all this, although democracy remains very robust by historical standards, the advance of electoral democracy has stalled over the past decade, and some contend that a “democratic recession” is under way.22 If history ever ended, it has restarted once more. In the realm of ideas, as in the realm of geopolitics, American primacy seems less daunting than before. Finally, there are questions about the trajectory of America’s own engagement with the world. The United States has experienced significant real declines in defense spending since 2011, forcing difficult trade-offs among force structure, readiness, and modernization. Indeed, Washington is increasingly facing a crisis of strategic solvency, as America’s undiminished commitments outstrip its shrinking capabilities.23 At the same time, the wars in Iraq and Afghanistan have encouraged pro-retrenchment sentiments at home; they have also raised doubts regarding America’s judgment in starting wars and its ability to conclude those wars successfully. Overseas, U.S. partners in Europe, the Middle East, and East Asia now appear concerned that America might undertake a broadbased withdrawal from key regions; for their part, Americans seem less convinced as to why the United States should retain such an assertive strategy when there is no obvious existential threat to national security to justify it. According to one poll conducted in 2013, 52 percent of Americans—the highest proportion in decades—believed that the country should now “mind its own business internationally and let other countries get along the best they can on their own.”24 Not least, there is the simple fact that a candidate who derided U.S. alliances and overseas commitments, who angrily denounced the pursuit of free trade and globalization, and who promised—on the stump, at least—major changes in American foreign policy was elected president in 2016. These factors have collectively fed into a narrative of national ennui and decline that is more pronounced than at any time since the 1970s. Yet if this narrative is not baseless, it is overstated. For the idea that the era of American primacy has passed—that we are now entering or have already entered a truly multipolar world—is far from the truth. By virtually all key measures, the United States still has substantial, even massive, leads over its closest competitors. In 2016 the United States claimed a nearly US$18.6 trillion GDP that was almost US$7.5 trillion larger than China’s, and it possessed a per capita GDP (a crucial measure of how much money a government can extract from its citizens to pursue geopolitical ends) roughly four times that of China. In the military realm, U.S. annual defense spending was still nearly three times that of China as of 2015—a reminder that although China is closing the gap on Washington in certain respects, the overall gap remains significant indeed.25 In fact, America’s global lead is probably far bigger than indicated by simple numerical measures such as GDP and percentage of global military spending. GDP is a commonly used but problematic way of comparing U.S. and Chinese economic strength. It is merely a snapshot, rather than a fully explanatory measure of how wealth accrues over time; it does not account for factors such as the damage that China is doing to its own long-term economic potential through the devastation of its natural environment; it understates important U.S. advantages such as the fact that American citizens own significant minority shares in foreign corporations. By a more holistic measure of national economic strength—“inclusive wealth,” which takes account of manufactured capital, human capital, and natural capital—the United States was still roughly 4.5 times wealthier than China as recently as 2010. Add in the enormous long-term economic problems that China faces—from declining growth rates, to a massive asset bubble, to a rapidly aging population—and forecasts of coming Chinese economic supremacy become more tenuous still.26 The U.S. military lead is even more extensive. As a recent study by Stephen Brooks and William Wohlforth concludes, although China’s ongoing military buildup presents significant, even severe, regional challenges for the United States, at the global level there is still simply no comparison. The United States possesses massive advantages in high-end power-projection capabilities such as aircraft carriers, fourth- and fifth-generation tactical aircraft, nuclearpowered submarines, AWACS, and heavy unmanned aerial vehicles. These advantages have been amassed over decades, through enormous and accumulating investments, and so it will take decades—if not longer—for China to come close to matching the United States. These metrics, moreover, do not reflect the other, more intangible advantages that the U.S. military possesses—the years of recent experience in complex operations, the extraordinarily high levels of human capital, the flexible command-and control structures that permit initiative and adaptation. “Rather than expecting a power transition in international politics,” Brooks and Wohlforth write, “everyone should start getting used to a world in which the United States remains the sole superpower for decades to come.”27 Finally, any consideration of global power dynamics must evaluate the role of allies: the United States has dozens of them, whereas China and Russia have few, if any. (Those that they do have, countries such as Belarus and North Korea, make up a veritable international most-wanted list.) America’s allies give it geopolitical leverage, diplomatic influence, and military access that other countries can only envy; they add enormously to the overall weight of the Western coalition of which Washington remains leader. As of 2015, the United States and its core treaty allies in Asia and Europe accounted for roughly three-fifths of global wealth and global military spending—a share that was moderately diminished from twenty years earlier, but still very impressive by nearly all other historical comparisons.

#### Historical data proves transition wars

Schweller 11 (After Unipolarity: China's Visions of International Order in an Era of U.S. Decline, Randall L. Schweller, ull Professor of Political Science at The Ohio State University, where he has taught since 1994. He earned his PhD from Columbia University in 1993 and was as an Olin Fellow at Harvard University in 1993-94, After Unipolarity Randall L. Schweller and China’s Visions of International Order in Xiaoyu Pu an Era of U.S. Decline, p. Project Muse)

History tells us that dramatic structural changes rarely unfold smoothly or peacefully. Realists as far back as Thucydides have noted the danger of situations in which states undergo rapid rises and declines in relative power, where one state aspires to hegemonic status and another seeks to maintain it. Indeed, history’s most destructive and influential armed conflicts have been titanic struggles called hegemonic wars: systemwide military contests of unlimited means between coalitions led by a declining leader and a rising challenger. The fundamental issue at stake in hegemonic wars is the maintenance or acquisition of prestige, defined as the reputation for power that serves as the everyday currency of international politics. Prestige decides who will order and govern the international system, the nature of that order (its social purpose), and how that order will be provided (whether by means of coercive or legitimate authority).8 The main causal driver of Robert Gilpin’s theory of hegemonic war and international change is the law of uneven rates of growth among states, which redistributes power in the international system. Hegemonic wars concentrate power in the hands of one victorious state, in whose interests a new international order is established. For a time, roughly twenty-five years, there is little disjuncture between actual power and prestige, and so the international order remains stable and legitimate. Over time, however, the law of uneven growth diffuses power throughout the system. As the hegemon’s competitors grow more powerful, their dissatisfaction with the status quo, ambitions, and demands for prestige and influence grow as well. Prestige, however, tends to be sticky: reputations for power, divisions of territory, and the institutional architecture of the international order do not move in lockstep with changes in power. When a large enough disjuncture arises, the system enters a state of disequilibrium.9 Eventually, serious international crises ensue, as spectacular growth in the economic and military capabilities of rising powers triggers “intense competition among countries for resources and markets, military power, political influence, and prestige.”10 Dramatic shifts in power also engender security dilemmas. Whatever their true intentions, rapidly growing states often appear as threats to their neighbors, as well as to the hegemon and its allies.11Prior to military confrontation or even the threat of such conflict, we argue that the rising challenger must delegitimize the hegemon’s global authority and order.12 This delegitimation phase, which appears years before the critical inflection point of a power transition, creates the conditions for the emergence of a revisionist counterhegemonic coalition. During this phase, the revisionist power voices its dissatisfaction with the established order and forges the social purpose that will become the foundation of its demand for a new world order. This phase occurs within the larger cyclical pattern of (1) a stable order, (2) the deconcentration and delegitimation of the hegemon’s power, (3) arms buildups and the formation of alliances, (4) a resolution of the international crisis, often through hegemonic war, and (5) system renewal.13 Is contemporary international politics following this conventional pattern and, if so, where are we in the cycle?

#### They read a bunch of MAcdonald cards – reject them

Haynes, et al. 12 (Kyle Haynes William R. Thompson Paul K. MacDonald Joseph M. Parent, International Security, Volume 36, Number 4, Spring 2012, pp. 189-203 (Article), Kyle Haynes is a Ph.D candidate in the Woodrow Wilson Department of Politics at the University of Virginia. William R. Thompson is Distinguished Professor and Donald A. Rogers Professor of Political Science at Indiana University. Paul K. MacDonald is Assistant Professor of Political Science at Wellesley College. Joseph M. Parent is Assistant Professor of Political Science at the University of Miami, Correspondence Kyle Haynes William R. Thompson Paul K. MacDonald and Joseph M. Parent Decline and Retrenchment— Peril or Promise, Project Muse)

Yet MacDonald and Parent make five related and highly debatable assumptions that produce misleading findings and conclusions. They assume that the behavior of all great powers is equally germane to all questions of decline (e.g., the decline of the fifthranked power is no different than the decline of the first-ranked power). Next they assume that aggregated and highly heterogeneous findings from the past necessarily tell us much about a potential future case of some magnitude. They complicate the interpretation problem by measuring great powers and decline in novel but dubious ways. In particular, they focus far too much on gross domestic product (GDP) as their sole criterion of relative power. Finally, and whether or not one suspects the validity of choices made about indicators, they assume that all cases of transition (an outcome of decline) are equivalent. If we are most interested in possible occurrences such as a China-U.S. transition, we would be on more solid ground if we looked at earlier periods of transition between numbers 1 and 2 in the great power hierarchy. Relative decline and transitions among numbers 3, 4, and 5 should prove to be a much different proposition because, presumably, much less is at stake in these fluctuations. MacDonald and Parent’s design also precludes a more focused comparison by overlooking systemic leadership decline almost altogether (p. 10). Yet even if one accepts MacDonald and Parent’s argument that all great powers are more or less alike, a characteristic assumption of neorealist approaches, it is an ecological fallacy to rely on aggregate findings to discuss specific dyads such as the United States and China. If the database from which the findings are drawn was rock solid, it still would be impossible to know whether a China-U.S. transition and U.S. relative decline were likely to be conflictual or peaceful. If the database is deemed to be something less than rock solid, analytical and policy caution is all the more warranted. One reason to be wary of the database used by MacDonald and Parent is that the great power pool is determined by an elite identification procedure that no scholar has ever employed before.2 They first stipulate a list of great powers, and then require that states must have at least a 10 percent share of total great power GDP to qualify for the purposes of the analysis. 3 If a great power changes its rank order position for a period of at least five years, it has experienced acute relative decline. MacDonald and Parent’s primary justification for the decline measure is that great powers “cannot maintain their position in the system if others have a persistently higher share of GDP” (p. 24). A second justification is that relying on GDP alone is preferable to utilizing some mixture of economic and military variables, because the latter approach would conflate consequences (military shares) with causes (economic shares). It is not clear, however, that we know these things to be true. System leaders, in particular, have not always had the largest GDP in the system. Some scholars argue that mili- tary spending is a cause of “hegemonic” decline.4 Alternatively, some states lost their relative position when they were eclipsed by the emergence of larger states. In this context, it may be more a matter of population size and resource endowment being the most responsible for relative decline. There are really two problems here. One is that GDP is not an ideal instrument for ~~stand-alone~~ independent analysis. It measures the size of an economy but not its quality (customarily captured equally quickly in terms of GDP per capita).5 Should Chinese GDP surpass U.S. GDP in the next decade or so, it will not mean that the Chinese economy is superior to the U.S. economy—only that it is larger. In the near future, a larger Chinese economy would likely remain relatively underdeveloped, albeit not necessarily forever. If systemic leadership is not predicated on the sheer size of the economy, transition in relative share of GDP leadership would not imply an immediate transition in systemic leadership. Unlike lesser-ranked great powers, system leaders surge to the front of the pack via pioneering technological and energy innovations.6 Other contenders attempt to emulate their success. When system leaders decline, it is because their edge on the technological frontier has eroded. It is possible to regain this edge, but not through retrenchment tactics alone. Numbers 1 and 2 must do a great deal more to make their economies the world system’s lead economy.7 MacDonald and Parent’s GDP-centric approach yields eighteen cases of relative decline. China, Austria, and Italy evade any decline. Three states, Russia/the Soviet Union, France, and the United Kingdom, provide fifteen of the eighteen cases. Of these three states, the United Kingdom is of particular interest, but four of its six cases are post–World War I and two are post–World War II. This is a little late for an interest in “hegemonic” transitions. After World I, and especially after World War II, the United Kingdom had little choice but to accept (eventually) the implications of its by-then considerable relative decline. On the other hand, there is an odd 1967 West German case that is frankly difficult to imagine as a case of great power decline. The 1992 Japanese case is also peculiar, but at least in this case, the Correlates ofWar program also bestows great power status on Japan in 1991—just in time for it to experience decline in the next year.8Even if we put aside these objections about operationalization assumptions, the ultimate problem is that great power relative decline leads to transitions of different kinds. All transitions are no more equal than are all great powers. The geographer Peter Hugill has the best categorical take on this problem by positing three types.9 Type I transitions pit a trading state against a politico-military state committed to territorial expansion close to home.10 Think Britain versus Germany or Britain versus France in earlier centuries. Type II transitions are between two trading states over control of economic markets and access to resources—as in the Britain-U.S. case. Type III transitions involve two states contesting for geopolitical advantage by controlling territory. Germany and Russia/the Soviet Union is a good example. France and Germany is another.

#### Transition wars go nuclear.

Graham T. Allison 17. Professor and director of the Harvard Kennedy School’s Belfer Center. “How America and China Could Stumble to War.” The National Interest. 4/12/2017. https://nationalinterest.org/feature/how-america-china-could-stumble-war-20150?page=0%2C6

In the years ahead, could a collision between American and Chinese warships in the South China Sea, a drive toward national independence in Taiwan or jockeying between China and Japan over islands on which no one wants to live spark a war between China and the United States that neither wants? It may seem hard to imagine—the consequences would be so obviously disproportionate to any gains either side could hope to achieve. Even a non-nuclear war conducted mostly at sea and in the air could kill thousands of combatants on both sides. Moreover, the economic impact of such a war would be massive. A 2016 RAND study found that, after just one year, American GDP could decline by up to 10 percent and Chinese GDP by as much as 35 percent—setbacks on par with the Great Depression. And if a war did go nuclear, both nations would be utterly destroyed. Chinese and American leaders know they cannot let that happen.

Unwise or undesirable, however, does not mean impossible. Wars occur even when leaders are determined to avoid them. Events or actions of others narrow their options, forcing them to make choices that risk war rather than acquiesce to unacceptable alternatives. Athens did not want war with Sparta. Kaiser Wilhelm did not seek war with Britain. Mao initially opposed Kim Il-sung’s attack on South Korea in 1950 for fear of blowback. But events often require leaders to choose between bad and worse risks. And once the military machines are in motion, misunderstandings, miscalculations and entanglements can escalate to a conflict far beyond anyone’s original intent.

To better understand these dangers, Washington and Beijing have developed scenarios, simulations and war games. These often begin with an unexpected incident or accident. Individuals assigned to play the hand of China or the United States take it from there. Participants in these exercises are repeatedly surprised to find how often and easily small sparks lead to large wars. Today, there are at least three plausible paths to war between the world’s two greatest powers.

IN WAR scenarios, analysts use basic concepts made familiar by the U.S. Forest Service. Arsonists cause only a small fraction of fires. Discarded cigarettes, smoldering campfires, industrial accidents and bolts of lightning are much more common sources. Fortunately, in the forest as well as in relations among nations, most sparks do not ignite a blaze.

Background conditions often determine which sparks become fires. While Smokey the Bear’s warning that “only you can prevent forest fires” teaches campers and hikers about sparks, the Forest Service posts additional warnings after long dry spells or periods of extreme heat, occasionally closing high-risk areas. Moreover, it regulates the storage of flammable chemicals, propane tanks and gas depots, becoming increasingly stringent as conditions worsen.

In relations between China and the United States today, relevant background conditions include geography, culture and history. “History,” Henry Kissinger observed in his first book, “is the memory of states.” China’s memory is longer than most, with the century of humiliation forming a core part of the country’s identity. Recent military engagements are also part of each state’s living memory. The Korean War and Sino-Soviet border conflict taught Chinese strategists not to back down from more powerful adversaries. Moreover, both the American and Chinese militaries acknowledge that the United States has lost, or at least failed to win, four of the five major wars it has entered since World War II.

The most pertinent background conditions, however, are Thucydides’s Trap and the syndromes of rising and ruling powers that China and the United States display in full. Thucydides’s Trap is the severe structural stress caused when a rising power threatens to displace a ruling one. Most contests that fit this pattern have ended badly. Over the past five hundred years, a major rising power has threatened to displace a ruling power sixteen times. In twelve of those, the result was war.

The rising power syndrome highlights the upstart’s enhanced sense of itself, its interests, and its entitlement to recognition and respect. The ruling power syndrome is essentially the mirror image: the established power exhibiting an enlarged sense of fear and insecurity as it faces intimations of “decline.” As in sibling rivalries, so too in diplomacy one finds a predictable progression reflected both at the dinner table and at the international conference table. A growing sense of self-importance (“my voice counts”) leads to an expectation of recognition and respect (“listen to what I have to say”) and a demand for increased impact (“I insist”). Understandably, the established power views the rising country’s assertiveness as disrespectful, ungrateful and even provocative or dangerous. Exaggerated self-importance becomes hubris; unreasonable fear, paranoia.

LIKE GASOLINE to a match, accelerants can turn an accidental collision or third-party provocation into war. One cluster of accelerants is captured by what Carl von Clausewitz called the “fog of war.” Extending Thucydides’s insight about war as “an affair of chances,” Clausewitz observed that “war is the realm of uncertainty. Three quarters of the factors on which action in war is based are wrapped in a fog of greater or lesser uncertainty.” This profound uncertainty can lead a commander or policymaker to act aggressively when a fuller set of facts would advise caution, and vice versa.

The advent of disruptive weapons that promise “shock and awe” makes the fog and uncertainty even worse. With attacks on command-and-control systems, enemies can paralyze a nation’s military command. In Desert Storm, U.S. forces demonstrated version 1.0 of this option. They destroyed Saddam Hussein’s intelligence and cut communication links to his commanders in the field. Isolated, his forces hunkered down; it was like “shooting fish in a barrel,” U.S. pilots remarked.

Antisatellite weapons are one accelerant that military planners expect to play a big role in any U.S.-China conflict. Long a subject of science fiction, such weapons are today a fact of life, running the gamut from kinetic ones that physically destroy their targets to quieter systems that use lasers to jam or “dazzle” satellites, rendering them inoperable. In 2007, China successfully destroyed a weather satellite, and it regularly tests its antisatellite capabilities in less dramatic fashion. Satellites provide a crucial link in almost every U.S. military endeavor, from early warning of ballistic-missile launches and providing imagery and weather forecasts to planning operations. Global positioning satellites put the “precision” in almost all the military’s precision-guided munitions and allow ships, planes and ground units to know where they are on the battlefield. The United States depends on this technology more than any of its competitors, making it a perfect target for Chinese military planners.

Cyberspace provides even more opportunities for disruptive technological transformations that could provide a decisive advantage, on the one hand, but might also risk uncontrolled escalation, on the other. The details of offensive cyberweapons remain heavily classified and are constantly evolving. But the public has seen glimpses of them in some cases, such as America’s cyberattack against Iran’s nuclear program or its “left-of-launch” attacks on North Korea’s missile tests. America’s primary cyberspace organizations, the National Security Agency and U.S. Cyber Command, as well as their Chinese counterparts, can now use cyberweapons to silently shut down military networks and critical civilian infrastructure like power grids. Moreover, by employing proxies and assembling an international web of compromised computers, they can disguise the origins of a cyber-operation, slowing the victim’s ability to identify the attacker.

Like antisatellite measures, cyberweapons could create a decisive advantage in battle by disrupting the command-and-control and targeting information on which modern militaries depend—and without bloodshed. This presents a dangerous paradox: the very action that attackers believe will tamp down conflict can appear reckless and provocative to the victims. Similarly, cyberattacks that disrupt communication would intensify the fog of war, creating confusion that multiplies the chances of miscalculation.

While both the United States and China now have nuclear arsenals that could survive the other’s first strike and still allow for retaliation, neither can be sure its cyber arsenals could withstand a serious cyber assault. For example, a large-scale Chinese cyberattack against the U.S. military’s networks could temporarily cripple Washington’s ability to respond in kind, or even to operate some of its critical command-and-control and surveillance systems. This creates a dangerous use-it-or-lose-it dynamic in which each side has an incentive to attack key links in the other’s computer networks before their capabilities are disabled.

Compared with the bluntest instruments of war, especially nuclear bombs, cyberweapons seem to offer the promise of subtlety and precision. But this promise is illusory. Increased connectivity among systems and devices creates a domino effect. Unable to determine how the hacking of one system may affect others, attackers would find it difficult to narrowly tailor the effects of their operation and avoid unintended escalation. In 2016, 180,000 Internet-connected industrial control systems were operating around the world. Along with the proliferation of the “Internet of Things,” which encompasses some ten billion devices worldwide, the number of enticing targets is growing rapidly.

Another accelerant might involve compromising the confidentiality of sensitive networks. Some are obvious, such as those that operate nuclear command and control. Each side, however, may perceive other actions quite differently. Take China’s “Great Firewall,” a collection of hardware and software that enables Beijing to monitor and block vast segments of online content. Washington could disable a system essential to the Great Firewall, intending it as a modest, private warning. But for Chinese leaders who regard the ability to control citizens’ access to information as vital, the operation could be misconstrued as the tip of a spear aimed at regime change.

Given these background conditions, potential sparks can be frighteningly mundane. Escalation can occur rapidly. The following three scenarios show just how easily the United States and China can stumble into a war that each side hopes to avoid.

CURRENTLY, AMERICAN and allied warships and aircraft are operating in greater proximity to their Chinese counterparts than ever before. U.S. Navy guided-missile destroyers periodically conduct freedom-of-navigation operations near Chinese-controlled islands in the disputed waters of the South China Sea.

Suppose that during routine operations an American destroyer passes near Mischief Reef, one of the newly constructed islands where China has built runways for aircraft and installed air and missile defenses. As the ship nears the contested site, Chinese coast guard vessels harass the destroyer, just as they did during the USS Cowpens incident in 2013. Unlike that encounter, however, the U.S. destroyer is unable to swerve in time. It collides with a Chinese ship and sinks it, killing all on board. The Chinese government now has three options. The dovish course would be to avoid escalation by allowing the American destroyer to leave the area and to protest its actions through diplomatic channels. At the other end of the spectrum, it could adopt an eye-for-an-eye approach and sink the destroyer using aircraft or missiles stationed on Mischief Reef. By refusing to be the “chicken,” while also not wanting to escalate, Beijing could opt for what it believes is a middle course. As the U.S. destroyer attempts to leave the area, a PLA Navy cruiser blocks its way, insisting that the destroyer entered Chinese territorial waters and demanding that its crew surrender and face justice for the deaths of the coast-guard personnel. China believes it is deescalating the situation by allowing for a diplomatic solution, akin to the deal that permitted an American crew to go free after a crash landing near Hainan Island sixteen years ago. The background conditions have changed since that incident. From a U.S. perspective, China’s reckless harassment of the destroyer caused the collision in the first place. China’s attempt to arrest American sailors in international waters would undermine the principles of the law of the sea. Surrendering would have far-reaching repercussions: if the U.S. military will not stand up to China to defend operations conducted by its own navy, what message does that send to America’s allies, including Japan and the Philippines? Not willing to undermine its credibility by surrendering, the destroyer could simply sink the Chinese cruiser blocking its path. Alternatively, to avoid further bloodshed and to show a degree of sensitivity to the nationalistic pressures Chinese leaders face at home, the United States could use a show of force to get the cruiser to back down peacefully. U.S. Pacific Command in Hawaii, in consultation with leaders in Washington, could order nearby aircraft to fly to the area, send an aircraft carrier stationed in Japan toward the South China Sea, and forward-deploy B-2 bombers to Guam. American officials believe these actions will signal their seriousness without risking any further escalation. Events look different to Beijing, especially amid the fog of war. As China sees it, the United States has already sunk a Chinese vessel. Now scores of American aircraft are aloft, threatening attacks on the Chinese cruiser, other naval vessels, or military installations on nearby islands. Mindful of public opinion, Chinese leaders are especially conscious that any further bloodshed inflicted by the United States would force them to retaliate aggressively. But events are running beyond Beijing’s control. As U.S. fighter jets rush to the scene to assist the stranded destroyer, a Chinese antiaircraft battery panics and fires on the oncoming aircraft. The U.S. aircraft take desperate evasive action, and the destroyer begins firing on Chinese antiaircraft sites on the island. Under attack, the Chinese commander on the island bombards the destroyer with antiship missiles. The missiles hit their intended target, killing hundreds of American sailors and sinking the ship. Those who escape are now stranded in small lifeboats. Chinese leaders are desperate to avoid a full-scale war with the United States, but also cannot admit that their chain of command broke down. They claim their actions were a proportionate and defensive response because the American destroyer was the aggressor. Officials in Washington are stunned that China has sunk a $3 billion vessel and killed hundreds of American sailors. Though wary of going to war with China, those in the Situation Room cannot back down: video of the ship’s wreckage and stranded U.S. sailors on cable news and social media has made that impossible. Many in Congress are calling on the administration to authorize war plans based on the doctrine formerly named Air-Sea Battle, which calls for massive air strikes against missile and radar systems on the Chinese mainland. Realizing that attacks on China’s mainland would trigger war, the president authorizes Pacific Command to instead destroy China’s military bases on disputed islands in the South China Sea. The president reasons that this is a proportionate response, since these islands were directly responsible for the sinking of the destroyer. Furthermore, eliminating these military bases will allow U.S. ships to rescue the sailors stranded nearby. Most important, such an action would target only China’s artificial islands, leaving its mainland untouched. President Xi Jinping and other Chinese officials do not make this distinction. For years they have told the public that China has undisputed sovereignty over these islands. They are an integral part of China proper, and America has just attacked them. (Americans who scoff should recall that the Japanese attack on Pearl Harbor struck neither the mainland nor even a U.S. state, yet still rallied a nation to war.) Many in China are demanding that Xi order the PLA to destroy U.S. military bases in Guam, Japan and elsewhere in the Pacific. Some want China to attack the United States itself. No one is calling for China to exercise restraint. As millions of its citizens’ social-media postings are reminding the government, after its century of humiliation at the hands of sovereign powers, the ruling Communist Party has promised: “never again.” Still, President Xi clings to the hope that war can be avoided, an impossibility if China begins attacking U.S. military bases in Guam or Japan, killing soldiers and civilians and triggering retaliatory attacks on the Chinese mainland. Seeking a proportionate response to the U.S. attack on China’s island bases, Xi instead approves an alternative plan: using lasers, electronic and kinetic weapons to destroy or disable all U.S. military satellites in orbit above the crisis area, and using cyberattacks to cripple American command-and-control systems throughout the Asia-Pacific. The goal is to deescalate: Xi hopes that the United States will be shocked into backing down. But from the American perspective, these “blinding” attacks are indistinguishable from the first stage of a coordinated attack on the U.S. aircraft carrier and its strike group sailing from Japan—an event for which the PLA has spent decades developing its “carrier-killer” antiship ballistic missiles. The ninety-thousand-ton carrier, a floating city of 5,500 sailors that the United States describes as sovereign American territory, is simply too big to lose. The president is not willing to take the risk. On the advice of the Joint Chiefs of Staff, the president reluctantly approves the only plan ready on short notice that has a chance of saving the carrier: a war plan based on Air-Sea Battle. Using those assets still operational after the Chinese attack, the United States military begins destroying China’s “kill chains,” the various satellite and surveillance systems that allow Beijing to accurately target American carriers with its antiship missiles. It also launches massive cruise missile and stealth bomber attacks on PLA missile sites and air bases on the Chinese mainland, which could at any moment be used to sink U.S. vessels anywhere within the first island chain. The attacks provoke exactly what they intended to avoid. Its mainland now under attack, and the targeting systems needed to operate China’s antiship weapons about to be lost, China must use them or lose them. Xi authorizes attacks on all U.S. warships within range, including the carrier group. American aircraft and naval escorts intercept Chinese bombers and fighter jets flying to the carrier, but a swarm of DF-21D ballistic missiles—the so-called carrier killers—prove too much to handle. Enough reach their target to sink the carrier, killing most of the 5,500 sailors on board—far more than died during Pearl Harbor. The dynamics of playing chicken with cyber and space weapons over the South China Sea has transformed a tiny spark into a roaring fire. IF TAIWAN were an independent nation, it would be among the most successful countries in the world. Its hardworking population of twenty-three million has developed a market economy twice the size of the Philippines, Thailand or Vietnam. Although many in Taiwan want independence, China views it as a province. Beijing is prepared to do whatever it takes to keep Taipei from asserting its sovereignty. No other country has been prepared to fight China over the matter.¶ Suppose, however, that the Chinese government were to substantially increase repression at home, including in Hong Kong, where China promised to maintain considerable autonomy and freedom when Britain returned control of the city in 1997. Enraged that the Chinese government is backtracking on its promises, residents of Hong Kong take to the streets to demand that Beijing uphold its commitment to “One Country, Two Systems.” As the protests drag on for weeks with no resolution in sight, Xi orders the military to do what it did in Tiananmen Square in 1989: crush the protests. The ensuing violence shocks the Taiwanese, particularly the younger generation. Pro-independence and anti-Beijing sentiment soars. In this atmosphere, the Taiwanese president is emboldened to ramp up rhetoric emphasizing her people’s hard-won rights and democracy. Her political allies go further, insisting that what has occurred in Hong Kong proves that Taiwan can never guarantee its citizens’ freedom without becoming a sovereign, independent country. To signal disapproval of Chinese regression in Hong Kong, the American president pointedly announces his respect for the Taiwanese president’s strong stance and declares that the 1979 Taiwan Relations Act fully commits the United States to defend Taiwan against a Chinese invasion. This is a major break from the long-standing U.S. policy of “strategic ambiguity” on the issue, and the Taiwanese president interprets it as tacit endorsement of a move toward independence. In an interview with the New York Times , she announces that Taiwan will apply for full membership to the UN (a move that China has long opposed) and rejects the so-called 1992 Consensus, under which both parties had agreed to the One-China concept while allowing for differing interpretations of what it actually meant. To punish Taiwan’s insubordination and scare it into backing down, China conducts an enhanced version of the Third Taiwan Strait Crisis by barraging Taiwanese waters with “tests” of ballistic and cruise missiles, severely interrupting the commercial shipping that constitutes the island’s lifeline to the world. When Taipei still refuses to withdraw its membership application, China uses other weapons, including mine-laying drones, to further disrupt shipping into and out of Taiwan. As a small island nation, Taiwan imports 70 percent of its food and most of its natural resources, including energy. A sustained blockade would grind its economy to a halt and cause large-scale food shortages. Despite opposition to Taiwan’s application to join the United Nations, the United States feels obliged to prevent its strangulation. Many pro-Taiwan members of Congress are demanding that the White House send aircraft carriers to Taiwan’s aid, just as Bill Clinton did during the 1995–96 crisis. But the administration knows that China’s antiship ballistic missiles would now pose a serious threat to any U.S. carriers moving into the area, and the American public has little stomach for another war. Instead, U.S. Pacific Command offers to escort commercial shipping through the affected seas, a gesture of support but not of willingness to fight. The escort campaign puts U.S. warships at risk of being sunk by the Chinese missile barrage, either deliberately or accidentally—an event that could instantly kill more than one thousand Americans and spark calls for retaliation. In this scenario, a Chinese antiship missile—ostensibly fired as part of ongoing test barrages—sinks the USS John P. Murtha , an amphibious transport dock ship acting as an escort to civilian shipping. All of the nearly eight hundred sailors and marines aboard are killed—more than the United States lost in the first year of the Iraq War. China insists that the sinking was accidental; the Murtha merely got in the way of a missile fired at a random patch of ocean. It reminds Washington that America accidently bombed China’s embassy in Belgrade in 1999. But in Washington, the secretary of defense and the chairman of the joint chiefs urge the president not to be deceived by this explanation. Instead they urge him to authorize the Air-Sea Battle plan to strike PLA antiship missile-launch sites on the mainland. Confronted with the sinking of the Murtha, the president accedes to pressure from military and political advisers, and agrees to preemptively strike antiship and other ballistic-missile systems on the Chinese mainland. Because China’s conventional and nuclear missiles are kept in the same locations, and their command-and-control systems are intertwined, Beijing mistakenly believes the United States is trying to eliminate its nuclear arsenal in a surprise first strike. In a desperate attempt to “deescalate by escalating”—an Orwellian doctrine that is nevertheless a pillar of Russian military strategy—China fires one of its land-based, nuclear-tipped ballistic missiles into an empty tract of ocean south of Okinawa. The nuclear threshold has been crossed. And while no lives have been lost in the strike, it is but a short step from here to all-out nuclear war. THE SPARK to a Sino-American clash need not initially involve American or Chinese military forces. Instead, it might result from a confrontation with or between third-party allies. Such a scenario nearly became reality in 2010, when North Korea sank the South Korean warship Cheonan, killing forty-six South Korean sailors. China supported North Korea’s denial of involvement. Seoul, meanwhile, insisted that Pyongyang be held accountable. Ultimately, the two Koreas and their allies stepped back from the brink. But with a new set of background conditions and accelerants today, it is not clear that it would be so easy to avoid war, especially if the third parties involved were less inured to the sort of slow, grinding tensions that the Korean Peninsula has endured for decades. Besides South Korea, the other major U.S. ally in China’s immediate vicinity is Japan, a country with a post–World War II history of pacifism, but whose politics have become increasingly militaristic in recent years. Conservative Japanese politicians have spoken ever more stridently about revising the pacifist constitution imposed on their country by the United States. They have also been chafing against Chinese claims of sovereignty in the East and South China Seas. In a crisis involving its historical rival Beijing, any steps Tokyo takes would certainly be shaped by these memories, and by the Japanese government’s shifting attitude toward military force. A likely flashpoint is the Senkaku Islands (known in China as the Diaoyu Islands), located near valuable fishing grounds, trade routes and potential oil reserves in the East China Sea. The United States controlled the islands after World War II, before returning them to Japan in the early 1970s. That same decade, China began claiming sovereignty over the islands. Chinese ships regularly pass through these waters, raising tensions between Beijing and Tokyo and risking a collision that could set off a chain reaction. Consider a scenario that provided the story line for a recent war game designed by the RAND Corporation. A group of Japanese ultranationalists set sail for the Senkakus in small civilian watercraft. On social media, they explain that they are headed for Kuba Jima, one of the smaller islands, which they intend to claim and occupy on behalf of Japan. They land and begin building unidentified structures. Taking a page out of the Chinese playbook, they live stream their activities for the world to see. China reacts swiftly, its coast guard arriving within hours with officers who arrest the Japanese dissidents and take them back to the Chinese mainland for trial. Does Japan allow them to face justice in a Chinese court? It could. Instead, rather than lose face, Japan dispatches some of its own coast-guard vessels to intercept the ship carrying the ultranationalists and prevent them from being taken to China. A pileup ensues as both the PLA Navy and the Japan Maritime Self-Defense Force deploy warships and fighter planes to the area. Neither side backs down. To make matters worse, some of the Japanese vessels land amphibious troops to occupy Kuba Jima, doubling down on the nationalists’ actions. A skirmish has become a military confrontation. In an urgent call, the Japanese prime minister reminds the U.S. president that Tokyo expects Washington to uphold the seven-decade-old mutual defense treaty, noting that senior officials have repeatedly confirmed that America’s commitment applies to the Senkakus. As the standoff enters its third day, the president and his National Security Council must decide: Does the United States wholeheartedly respond to Japan’s appeal, putting air power over the disputed island to protect the Japanese troops now on the ground there? Or is there a more restrained course that will satisfy the Japanese without antagonizing China and further escalating the tense naval standoff? The president opts for the latter, directing the Japan-based carrier strike group to patrol outside the range of the PLA’s land-based carrier-killer missiles, but keeping aircraft and submarines close enough to aid Japanese vessels and territory if things get ugly. They do. The next morning, a Chinese destroyer collides with a Japanese fishing boat in the crowded waters off the Senkakus, and soon fighter jets from both sides are provocatively buzzing their opponent’s warships. The standoff erupts into a brief, bloody naval battle as a Japanese captain, fearing for his ship’s safety, downs one of the low-flying Chinese fighters, and the PLA Navy warships, in return, sink his vessel. Both sides are at the edge of war at this point, and so is the United States, which is in a position to sink Chinese vessels with its hidden attack submarines or to send its carrier’s air wing into action. At this juncture, however, before the next decision has been made, something unexpected happens. All communications between Japanese forces on and around the Senkakus and their headquarters go dark. A cyberattack has severely disrupted one of the Japanese military’s command-and-control systems. The United States and Japan immediately blame China. The attacker has even left the telltale signs of the PLA’s offensive hacking unit. There is little hesitation in Washington or at U.S. Pacific Command about what to do next. To prevent the Japanese naval force from being annihilated while it is incommunicado, U.S. submarines sink three PLA Navy warships off the Senkakus with torpedoes. China, Japan and the United States have now fired their opening shots in a three-nation war. But what if it was not the PLA that launched the cyberattack after all? What if it was a carefully timed false-flag operation by Russia, seeking to draw the United States and China into a conflict in order to distract Washington from its wrestling match with Moscow over Ukraine? By the time intelligence agencies around the world learn the truth, it will be too late. The Kremlin has played its hand brilliantly. From the Senkakus, the war zone spreads as China attacks more Japanese vessels elsewhere in the East China Sea. Tokyo is desperate for the United States to commit its carrier strike group to the fight. If Washington makes that call, the same point of no return may well be crossed as in the collision-at-sea scenario: the destruction of one of the crown jewels of the U.S. Navy and the loss of life of all aboard could be the tragedy that the U.S. administration is forced to avenge with widening attacks on Chinese forces in a full-scale Pacific war.

WAR BETWEEN the United States and China is not inevitable, but it is certainly possible. Indeed, as these scenarios illustrate, the underlying stress created by China’s disruptive rise creates conditions in which accidental, otherwise inconsequential events could trigger a large-scale conflict. That outcome is not preordained: out of the sixteen cases of Thucydides’s Trap over the last five hundred years, war was averted four times. But avoiding war will require statecraft as subtle as that of the British in dealing with a rising America a century ago, or the wise men that crafted a Cold War strategy to meet the Soviet Union’s surge without bombs or bullets. Whether Chinese and American leaders can rise to this challenge is an open question. What is certain is that the fate of the world rests upon the answer.

#### Alliances go AFF – they don’t get rid of alliances, they make them fail

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The reality of American power is complicated. By most measures, the **United States still enjoys preeminence**: It maintains the world’s **most powerful military and is the global leader in technological development and innovation.**7 It possesses **unrivaled structural power**, due both to its reserve currency and to America’s role in having **shaped the principles of the global order** and of international institutions.8 Its network of like-minded allies and partners has **endowed it with a unique ability to influence international affairs**.9 And a vibrant, strong economy has sustained the growth of American power,10 helped along by America’s unique political values and culture, and its standing as a symbol of democracy for the world.11 At the same time, despite its many advantages, America currently faces serious headwinds, including high levels of debt, reduced economic mobility, political discord, and the emergence of a rising power.12 Even prior to the outbreak of the pandemic, America’s long-term spending commitments — including government and private debt, and pension and entitlement liabilities — totaled roughly 10 times the country’s GDP.13 These developments, combined with growing political polarization,14 have contributed to domestic unease, something the pandemic may worsen.15 The emergence of Asian economies as the drivers of global growth and the rise of China have also **challenged American preeminence**.16 The Chinese Communist Party has proclaimed its **plans to achieve great power primacy in the coming decades** and has set about contesting American economic, military, structural, and cultural power.17 These developments in China raise the question: What is America’s plan for preserving its great power primacy? Some in America have gone through **similar crises of confidence** before,18 and **each time** the country has **leveraged its unique strengths and capacities to recover and reach new heights.**19 How then, with these current headwinds, can the United States repeat that cycle of renewal? What unique strengths and asymmetric advantages can today’s leaders leverage to achieve that goal? That question is the primary focus of this article. To answer it, we examine the power that resides at the intersection of economics and national security and in doing so argue that America’s economic power underwrites its national security. We believe more can be done to sustain the country’s economic might and to leverage it in service of American primacy.

#### 3) Retrenchment triggers prolif — reverses security guarantees and nonproliferation initiatives.

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Exaggerated Security Benefits: Nuclear Proliferation. The idea that U.S. presence and assertiveness actually motivate nuclear proliferation is a consensus view among offshore balancers, and as with the origins of terrorism, there is a certain ring of truth to the argument. As political scientists like Kenneth Waltz and Nuno Monteiro have long understood, the very fact of American military dominance creates incentives for weaker rivals to seek nuclear weapons as a means of ensuring their own security. “There is only one way that a country can reliably deter a dominant power,” Waltz once noted, “and that is by developing its own nuclear force.”72 This assertion is borne out by historical evidence, as is the idea that the way that the United States uses its power has sometimes added to proliferation incentives. During the 1950s, China began its pursuit of the bomb largely in order to address the security threat posed by U.S. presence in East Asia and to resist coercion over Taiwan and other matters. “In today’s world, if we don’t want to be bullied, then we cannot do without this thing,” Mao Zedong declared amid repeated confrontations with Washington.73 More recently, and as the National Intelligence Council correctly predicted beforehand, the U.S. decision to invade Iraq in 2003 seems to have had the adverse results with respect to proliferation—in particular, by driving the North Korean and Iranian governments to intensify their own nuclear efforts so as to afford themselves some protection against suffering Saddam Hussein’s fate.74 Yet if U.S. strategy has periodically pushed its rivals toward the bomb, there is again much reason to doubt that adopting offshore balancing would significantly redress the proliferation problem. To begin with, even though American policy may be one reason why “rogue states” pursue nuclear arsenals, there are many other reasons as well. Academic scholarship demonstrates that there are numerous motives that influence nuclear proliferation, ranging from desires for international or domestic prestige, to bureaucratic pressures, to ambitions to wield nuclear weapons as tools of offensive or coercive leverage.75 Saddam Hussein’s quest for nuclear weapons in the late-1970s and 1980s, for example, was envisioned not just as an effort to achieve defensive deterrence against rivals like Israel, but also as a means of underwriting aggressive, revisionist initiatives vis-à-vis that country. Nuclear weapons, Saddam once commented, would allow Iraq to “guarantee the long war that is destructive to our enemy, and take at our leisure each meter of land and drown the enemy with rivers of blood.”76 Similarly complex motives have figured in other cases of nuclear proliferation. The drivers of that phenomenon, like the drivers of terrorism, are more multi-faceted than offshore balancers believe, and so altering American strategy would address but one aspect of the challenge. More likely, offshore balancing would make matters worse, because it would forfeit the leverage and influence that Washington traditionally has employed to restrain widespread proliferation. Whatever their pitfalls, U.S. forward presence and security commitments have, on the whole, exerted a powerful restraining effect on the spread of nuclear weapons. As both academics and government officials have recognized, U.S. security guarantees and troop deployments provide reassurance that drastically reduces the need for American allies to seek safety in independent nuclear arsenals. Those arrangements, the Obama administration’s 2010 Nuclear Posture Review noted, limit proliferation “by reassuring non-nuclear U.S. allies and partners that their security interests can be protected without their own nuclear deterrent capabilities.”77 Conversely, the implicit—and sometimes explicit—threat that U.S. guarantees and presence might be rescinded if an ally chooses to go nuclear offers a “stick” that can be, and has been, used to dissuade aspiring proliferators.78 Finally, and no less important, the United States can use its position of centrality in the international system—a position that rests largely on its role as provider of security in key regions—to spearhead other nonproliferation initiatives, such as efforts to constrict the supply of critical nuclear components and materials, and to sanction aspiring proliferators.79 To be clear, these are not merely abstract or theoretical advantages of America’s long-~~standing~~ lasting approach to grand strategy. Rather, a host of academic research demonstrates that in case after case during the postwar decades, this combination of elements has been vital to keeping proliferation as relatively limited as it has been. During the Cold War, this mixture of carrots and sticks played a vital role in preventing countries from West Germany and Sweden, to Australia, South Korea, Taiwan, and Japan, from taking the decisive steps needed to obtain nuclear weapons.80 After the Cold War, realist scholars like John Mearsheimer predicted that the collapse of bipolarity would lead to widespread proliferation in key regions like Europe.81 The continued provision of reassurance by the United States helped contain this threat, however, and as Mark Kramer has written, the promise of robust security guarantees from NATO helped dampen the proliferation pressures that might otherwise have arisen in Poland and other former Warsaw Pact states.82 American security commitments and alliances, one recent survey aptly concludes, “have been arguably the most important and consequential of the strategies of [nonproliferation].”83 What effect would a shift to offshore balancing have on proliferation dynamics? As offshore balancers argue, retracting U.S. presence and posture might ease some pressures for nuclear proliferation among American rivals. The number of those countries is quite small, however, and it is hard to see how, in practice, retrenchment would reverse the well-advanced nuclear programs of countries like North Korea. What significant U.S. retrenchment could quite plausibly do is to dramatically exacerbate the pressures for proliferation in a broader and more meaningful sense. In East Asia, a U.S. pullback would accentuate insecurity on the part of countries that are contending with a more assertive China, and whose nuclear forbearance has long been inextricably linked to the American presence.84 In the Middle East, Iran’s nuclear progress has already stirred proliferation impulses in countries like Saudi Arabia and the United Arab Emirates; those impulses would likely become far more difficult to repress were U.S. reassurance weakened.85 Even in a region like Eastern Europe, one can easily imagine how the destabilizing mix of U.S. retrenchment and Russian aggressiveness could lead a technologically adept, and deeply security-conscious, country like Poland to consider pursuing its own nuclear option. Throughout the key geopolitical regions, offshore balancing would run considerable risk of heightening proliferation incentives and encouraging a more nuclearized world.86 That world, in turn, would probably be more dangerous and unstable than the one we currently inhabit. Some offshore balancers, hailing from the tradition of defensive realism, argue that the emergence of more nuclear-armed states will lead to the establishment of effective deterrence between adversaries and result in greater geopolitical stability.87 Yet a growing body of academic research, as well as basic common sense, cast doubt on this sanguine outlook. More nuclear capabilities might mean more chances for nuclear terrorism or nuclear accidents.88 Proliferating states might not develop the secure second-strike and command-and control capabilities that are essential to decreasing first-strike incentives and ensuring stable deterrence.89 Recent scholarly work also suggests that proliferation can increase the propensity for conflict in affected regions, and that it causes the rulers of proliferating states to behave more aggressively in the period following acquisition of nuclear weapons.90 Especially if a U.S. withdrawal leads to intensified security competitions in key regions—and as discussed later, there is good reason to think that it might—the results could be perilous indeed. In sum, when offshore balancing is subjected to greater scrutiny, it no longer looks like such a bargain where proliferation is concerned. For rather than alleviating a major challenge to U.S. interests and international stability, it might very well increase that challenge instead.

#### China fill-in causes global war and fails.

Twining 17 – (Daniel; 3/21/17; Counselor & Asia Director, the German Marshall Fund of the United States; Medium; “Abandoning the Liberal International Order for a Spheres-of-Influence World is a Trap for America and its Allies”; <https://medium.com/out-of-order/abandoning-the-liberal-international-order-for-a-spheres-of-influence-world-is-a-trap-for-america-7bfcdbb83df4>; DOA: 5/7/17)

The liberal world order is under assault. Polls suggest an American ambivalence about upholding the rules-based global system. Populists are besieging governing elites in the West while Russia works strategically to destabilize European and American governments through propaganda and proxies. A rising China wants to create a global system that is not U.S.-centric, one in which smaller powers defer to bigger ones and norms of democracy and rule of law do not prevail. Meanwhile, the U.S. alliance system looks adrift while competitors in China and Russia appear to be on the march. If it holds, this trend could produce a spheres-of-influence world — which many, including the current presidents of the United States, China, and Russia, find intuitively attractive. But were such an order to replace one based on global integration and American leadership in the geopolitical cockpits of Europe and Asia, it would only engender insecurity and conflict. In a spheres-of-influence world, great powers order their regions. The United States would go back to a “Monroe Doctrine” version of grand strategy; Russia would dominate the former Soviet space; China would govern East Asia, and India South Asia. The problem with this kind of order, however, is several-fold. Too many spheres overlap in ways that would generate conflict rather than clean lines of responsibility. Japan would oppose Chinese suzerainty in East Asia, including by developing nuclear weapons; India and China would compete vigorously in Southeast Asia; Russia and China would contest the resources and loyalties of Central Asia; Europe and Russia would clash over primacy of Central and Eastern Europe. The Middle East would be an even more likely arena for hot war between Saudi Arabia and Iran, and Turkey would contest regions also claimed by Russia, Europe, and possibly China. A spheres of influence world would also sharpen great power competition outside of each region. Regional hegemony is a springboard for global contestation. China would be more likely to challenge the United States out-of-area if it had subdued strategic competition in its own region. Russia, like the Soviet Empire before it, would keep pushing west until it met enough hard power to stop it. (The fact that Russian troops marched through Paris during the Napoleonic Wars demonstrates that the limits of Russian power need not be confined to the former Warsaw Pact). American leaders have long understood that a “Fortress America” approach is a source of national insecurity. Franklin Roosevelt made this case in a series of “fireside chats” in the run-up to America’s participation in World War II — even before the advent of the far more sophisticated power-projection technologies that exist today. Roosevelt and his generals well understood that the United States could not be safe if hostile powers controlled Europe and Asia, despite the wide oceans separating North America from both theaters. A spheres-of-influence world would also crack up the integrated global economy that underlies the miracle in human welfare that has lifted billions out of poverty in past decades. It would replicate the exclusive economic blocs of the 1930s, including an East Asia “co-prosperity sphere,” seeding conflict and undercutting prosperity. A real-world and real-time example of what happens when American power retreats in an effort to encourage regional powers to solve their own problems is the mess in Syria. It has produced the greatest refugee crisis since 1945 — a stain on the consciousness of human civilization — and has led many to conclude that the Middle Eastern order of states dating to the end of World War 1 is collapsing. President Obama pursued an express policy of retracting American military power from the Middle East, including withdrawing all troops from Iraq and refusing to intervene militarily when President Assad used chemical weapons against his own people, despite a red-line injunction from the United States not to do so. Obama and his White House political advisors believed that American withdrawal from the Arab Middle East (if not from the ironclad U.S. commitment to Israel) would lead a new balance of power to form, one policed by regional powers rather than by America. This flawed, amoral, and un-strategic approach has led to a series of hot wars — in Syria, Iraq, and Yemen — the collapse of Arab allies’ confidence in the United States as an ally, as well as an intensified cold war with Iran. Despite the international agreement freezing Iran’s nuclear program, Iran’s support for terrorism and hostile insurgencies targeting American allies across its region actually intensified during this period. This experience underlines a core problem with a spheres-of-influence world. It leaves weaker states to become the victims of stronger or more aggressive ones, and it seeds insecurity by removing the reassuring variable of American military guarantees and presence. It emboldens American adversaries and leads American allies to take self-help measures that themselves may undercut American security interests. A spheres-of-influence world would also produce contestation of the open global commons that are the basis for the unprecedented prosperity produced by the liberal international economic order. Should the Indian and Pacific Oceans, or the Arctic and Mediterranean Seas, become arenas of great-power conflict (like the South China Sea already has thanks to China’s militarization and unilateral assertion of sovereignty over it) as leading states seek to incorporate them into their privileged zones of control, economic globalization would collapse, harming the economies of every major power. The United States, because of its sheer power and resource base as well as its relative geographical isolation, might do OK in a spheres-of-influence world. Most of America’s friends and allies would not. Their weakening and insecurity would in turn render the United States weaker and more insecure — since U.S. allies are force-multipliers for American hard and soft power, and since norms like freedom of the global commons are in fact underwritten by that power. More broadly, such a transition would also likely lead to the kind of hot wars that reorder the international balance of power, including by incentivizing aggressive states to push out and assert regional dominion, knowing that America does not have the will or interest to oppose them.

#### China is a revisionist power---must be deterred cohesively.

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**China Is Developing Two Stealth Bombers** If we apply this typology to the three most recent historical episodes of “rising-power challenges,” then we believe that we can extract lessons in relation to the emerging competition with China. These periods include the European rivalry before World War I, the global competition before World War II, and the era of geopolitical struggle now known as the Cold War. From there, it is clear that there are many commonalities between those periods and the one we are moving into. What do these three eras of competition offer American, British and Indo-Pacific policymakers in terms of insight when dealing with the rise of China? China has a leader around which **power has become increasingly centralized** to the extent that a cult-of-personality style of leadership has emerged. These behaviors might have been predicted in the first years of Xi Jinping’s regime by looking at his **earliest speeches to the CCP** cadre. As with other totalitarian leaders, such as Stalin and Hitler, Xi believes in the power of the party-state ideology to drive policy as well as consolidate domestic control. As we saw from those unhappy regimes, as power is centralized, intolerance towards pluralism grows, to the extent that minorities—especially those considered hostile by the regime—come under mounting surveillance and discrimination. Here there are echoes between the plight of the Uighurs and various ethnicities in Nazi Germany and the USSR. Likewise, under Xi’s authoritarian leadership, more and more of China’s society has fallen under the power of an increasingly expansive party-state structure (similar to the totalitarian party-states of the 1930s), which utilizes an international ideology (socialism), combined with nationalism (with Chinese characteristics), **to export the Chinese model abroad to reorder the international system.** This approach is not unlike those of past regimes. Like the Kaiser, Xi believes China has the right to shine like the sun. Unlike Hitler, he shies away from open warfare as a means of policy. But, like the party bosses of the USSR, he believes in economic and political **warfare to expand China’s power.** In terms of regime type, we can see forces at work in China that were also found in Wilhelmian and Nazi Germany. This is because there are few mechanisms for legitimizing the leadership of the party, such as elections or referendums in one-party systems. Therefore, **jingoistic nationalism begins to fill that space**—or is deliberately positioned to fill it—and if allowed to become too virulent, can **lead to domestic pressures for more aggressive, even expansionist, foreign policies.** As an authoritarian state, contemporary China, much like the Nazi and Soviet regimes before it, has proven adroit at integrating the dimensions of state power to the extent that it appears more successful than the fatigued and exhausted liberal democracies. As we know from the struggles with those regimes, the United States, the UK and their allies in the Indo-Pacific region will need to develop greater internal **cohesion** and overcome many of the “critical” or “core” assumptions that have sapped them of their strength if they are to **compete successfully against China.** In terms of polarity, the previous struggles were more focused. While Japan was a major regional power in the run-up to World War II, the key powers have been concentrated in the Euro-Atlantic region for the past three centuries. In the emerging period of competition, the major powers are spread out. China, India and Japan are in Asia, the United States is in the Americas, and Britain, Germany and Russia are in Europe. American, British and Indo-Pacific policymakers will need to look at an increasingly global theatre, one where the Euro-Atlantic region and the Indo-Pacific region are intrinsically linked. **Polarity matters**, and whether this period is a transition to a bipolar U.S.-China era or a truly multipolar era will **impact how states construct their national strategies**. If China and the United States are the only superpowers—or whether India and the Europeans are able to develop superpower metrics and the political will to use them—then that sill deeply impact alignment behavior, and correspondingly the leadership approach of the United States. Methods of competition also have historical echoes. While China is, like the USSR, a communist regime, it has a **much higher GDP relative** to the leading democracy, the US, than the Soviet Union ever did. It is also, similarly to Wilhelmian Germany, deeply ingrained into global supply chains and the world economy. Therefore, rather than looking for examples of dealing with economic statecraft or coercion from the Cold War, policymakers might consider Wilhelmian Germany in 1914 which utilized dumping, finance, and trade for strategic ends across Europe. Thus, we should look to the policy options of France, Italy, and the UK for dealing with economic conflict with China. The West relied heavily on regional alliances to deal with the Wilhelmian and Soviet threats. And now, similar to what occurred in the 1930s, there is an aversion to developing regional alliances or collective defense measures against today’s revisionist: China. This is despite the fact that NATO kept the peace in Europe for nearly seventy years. In addition, there is an allergic reaction to giving Taiwan an open defense guarantee; however, the 1930s showed that the same style of strategic ambiguity by France and Great Britain toward Austria and Czechoslovakia encouraged Nazi ambitions. Indeed, as we think about how Nazi Germany went from attempting to unify German-speaking peoples to absorbing non-Germans, we should think about whether or not a failure to react to more “legitimate” claims can give encouragement to entirely illegitimate ones. While modern-day China is not as aggressive as Nazi Germany, allied weakness and lack of cohesion at critical moments—as when Berlin took the Ruhr region, undermined the governments of Austria and Czechoslovakia before using diplomacy to expand its power—made **miscalculation more**, not less, **likely**. When thinking about Hong Kong and Taiwan, this is a relevant lesson.