# Worker Welfare 1AC v K

### Inequality

#### Labor market power collapses the economy---inequality and wage stagnation.

Eric A. Posner 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.

#### Current antitrust law explains the decline in wages and rise in inequality.

Sandeep Vaheesan 18. Legal director at the Open Markets Institute. “How Contemporary Antitrust Robs Workers of Power” LPE Project. 07-19-18. <https://lpeproject.org/blog/how-contemporary-antitrust-robs-workers-of-power/>

The political economist Albert Hirschman developed the idea that members of an organization can exercise power in two ways—through exit and voice. Market activity is associated with exit: consumers unhappy with the price or quality of service of their current wireless carrier can switch to a rival carrier offering lower rates or better service. Elections exemplify voice: voters can replace a corrupt or ineffective incumbent officeholder with a challenger promising to make the government work for ordinary people. For workers, both exit (joining a new employer) and voice (making demands of a current employer) are important. Despite the pro-worker aims of the framers of the Sherman and Clayton Acts, **antitrust law** today is an **enemy of both exit and voice for workers.** For more than a generation, antitrust enforcers have permitted **labor markets to** **become highly concentrated** and have also **interfered with the efforts** of a large segment of workers to build collective power. Through their labor market actions, the Department of Justice (DOJ) and Federal Trade Commission (FTC) reinforce, rather than tame, corporate power. To create a progressive, pro-worker antitrust, legislators and policymakers must adopt a radically different vision for the field. Tens of millions of American workers **wield little or no power** in their place of work. In many parts of the country, workers lack meaningful exit. They **face concentrated local labor markets** in which only a handful of employers compete (at least theoretically) for their services. In some labor markets, employees have only one actual or prospective employer. In other words, many Americans, at least in their capacity as workers, may experience what we often think of as a relic of a bygone era—the company town. As recent studies have shown, employer-side concentration is **associated with significantly lower wages**. And other research has found that concentration at one level of a supply chain can **depress wages further upstream.** In addition to concentrated markets, approximately **30 million workers** are subject to **non-compete clauses**, which prevent them from accepting a new job or starting a business in the same line of work. Non-compete clauses, regardless of whether they are enforced, can signal to workers that their choice is **either stay at their current job or suffer extended unemployment.** Along with possessing few exit options, most workers cannot assert effective voice in the workplace. Big business’s legal and political war on labor’s power has severely weakened unions. In contrast to the 1950s when roughly a third of wage and salary workers were unionized, only a small percentage of workers are members of labor unions today—around one in ten among all workers, and one in sixteen among workers in the private sector. This decline in union density **explains a significant fraction of the forty-year stagnation in wages and increase in income inequality**. Moreover, even if wage gains had kept pace with productivity, the collapse of organized labor means that workers lost say over numerous workplace issues. While employees can speak up as individuals, this type of voice is no substitute for the collective voice that comes from a democratic union. Given that most individual workers are dispensable and replaceable for their employers, a lone voicing of grievance often can easily be ignored or even invite retaliation from an employer. And, beyond the site of employment, unorganized workers are less able to exercise voice in electoral politics and check the dominant influence of corporations. Antitrust enforcers have allowed labor markets to grow more concentrated across the country. Just as labor law has been rewritten to cripple labor organizing, the executive branch and courts have remade antitrust to be much friendlier to capital over the past four decades. Influenced by the writings of Robert Bork, the Supreme Court has held that the **antitrust laws are a “consumer welfare prescription.”** Although the Supreme Court and the antitrust agencies counterintuitively state that consumer welfare accounts for harms to workers and other sellers of services, the DOJ and the FTC focus their enforcement on mergers and practices harmful to consumers. In developing enforcement priorities, the federal antitrust agencies have relied on simplistic economic theory. Instead of directing their economists to study the structure of labor markets, the DOJ and the FTC have adopted an Econ 101 view of the world and assumed that labor markets are generally competitive on the employer side. Embracing this fiction, the agencies have never stopped a merger on labor market grounds. **Due to antitrust inaction** (and other factors), labor market **concentration has increased** since the late 1970s.

#### Antitrust law must prioritize worker welfare---workers suffer a greater loss than consumers.

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As this Note has already stated, the purpose of antitrust law is to protect competition, but the **meaning of competition is nebulous**.136 Regardless of whether total welfare or the consumer welfare standard is the appropriate measure of net competitive effect,137 a body of law that protects competition should **not allow firms to engage in conduct that restricts trade severely** in one part of the supply chain merely because it prioritizes end customer benefits.138 As a class of consumers, **workers also deserve protection from anticompetitive employer agreements.** Congressional intent **supports prioritizing the interests of workers** over customers when analyzing anticompetitive restraints in labor markets. Unions are inherently anticompetitive; a union is a combination of workers jointly setting wages and other work conditions, just as a cartel is a combination of firms setting prices together.139 As a result, the existence of unions increases the wages that firms pay their workers, which in turn results in price increases for customers.140 Nonetheless, labor law staunchly defends the ability of workers to create unions. When antitrust restrictions would deter union conduct, Congress has decided that **labor law carries more weight.**141 Thus, the labor exceptions to antitrust law142 demonstrate a congressional decision that the welfare gains to workers from increased wages and other improved terms of employment outweigh the costs to customers in the output market from the resulting increased prices. Given that Congress protects workers in one class of anticompetitive conduct, it is reasonable to **structure antitrust law to protect workers from conduct with parallel effects**. Restraints of trade in labor markets are the converse of unions, trading lower wages for lower prices. However, it is possible that Congressional intent extends only to weighing the interests of workers over customers in the special case of union activity. Even though unions engage in political activies, the aims of unions are primarily economic.143 Thus, Congress supports the economic mission of unions (advancing the welfare of workers despite the potential economic effects on firms and customers) by favoring them in antitrust law. Unions are only special in antitrust because Congress has expressed a legislative preference for workers over other economic actors. It is thus **appropriate for courts to weigh workers over other actors** when firms engage in conduct that affects workers at the expense of other groups. Further, the welfare economics of restricting competition in employment markets supports worker protection. Economists generally agree that individuals exhibit diminishing marginal utilities of wealth—that is, each additional dollar an individual receives makes them a little less well off than the previous dollar did.144 **Diminishing marginal utility of wealth** thus implies that when two individuals lose equivalent amounts of money, the individual for whom the loss was a greater portion of his or her wealth **suffers a greater loss**.145 Generally, the wages that workers lose as a result of anticompetitive conduct will be larger than the price cuts for customers.146 Where the monopsonist also has market power in the output market, the price decrease passed on to customers will be even smaller than in a competitive output market.147 Because wages likely represent a larger portion of workers’ wealth than the additional wealth consumers gain from lower prices, workers lose more welfare than customers gain. Moreover, behavioral economics suggest that the losses to workers from wage reductions will **hurt workers more** than the gains that customers will receive from lower prices.148 Behavioral economists have recognized that individual utility is relative to a reference point like the status quo; losses relative to that reference point **cause a welfare loss about twice the size of the welfare gain** from an equivalent gain.149 Put simply, losses hurt more than equivalent gains feel good. Because monopsonistic conduct results in losses for workers and gains for customers relative to the competitive equilibrium, the **total net effect on welfare that consumers experience is even more likely to be negative.** To be sure, behavioral economics has not been universally welcomed in antitrust law.150 But courts have entertained behavioral economics arguments in antitrust before, generally in cases where neoclassical economic analysis would sharply diverge from what the court believes a “real” customer would do.151 Here, it is unlikely that customers weigh price decreases in the same way that workers weigh wage increases because wages are the primary source of most workers’ incomes; as a result, equivalent economic losses to workers likely outweigh the gain.152

#### Increased inequality causes violent conflict.

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World War I was probably the most momentous historical event in the past 100 years, arguably even laying the roots for the Great Depression and World War II. The possibility of the outbreak of the war among major powers was anticipated and discussed extensively in the period before 1914. Left-wing economists, many of whom were Marxists, saw the **forces leading to the war in increasing power of monopolies** and cartels whose needs for a wider “field of action”, together with their disproportionate political influence, led the governments of advanced countries to **engage in policies of foreign conquest**. Such policies pursued by several countries would, in their view, **end up by provoking a conflict**. A number of episodes, most notably the Anglo-French conflict in Fashoda and the two Moroccan crises that pitted Germany against France and the United Kingdom seemed to justify this point of view. Imperialism was seen to arise from domestic economic conditions; it was **favored by economic interests of the elites.** A similar view, which was at the origin of left-wing imperialist literature, was formulated by John Hobson in 1902. Hobson explained imperialism by the search for new and more profitable investment opportunities needed because the major economies faced a surplus of investible funds due to high inequality. In Hobson’s view, imperial conquest was the outcome of an unequal domestic income distribution. If inequality were lower, there would be greater domestic aggregate demand and **no need** for the rich to look for investment **outlets externally**. Hobson’s hypothesis was later incorporated, fully or in parts, by Vladimir Lenin and Rosa Luxemburg and it remained influential for a long time, even as the war was going on and later as it ended, among the small group of Marxist economists. As Marxist influence in economics waned, it was gradually paid much less attention and was never tested empirically. In a new paper, Thomas Hauner, Suresh Naidu, and I empirically explore the Hobson-Lenin-Luxemburg hypothesis using new historical data for the key belligerent countries (United Kingdom, France, Germany, and somewhat less for Austria-Hungary, Russia, and the United States).1 Most of these data have only recently become available. We divide the hypothesis into several testable parts. If the hypothesis is correct, high domestic inequality would tend to spill into high investment in foreign assets (as a share of GDP). The mechanism is simple: we show high-wealth individuals held almost all the foreign assets, and the share of foreign assets in portfolios increased with wealth. These foreign assets should command higher returns adjusted for risks, and, most crucially, these pledges of future income streams had to be maintained by active exercise of **diplomatic, naval, and military power.** As Lord Palmerston noted in 1860, “Cudgels & Sabres & Carbines are necessary to keep quiet the ill-disposed People whose violence would render Trade insecure” (cited in Darwin, 2009, p, 40). Exploring the Hobson-Lenin-Luxemburg hypothesis, we find the following: The United Kingdom, Germany, and France not only exhibited extremely high wealth and income inequality before the war, but their inequality was at a historical peak never achieved before or after. This is most dramatically shown in the case of UK wealth inequality (see Figure 1 from Alvaredo, Atkinson, and Morelli, 2017) where the top 1 percent of wealth-holders owned an enormous 70 percent of wealth. Charlotte Bartels’ (2017) new estimates of German top income concentration yield similar results. Figure 1. Percentage of Overall Wealth Owned by the British Top 1 Percent Wealth Holders, 1670-2015. Source: Kindly provided by S. Morelli. It is also apparent that countries’ holdings of foreign assets (measured as a share of GDP) were both high and rising and that in the case of the United Kingdom changes in inequality went pari passu with changes in foreign holdings (see Figure 2). British net foreign assets went up from less than 50 percent of GDP in 1850s to 180 percent on the eve of the war. French net foreign assets were about equal to its GDP throughout and German net foreign assets increased from 0 in 1870s to about 50 percent of GDP just before the war. Figure 2. United Kingdom, 1855-1913: The Ratio Between Net Foreign Assets and GDP, and Top 10 Percent Wealth Concentration We use the extensive extant sources of financial data to show that, on average and adjusted for risk, returns on foreign equities and bonds tended to outperform the returns on their domestic equivalents. This, of course, did not hold for all years, but over 1870-1914, British bond investors gained on average 1.9 percent more annually from foreign than domestic bonds; the spread during the same periods for German investors was 1.4 percent and for the French 0.9 percent. As for the equities, we find that the spread in favor of foreign equities was a very high 2.2 percent per annum in the case of France. Even when adjusted for risk the advantage of foreign (or colonies only) bonds and equities remains (see Figure 3 which shows it in the British case). Figure 3. Risk-Adjusted Return on Foreign and Colonial Assets (Compared to the Domestic Asset Return Baseline) From British probate records and the data on Parisian decedents’ wealth (both of which have only recently become available), we show the prevalence of foreign assets in the portfolios of the rich. Thus, for example, in the estates of the Parisian decedents in 1912, those who belonged to the top 5 percent according to wealth had some 14 percent of their wealth coming from foreign sources. That share monotonically decreases as we move toward lower wealth groups (it is 8 percent for those between the 85th and 90th percentile) and becomes zero for those below the 70th percentile of wealth distribution. British probate records between 1870 and 1902 that cover approximately the top 7 percent of British wealth-holders show that the share of foreign assets in their estates never dropped under one-fifth. Finally, we argue that countries that had a higher share of foreign assets (compared to their GDPs) also tended to have a larger military (compared to their populations). Here we include more countries (some non-belligerent) and, based on more than 180 country/year observations, find that after controlling for country, year, GDP per capita, and democracy, a 10 percent increase in net foreign assets as a share of GDP was associated with 0.05 percent increase in the share of the military in country’s population. To put that number in perspective, we note that the British military was slightly below 1 percent of the population (and this is excluding the large Indian contingents), German around 1 percent, and French about 1.5 percent. Thus, very approximately, a 10 percent increase in foreign assets was associated, on average, with a 5 percent increase in the size of the military. In conclusion, it could be argued that the evidence for the chain that goes from **high domestic inequality** to the spillover into demand for foreign assets among the rich is **fairly strong,** as well as the correlation between aggregate foreign assets and **military buildup**. Two things, however, have to be kept in mind.

#### That goes nuclear.

Frederick Solt 11. Associate Professor, Political Science, University of Iowa. “Diversionary Nationalism: Economic Inequality and the Formation of National Pride.” The Journal of Politics 73(3): 821-30. Emory Libraries.

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 reduces growth.

OECD 18. “HOW CAN COMPETITION CONTRIBUTE TO FAIRER SOCIETIES?” Organisation for Economic Cooperation and Development. 11-29-18. https://one.oecd.org/document/DAF/COMP/GF(2018)13/en/pdf

35. Growing **inequality reduces economic growth**. Financial hardship and credit market imperfections combine to **reduce people's ability to invest** in education and training, to change jobs, to learn new skills or start new businesses. Inequality harms the morale and the work effort of those who are left behind. It also leads to an **inefficient provision of public goods** that benefit the non-wealthy, like transportation and education even if they would foster overall economic growth. Growing inequality tilts public policy to favour the interests of the wealthy, which potentially creates a **vicious public policy cycle that could perpetuate inequality** and market power and threaten democracy. Inequality undermines the legitimacy of the social order, it lessens the sense that everyone has a fair opportunity and an equal voice, and finally many people would say inequality is objectionable morally. Put in utility terms, the marginal dollar may be more valuable socially if it is given to a struggling family to spend than to a wealthy one. There is a wealth transfer from the victims of market power to the firms exercising it. There are allocative efficiency losses and there is wasteful rent seeking as firms invest to create, obtain or preserve market power. Within the markets that are affected by market power, **innovation and productivity improvements slow.**

#### Worker suppression hurts growth, prices, and innovation.

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

The economic consequences of labor market power are analogous to those of product market power. Product market power has two wellknown effects. It redistributes from consumers to the firm: consumers must pay more for products, and the firm earns greater profits at their expense. And it creates waste or deadweight loss. Some consumers would be willing to pay the efficient, marginal cost price that the firm would have charged in a competitive market but are not willing to pay the higher price the monopolist chooses to charge.

Similarly, monopsony power has two effects. It redistributes from workers to employers by lowering wages. And it creates waste: some workers would have been willing to work for the employer if they had been paid their full marginal revenue product but will quit if they are paid the marked-down wage the monopsonist offers. This leads to increased unemployment or nonemployment as workers find prevailing wages unacceptable and exit the labor force or refuse to take available jobs. Economic output also declines.

Monopsony power creates other negative effects as well. First, to the extent that the degree of monopsony power differs across employers, it will also lead to misemployment: workers may be more productive at employer A, which has a lot of labor market power, than at employer B, which has a little. But B may offer higher wages because of its limited labor market power. The worker may thus choose to work at B, lowering the productivity of the economy. Misallocation may be particularly severe because of the two-sided matching problem. If matches between workers and firms generate specific benefits, monopsony can distort which firms match which workers, which will lower the allocative efficiency of the market.

Second, employers will often cut benefits, rather than cut wages, to take advantage of workers who are locked into the job. The firm has no need to retain these workers and thus may wastefully degrade conditions of work these “stuck” workers particularly value, instead catering only to the workers the firm is worried about losing.26

Third, monopsony raises prices for consumers. This may seem counterintuitive: won’t lower wages to workers be passed through to consumers as reduced prices? That argument is often made as a defense of monopsony power.

In fact, however, this argument is wrong. To see this, note that if firms employ fewer workers, they will produce less output, resulting in higher prices. The labor cost savings accrue to the employer itself (or its shareholders), not to the buyers of its goods. Those buyers will pay a price that is determined by the structure of the product market, not the labor market. So, for example, if the employer is also a monopolist in the product market, it will charge the buyers the monopoly price—which is determined by how much buyers are willing to pay. And if the product market is competitive, the employer will charge prices for its goods that are no higher than the competitive price—with its competitors taking up the slack as the employer itself will produce less given its small workforce. The technical explanation is that while the firm lowers wages to workers, the cost to the firm of hiring workers rises as the firm now considers the fact that, when it hires an additional worker, it also will pay its other workers more. When a monopsonist hires a single worker, it must increase wages for all its workers. (Recall that employers cannot easily wage-discriminate.)27 If this seems paradoxical, note that it is merely the flip side of a well-understood feature of monopolistic control of product markets: that a monopolist produces fewer products and charges a higher price for them than does a competitive firm. Monopoly and monopsony are two sides of the same coin, and both harm labor and product markets.

Fourth, and precisely for this reason, monopsony power reinforces and exacerbates monopoly power. In fact, both can be seen as two alternative ways for the owners of capital to squeeze workers and thus reduce the returns to productive work and the output of the economy. The markdown on wages caused by monopsony and the markup on prices caused by monopoly are akin to taxes: payments that ordinary people must pay in order to go about their daily life as producers and consumers. However, the payments go not to governments to fund programs, but to firms and, ultimately, investors. And the payments do not spur investment and raise economic growth because they depend in the first place on the willingness of managers to leave capital idle to obtain market power, while driving workers out of the workforce and onto taxpayer-financed relief programs.

#### COVID creates an economic brink---recovery is strong now because of effective monetary policy, but we’ve hit the zero-lower bound.

Christopher Rugaber 21. Associated Press. “Federal Reserve keeps key interest rate near zero, signals COVID-19 economic risks receding.” https://www.chicagotribune.com/business/ct-biz-fed-interest-rates-economy-20210428-bumyc3ynpza6ri4ygsntmdsmya-story.html.

WASHINGTON — The Federal Reserve is keeping its ultra-low interest rate policies in place, a sign that it wants to see more evidence of a strengthening economic recovery before it would consider easing its support.

In a statement Wednesday, the Fed expressed a brighter outlook, saying the economy has improved along with the job market. And while the policymakers noted that inflation has risen, they ascribed the increase to temporary factors.

The Fed also signaled its belief that the pandemic’s threat to the economy has diminished, a significant point given Chair Jerome Powell’s long-stated view that the recovery depends on the virus being brought under control. Last month, the Fed had cautioned that the virus posed “considerable risks to the economic outlook.” On Wednesday, it said only that “risks to the economic outlook remain” because of the pandemic.

The central bank left its benchmark short-term rate near zero, where it’s been since the pandemic erupted nearly a year ago, to help keep loan rates down to encourage borrowing and spending. It also said in a statement after its latest policy meeting that it would keep buying $120 billion in bonds each month to try to keep longer-term borrowing rates low.

The U.S. economy has been posting unexpectedly strong gains in recent weeks, with barometers of hiring, spending and manufacturing all surging. Most economists say they detect the early stages of what could be a robust and sustained recovery, with coronavirus case counts declining, vaccinations rising and Americans spending their stimulus-boosted savings.

#### Eroding financial resilience causes war---that overcomes traditional barriers to conflict.

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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.

#### Those wars draw-in great powers---that outweighs.

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

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

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

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

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

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

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

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

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

#### Slower growth increases populist conflict---140 years of data proves.

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

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

#### Inequality has an international impact-

#### American growth is key to Southeast Asian recovery---alternative is instability.

Alice D. Ba 20. Professor in the Department of Political Science and International Relations at the University of Delaware. “Global Cooperation in the Time of COVID-19”. https://igcc.ucsd.edu/news-events/news/global-cooperation-in-the-time-of-covid-19.html

As a crisis, however, COVID-19 still stands out. In contrast to SARS, this time, the pandemic is global. This time, it’s not just Asian economies in the middle of intra-Asian production networks that are disrupted, it’s critical markets beyond Asia at the end of the supply chain. The body blow to the U.S. economy is felt globally but perhaps most of all in Southeast Asia, where international trade constitutes a disproportionate percentage of GDP.

Compounding the crisis of blunted global demand is the local one—COVID-19’s effects on small- and medium-sized enterprises that sustain local communities and domestic employment. Disruptions to tourism add to that challenge. Thus, COVID-19 is an economic crisis, not just a health crisis. And as ASEAN states know (too well), economic crises can quickly spill over into political ones.

Thus, for many in ASEAN, the crisis that may be most comparable to COVID-19 in its political resonance is not SARS, but the 1997-8 Asian financial crisis—another fast-moving crisis that, in that instance, led to domestic instability, destabilizing more than one government. In fact, it is a measure of its importance that COVID-19 has overshadowed some of the more contentious issues, such as the South China Sea, on which there has been little diplomatic activity on items like the Code of Conduct for nearly a year.

#### Causes European populism and adventurism.

Ian Bremmer 21. Applied geopolitics at Columbia University’s School of International and Public Affairs. “The Top Risks for the World in 2021”. https://time.com/5926597/top-global-risks-2021/

7 – (Out in the) Cold Turkey

Economic setbacks in 2021 and Turkey’s poor COVID-19 response will leave President Erdogan struggling to win back voters disillusioned with his two-decade rule. These dynamics will stoke social tensions, prompt a crackdown against the opposition, and encourage Erdogan to launch more foreign-policy adventures to fuel nationalism and distract his supporters. And this year, Turkey’s president won’t have international friends to shield him from the consequences.

8 – Middle East – Low Oil Takes a Toll

The Middle East is the biggest regional loser from coronavirus. Energy-producing countries in the Middle East and North Africa faced a collapse in global energy demand in 2020 that left governments from Algeria to Iran with less cash flowing into their coffers—even as the pandemic sickened citizens and weakened economies. 2021 will be worse, with energy prices remaining low. Many of these governments will cut spending, damaging vulnerable private sectors and fueling unemployment. Reforms will slow, and protests will grow.

9 – Europe After Merkel

Angela Merkel’s departure later this year after 15 years as Chancellor will drive the continent’s top risk. Europe faces an economic hangover from intensified lockdown restrictions in several countries, and Merkel won’t be there to encourage flexibility in the multilateral response. Any economic setback could thus threaten Europe’s fragile recovery, and create the conditions for European populism to awaken from its hibernation. Without Merkel to serve as a strong negotiator, diplomatic efforts to resolve energy and territorial disputes in the Eastern Mediterranean will also struggle. The E.U. position will become more hawkish as France pushes more member states to get tough with Turkey, raising tensions.

#### c. US recovery is key to the global economy---shocks spillover.

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

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

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

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

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

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

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

Figure 1 Synchronisation of business cycles

A. Correlations with US business cycles

[FIGURE OMITTED]

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

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

B. Concordance with US business and financial cycles

[FIGURE OMITTED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Consent

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

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

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

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

#### Inequality collapses institutions – immediate response is key

**Ackerman** 7/820**17** Justin Ackerman, Executive editor and co-founder of the Millennial Review. America’s Billionaires Better Back a Universal Basic Income

Whether or not a UBI is an effective way at providing poor people the freedom to fail is debateable, but the fact that Zuckerberg identified that such a freedom currently does not exist is key. Increasingly low income people in the United States do not have the freedom to fail, they don’t have the freedom to miss a rent payment without eviction, to take a sick day without being reprimanded, to go to the doctor without substantial copays or medical bills. A Universal Basic Income might not remedy all of those problems, but it would represent a substantial effort that may very well put a much needed floor on the standard of living of millions of Americans. The fact that the proposal is being pushed by a billionaire tech entrepreneur is all the better. Backers like Zuckerberg give a policy like Universal Basic Income an inherent amount of legitimacy and it’s a policy that billionaires should get behind quickly if history is any guide.

Rampant inequality has fueled some of the greatest bouts of political violence in human history. Economic inequality fueled the animosity that drove the French Revolution. It laid the seeds of what would become the brutal Soviet Union under Stalin. Economic inequality also has political consequences. It has helped fuel populist take overs from Hugo Chavez to Vladimir Putin. Brexit, Donald Trump, and unknown political events to come can all be directly linked to historic levels of income inequality. When the status quo is perceived to be broken people embrace radical politics on both sides of the political spectrum.

Clever opportunists who sell dreams to the disenchanted will always rise from discontent and those who benefited most from the status quo generally lose the most. If billionaires buying high tech bunkers is any sign, many of those who have benefited from a status quo millions of people are turning their backs on are well aware of the potential consequences to come. Instead of turning their backs on a society that filled their pockets the bunker builders would be wise to learn from the likes of Zuckerberg.

Public policy helped make billionaires rich. Radical shifts in public policy, or public perception, can easily take that away, or worse. Hopefully public policy, supported by those who have the most to lose, can also reverse these disastrous trends before the backlash becomes too much for our political institutions to bear.

### Plan

#### The United States Federal Government should prohibit private sector business practices that violate an antitrust worker welfare standard

### Solvency

#### The plan’s codification is key.

Eric A. Posner 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.

#### Prioritizing worker welfare solves inequality.

Eugene K. Kim 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

In this Note, I show that the union exemption should be read to encompass a broader concern for the welfare of workers. In other words, **antitrust law** should be seen **not merely as protecting consumers from producers, but also labor from capital.** My primary justification is drawn from welfare economics and the “theory of the second best,” which suggests that when a certain market distortion cannot be removed, it may be economically optimal (i.e., the next best option) to **introduce a countervailing distortion.**21 An ideal competitive labor market would have no market power on either the supply side or demand side, but some degree of rent-extracting market power on the demand side (i.e., firms) is inevitable due to the limited resources of enforcement agencies and labor-market frictions. If concentration is inevitable among employers, permitting concentration among workers is the next best way to (1) counteract abuse and rent-extractive behavior from employers and (2) **move income from capitalists to workers**, who by virtue of their relatively low income may receive higher marginal utility from income.22 Further justification can be found in the **legislative history of the major antitrust statutes.** During congressional debate over the antitrust laws, key legislators expressed their intent not only to preserve the organizing power of labor, but also to support affirmatively the accumulation of labor power to contest concentrations of capital.23 Thus, legislative intent provides **justification for worker welfare beyond a strictly economic reading of the antitrust laws.** Even when labor organizing may not be the most “efficient” economic choice,24 it may still comport with the drafters’ goal of **protecting individuals from the economic power of corporations.**

#### Shifting away from the Consumer Welfare Standard is key

Sandeep Vaheesan 18. Policy Counsel, Open Markets Institute. Before the Federal Trade Commission. “Competition and Consumer Protection in the 21st Century” https://www.ftc.gov/system/files/documents/public\_events/1408208/ftc\_hearings\_session\_2\_transcript\_9-21-18\_0.pdf

MR. VAHEESAN: So I believe calculating monopsony systematically going forward requires jettisoning consumer welfare. At a minimum, the language of consumer welfare is very hard to square with buyer side concerns. How do workers and suppliers fit under consumer welfare? They are not consumers or purchasers. They acknowledge that there may be an accepted term of art among specialists, but it is deeply confusing to a lay observer. And since we are talking about public law advancing public ends, goals that only specialists can understand should give us real pause. And, furthermore, I feel that so long as we are in the consumer welfare framework, antitrust will continue to be used against independent contractors and others trying to organize against monopsony power. After all, workers’ collective action can lead to higher prices for consumers. So I believe if we want to take the monopsony threat seriously, we require new language and new philosophy that antitrust is antimonopoly; a body of law that, as Congress originally intended, controls the power of big businesses over consumers, workers, competitors and suppliers.

#### A worker welfare standard would protect workers and reduce labor market concentration.

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Most of the principles naturally carry over, in suitably modified form, to the analysis of merger effects on labor markets, though a few subtle issues arise. Many of the same factors that could act as efficiencies on the product side are also efficiencies on the labor side. By analogy to the “consumer welfare” standard, we believe that **mergers that trigger scrutiny by reducing** **labor market competition** should be subject to a “**worker welfare” standard**.213 The fact that the merger might raise firm profits more than it harms workers **should not be sufficient to excuse the merger**. Instead, the merger would be permitted if the merger sufficiently increases worker productivity (workers’ marginal revenue product) in a way that will not fully be absorbed by lower prices or increased employer profits. Thus, harms from reduced competition are more than fully offset, and **therefore workers’ wages, benefits, or conditions will improve because of the merger.** This is not to say that mergers that harm workers should never be approved. The losses to workers could be offset by gains elsewhere in the economy. Indeed, the merger of two firms that operate in a frictionless labor market should not greatly harm workers even if it does result in significant layoffs, because in a competitive labor market **the laid-off workers can easily find equally good jobs.**214 In contrast, a merger that does create competitive concern should not be excused simply on the basis that it **allows the firm to cut costs by destroying jobs**. In such cases, antitrust doctrine does not allow efficiency gains in other markets to offset losses in one market.215 Thus, typically, **the worker-surplus implications of a merger will indicate its competitive effects**, just as in product markets consumer surplus is a strong but not perfect proxy for competitive effects. In some cases, a merger may **prove overall competitively harmful in labor markets** (thus **reducing worker welfare**) and beneficial in product markets (thus increasing consumer welfare). Such cases should be treated roughly like ones where competitive harm occurs in one product market but there are competitive benefits in another product market. To the extent possible, antitrust authorities should try to find remedies that address the competitive harms while preserving the benefits, such as requiring the spinning off of critical units that would allow an increase in market power. However, **the frequency of such cases should not be exaggerated**; mergers that increase labor market power and thus raise effective costs will not usually bring lower prices to consumers, and mergers increasing product market power and thus reducing sales will not typically create great jobs. As we noted in section I.A.3, enforcers should **not believe** the canard that the monopsonist’s lower labor costs are **passed on to consumers as lower prices**.216 Monopsony power raises the effective marginal cost a firm faces and thus should almost always lead to increased prices. Similar analysis applies to the merger-specificity of the efficiency gains: productivity gains that could be achieved absent the anticompetitive effects of the merger should not play a role in merger analysis.

#### Centralization fails---the aff’s worker organization premise is better.

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Judis hasn’t completely freed himself from the old socialist nostalgia. He writes that “the idea of socialism as a command economy of nationalized firms was dashed by the collapse of the Soviet Union,” but that idea was dashed long before when it became clear that a centralized economy is massively inefficient and wasteful. It shouldn’t have taken outright collapse to show that democratic central planning is an oxymoron, that (as Bakunin had warned Marx) the concentration of economic power in the state would inevitably engender a tyrannical oligarchy. If your political faith was dashed by the fall of the USSR, you probably weren’t paying attention, because it never deserved your faith.

The American labor movement offers a more attractive tradition. Here the DSA is right: “Most of all, socialists look to unions to make private business more accountable.” Unions have been foolishly neglected by the Democratic Party for a long time. Employers have become increasingly sophisticated in defeating the aims of the National Labor Relations Act, just as taxpayers keep devising clever ways to get around the tax code. But Congress has constantly amended the law to eliminate tax loopholes, while through the Carter, Clinton, and Obama administrations congressional Democrats did little to stop union-busting. For example, they failed to block state right-to-work laws, which depress Democratic voting shares and turnout by about 3 percentage points.

The point here is Madisonian: Abuses will happen whenever there’s unaccountable power. Big business is too powerful. But the danger that someone will be too powerful is not an artifact of capitalism. “Whenever modern idealists are confronted with the divisive and corrosive effects of man’s self-love,” Reinhold Niebuhr wrote in 1944, “they look for some immediate cause of this perennial tendency, usually in some specific form of social organization.” The problem is neither capitalism nor socialism but the many Americans who lack associations that will defend their interests.

The political system is unlikely to deliver much to the lowest-paid workers if they are politically quiescent and disorganized, easily beguiled by fraudsters like Fox News and Trump. The decline of the proportion of unionized American workers has been one of the principal causes of rising economic inequality. Organized labor was one of the few mechanisms that mobilized the less advantaged members of society into coherent voting blocs. Without private sector unions, there is little pressure to respond to those people’s interests.

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

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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.

#### Consumer welfare presumes business domination as productive efficiency---labor must be subordinated in hierarchy to eliminate transactional costs. Only replacing the standard allows democratic coordination against firms.

Sanjukta Paul 20. Assistant Professor of Law @ Wayne State. Romano Stancroff Research Scholar. "Antitrust as Allocator of Coordination Rights." UCLA Law Review, vol. 67, no. 2, May 2020, p. 378-431. HeinOnline.

The third and most important Borkian homonym-pair is efficiency. It is required in order to supply the content of consumer welfareB, which is in turn necessary to supply the content of competitionB.

The notion of productive efficiency-the B member of the efficiency homonym-pair-is the ultimate foundation of the Borkian allocation of coordination rights. Although commonly associated with the overall idea that antitrust is about promoting competition, neither the ordinary language nor the technical sense of competition can generate the notion of productive efficiency. And the special Borkian redefinition of competition, competitionB, is entirely parasitic upon both the normative benchmark of lower consumer prices and then upon the notion that productive efficiencies generate these lower prices.

Productive efficiencies, per Bork, are cost savings realized from firm based coordination, in theory passed onto consumers as lower prices.142 This productively efficient coordination may consist in the vertical, hierarchically organized coordination presumed to take place within a firm, or it may be vertical, hierarchical coordination beyond firm boundaries, as for example when a large firm gives direction to a small subcontracted firm. Thus, the posited empirical fact of productive efficiencies, together with the normative benchmark of the consumer welfare standard, together generate the Borkian preference for top-down, ownership-based coordination.

Bork's notion of productive efficiencies is continuous with the work of Oliver Williamson, upon which he relied. 143 Williamson's thought itself was continuous with the ideas set forth by Ronald Coase decades earlier. In The Nature of the Firm, Coase famously recognized the firm as a limitation upon and exception to the competitive order.14" Coase's account of the firm turned upon the fact that interfirm relations were structured through the mechanism, and the relation, of command rather than contract. Instead of contracting with someone to perform a particular task, the firm hires a worker who will do whatever task, within a given range, that the firm decides it needs done at a given time. Coase thus took for granted that the firm was constituted from agency, or master-servant, principles. It is those legal principles that supply the duty of obedience to the common law employment relationship, and that do the work of substituting-in Coase's account-for a contractual obligation to perform a specific task or a discrete set of specific tasks. Managerial hierarchies, and the separation of work from ownership, were thus basic to Coase's account. 1

Williamson, picking up the Coasean thread, constructed a justification for traditionally organized firms based upon their avoidance of the transaction costs of market relations. Notably, this explanation and justification of firm-based coordination was meant to distinguish it not only from looser coordination outside the firm and in the market, but also from nontraditional, democratic internal organization. The paradigm firm on this view is thus one in which decisionmaking and organization is relatively vertical, in which owners are not workers, and which owners elect management. 146 Work is separated from and subordinated to ownership.14 7 In short, managerial hierarchies were central to the benefits of firm-based coordination in both Williamson's thought and that of other influential contemporaries. 148

It is this body of thought, and the supposed operational or productive efficiencies that it imputed to the hierarchically organized firm, that was directly infused into the bloodstream of antitrust law through Bork.14'9 This infusion effectively expanded and magnified the preferential treatment of hierarchical coordination associated with concentrated ownership-already present in the form of the firm exemption itself-by furnishing a conceptual basis for a more permissive attitude both to corporate mergers and to partial integration through vertical restraints.

These productive efficiencies have nothing to do with the notion of economic efficiency upon which the current antitrust paradigm generally justifies itself; they are a not a species, subset, or cousin of this concept. They are not derived from or related to the notion of a competitive market, as allocative economic efficiency is. They exist in the way that they are posited if and only if an empirical claim about organizing human activity and technological functioning in time and space is correct. This specificity, which quite clearly implicates technological, social and historical contingencies, is also why we should be skeptical of how universally such productive efficiencies exist.

It might be argued that productive efficiency is related to the presumed goal of ideal theory insofar as its proponents claim that it is output-enhancing. First, just as lower prices, relative to any given real-world reference point, are not necessarily efficient, neither is higher output. Moreover, the argument that hierarchical control, rather than more democratic coordination, is output enhancing is based upon a causal mechanism that is entirely distinct from economic competition-and instead consists in a restraint upon competition. The Borkian concept of productive efficiency indeed expressly posits that some restraints on competition ultimately enhance output, and thus should be permitted as exceptions to the general procompetition norm. Just like the other two homonym-pairs organized around the ideal-state supplied by neoclassical theory on the one hand, and some other substantive normative benchmark, ultimately having to do with lower consumer prices and hierarchical coordination, on the other, productive efficiency and allocative efficiency are no more than mere homonyms. This pair of homonyms, both terms of art, are all the more likely to blend in everyday legal and institutional practice. I will henceforth refer to them as efficiency and efficiencyB.

Efficiency is used to discipline workers-and anyone else whose economic coordination is not mediated by a large firm-even as efficiencyB is deployed to justify coordination controlled by large firms. In other words, efficiency is used to attack all disfavored forms of economic coordination, from cartels to unions to public market coordination. Yet efficiencyB is used to defend economic coordination performed through the mechanism of a large, powerful firm. The two are judged by different metrics, and that differential judging is written into the law itself. Thus, even if consumer welfare were accepted as the substantive benchmark, horizontal coordination beyond firm boundaries is barred from showing that it produces such benefits, while corporate mergers are in many cases presumed to produce these benefits.

The reason for this is that, generally speaking, increasing coordination among producers-whether by merger or by coordination beyond firm boundaries-is presumed to increase consumer prices and reduce output. Bork is quite clear about this: "Mergers eliminate rivalry between the participating firms even more effectively than do cartels, and they are much more permanent."" But Bork goes on to say that the "disparity" in the treatment of cartels and mergers-a disparity whose intensification he advocated-"is explainable in terms of, and only in terms of, a policy of consumer welfare."" In other words, "a preference for [productive] efficiency," which implies the preference for mergers over cartels, "is explainable only by a proconsumer policy.""' Bork was making a very specific point here: that this preference for mergers over cartels was already in antitrust law, and that therefore the proconsumer policy was already in antitrust law. Bork was not wrong that antitrust, as he found it, already displayed a preference for firms, and indeed mergers, over cartels. Indeed, this is a corollary of the true proposition that antitrust already contained a preference for firm-based, and indeed hierarchical- and ownership-based, economic coordination even before Bork. In effect, Bork proffered the fact that there was such a preexisting preference in the law-along with his empirical claim about productive efficiencies-as the justification for then further intensifying that very preference.

The merits of Bork's argument from precedent aside, the argument carries within it the frank admission that logically, a procompetition norm alone can never generate the antitrust preference for mergers, or for market concentration, however it arises, over cartels-or more precisely, over horizontal coordination beyond firm boundaries. In other words, Bork quite clearly stated that the procompetition norm does not justify the firm exemption, and that only a substantive "proconsumer policy"-in the sense of consumer welfareB-can justify it. In particular, the argument is that in the case of horizontal mergers, efficiencyB may outweigh the posited losses in consumer benefits from coordination, efficiency, thereby justifying its permission."' For a horizontal merger, the price-lowering effect of efficiencyB may outweigh the price-increasing effect of efficiency. And in the case of vertical mergers or vertical coordination beyond firm boundaries, according to Bork there may be no losses from coordination, or efficiency, at all. But again, in the case of horizontal coordination beyond firm boundaries, for Bork there are no productive efficiencies; thus, one needs to waste no time searching for mitigating benefits:

It must also be remembered that there need not always be a tradeoff.... Some phenomena involve only a dead-weight loss and no, or insignificant, cost savings. That is the case with the gardenvariety price-fixing ring.... Other phenomena will involve only efficiency gain and no dead-weight loss. Examples of these include most of the mergers the Supreme Court strikes down ....

So the Borkian notion of efficiencyB is defined to imply that horizontal coordination beyond firm boundaries has substantively fewer benefits for consumers and, by extension, society, than vertically organized coordination. The empirical assumption embodied in productive efficiencies, along with a substantive proconsumer policy, thus together form the linchpin of Borkian antitrust. Once this substantive policy is in place, efficiencyB grounds both the permissive attitude to mergers and vertical coordination-particularly vertical coordination involving unequal relations between firms, where the cost-savings of hierarchy may be realized-and the disciplinary attitude to horizontal coordination beyond firm boundaries. Thus, whatever the logical basis of efficiencyB is, that is also the logical basis of this fundamental preference for hierarchical economic coordination over democratic forms of coordination. And efficiency is based on the notion that organizing production activities on the basis of command, in a traditionally organized top-down firm, will yield social and economic benefits.

Table

Description automatically generated

The Borkian remaking of antitrust law thus involved the widespread adoption of the idea of competition as an ideal state in supplying the official decision criteria for antitrust-even as Bork freely and repeatedly told us that this is not what the consumer welfare standard meant, and also admitted that this sense of competition could not explain or generate the preference for top-down, ownership-based coordination that is the central organizing principle of the legal paradigm he midwifed into existence. No number of attempts to correct the Borkian framework to make it hew to the narrow sense of ideal state competition that he explicitly disavowed can truly change this-at least not while retaining the simultaneous commitment to the consumer welfare standard as he understood it.

By successfully marrying a set of empirical arguments about organizing production to save costs to a set of theoretical arguments about the ideal, competitive state, the policy outcome Bork accomplished was to strengthen the regulatory anticoordination stance as to all forms of economic coordination outside the control of powerful firms-primarily cartels or horizontal coordination beyond firm boundaries-while relaxing the anticoordination stance as to one favored form of economic coordination: hierarchical control, typically exercised from a locus of concentrated ownership claims. That marriage, I have argued, was accomplished in good part by labeling the empirical arguments in a manner that was homonymous with the theoretical arguments, thereby transferring to the empirical arguments the social deference with which the theoretical ones were widely regarded. It also took as given older legal presuppositions about the allocation of coordination rights between firms and other forms of coordination, repackaging them as independent dictates of social science.

#### The 1ACs rearticulation of competition away from the Chicago school moves towards social process and coordination---the alternative cedes persuasion to neoclassical economics.

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An original goal of federal antimonopoly legislation was to promote fair competition and business practices, and to furnish a check on emerging consolidations of economic power in both inter- and intrafirm arrangements.9 As the pre-New Deal judiciary increasingly used the Sherman Act instead to aid firms in consolidating their power over workers, 10 while doing little to check corporate consolidation itself," Congress ultimately responded, in part, by again reaffirming its express commitment to fairness as a goal of antitrust policy in passing the Federal Trade Commission Act.12 As modern antitrust enforcement then took off in the latter part of the New Deal era, this antitrust commitment to fairness went hand in hand with the well-documented purpose of dispersing economic power, including the flourishing of small enterprise.13 Antitrust analysis in the New Deal and midcentury period considered ideas of fairness overtly.1 4

Indeed, in their foundational 1956 article, key Chicago School thinkers Aaron Director and Edward Levi described antitrust, as they found it, as having to do as much with the "laws of fair conduct" as with the narrower economic theory they thought ought to displace them: "[T]here is uncertainty whether the dominant theme of the antitrust laws is to be the evolution of laws of fair conduct, which may have nothing whatever to do with economics, or the evolution of minimal rules protecting competition or prohibiting monopoly or monopolizing in an economic sense."" The acknowledgment is notable because their goal was to establish precedent for their reform project in existing law, while conceding "the [existing] law's skepticism for economists and economics." 16

To discredit substantive normative benchmarks such as fairness, dispersal of power, and a commitment to small enterprise, Chicago School antitrust also helped to shift antitrust's very idea of competition-from a dynamic social and economic process of business rivalry" to the ideal state contemplated by neoclassical economic theory. The Chicago School Antitrust Project, as it was known, built upon an earlier, conscious decision by its founding members to substitute this idealized competitive order for the classical laissez-faire framework, associated with the Lochner era federal judiciary, in order to advance the same, fundamentally hierarchical political and economic order.18 It then applied that conceptual framework to antitrust law. Thereafter, as one commentator put it, "[l]awyers for corporate interests and industrial organization economists of the Chicago School mounted an organized effort that succeeded in persuading the federal courts to adopt a far narrower view of antitrust that has as its single objective the avoidance of economically inefficient transactions, referred to by economists as 'allocative efficiency."' 19 Fairness has no role in this conceptual framework.

As a logical matter, these earlier normative benchmarks-fairness, dispersal of power, flourishing of small enterprise-would pose a challenge to the allocation of coordination rights that antitrust later erected. Most obviously, the concern for the existence and flourishing of small enterprise supports the inclusion of many more persons in the privilege and the responsibility of economic coordination. It also itself furnishes an argument in favor of reasonable horizontal coordination beyond firm boundaries, insofar as such coordination contributes to the survival and flourishing of small enterprise.20 The well-established antitrust concern with fairness, also, grounds an argument in favor of a more equitable allocation of coordination rights. Thus, removing these normative benchmarks from antitrust analysis undermined any existing tendencies to allocate coordinate rights in a way that balances power.

2. The Norm Against Horizontal Interfirm Coordination

Both the shift in the concept of competition itself, and the clearing of normative benchmarks other than the ideal competitive order, strengthened the antitrust norm against horizontal coordination beyond firm boundaries. Although the conception of competition as a dynamic, instantiated social process has room for reasonable coordination, the conception of competition as an ideal state-a competitive market-has no space for coordination between separate actors in the same market. Both by entrenching the conception of competition as an ideal state and by working to clear other normative benchmarks for antitrust analysis, Chicago School antitrust thus strengthened the norm against horizontal coordination beyond firm boundaries. Besides the transformation that took place inside the confines of antitrust doctrine itself, many elements of the New Deal order more broadly had an enduringly strong pro-coordination bent, even if overt public price coordination did not survive the first phase of the New Deal as uniform national policy.21 These elements too were similarly attacked and undermined by other arms of Chicago School policy thinking.

# 2AC

## Adv

#### We can reshape the law to be accountable to its ideals and ascribe to equality like healthcare---Schlag agrees that breaks normativity

PierreSchlag 9, Byron R. White Professor of Law and Former Associate Dean for Research, University of Colorado Law School, “ESSAY AND RESPONSE: Spam Jurisprudence, Air Law, and the Rank Anxiety of Nothing Happening (A Report on the State of the Art),” March, 2009, Georgetown Law Journal, 97 Geo. L.J. 803

There's something gratuitous about legal scholarship. No one, of course, writes that the constitution should be like Ben & Jerry's ice cream. But just what is it that precludes anyone from suggesting that the Constitution should guarantee universal health care. (I'd be in favor--I really would.) The answer: [\*834] there are constraints on what we argue. Sure there are. n69 And who generates . . . the constraints? Well, in part, we do: n70 *So*what we have is an imaginary legal thought shaped by imaginary collective constraints, one of which is the injunction that we should follow those constraints with great rigor. My question: Is this a neurotic structure? Yes, it is. Straight out--full-flower. It has to be because without the neurosis, there would be nothing there. No constraints at all. Now please understand: As a matter of form, I have nothing against collective imaginaries. My only problem is this: if we law professors have to work so hard (and so painfully) on our collective imaginaries, couldn't we pick something more interesting*, or important,*or aesthetically enlivening,*or morally salient, or* politically relevant than bus schedules? *I mean,*couldn't we? Uh, no. Which raises perhaps my final point. It's not very nice, but someone's got to say it, and apparently it's going to be me. As mentioned earlier, our people are not cognitively challenged. They are, bell curve and all, very intelligent. It is easy then for people like you and I, when we look at the extreme intricacy of the work produced by these very intelligent people, to associate the intricacy of their work with their manifest intelligence. Indeed, we are likely to think of the relation in reciprocal terms: Because they are intelligent, their work is intricate, and because their work is intricate, it shows great intelligence. n71 But the thing I want to suggest as a possibility here is that all this intricacy of legal scholarship is less a function of intelligence than it is a manifestation of neurosis in the face of intractable conflicts. What conflicts? Consider the prototypical needs of the legal academic: A need to display great intelligence in a discourse (law) that will ultimately not bear it. A need to contribute to disciplinary knowledge in a discourse which is not really about knowledge or truth in any profound sense of those terms. A need to say something intellectually respectable within a disciplinary paradigm that we know, on some level, is intellectually compromised. [\*835] A need to display control over social, political, and economic transactions that are in important senses not subject to control. A need to activate moral and political virtue in a discourse that uses both largely as window dressing. A need to make one's thought seem real and consequential in a discourse that is neither. I want to suggest then, and this is perhaps the unkindest cut of all, that within the dominant paradigm of legal scholarship, it may be that there is very little of enduring value to be said. In the main it's the rehearsal of a form, a genre--*and not a self-evidently good one*. n72 I have a cheery ending and a not so cheery ending The cheery ending is that it has not always been like this. And, maybe it doesn't have to be like this now.

#### Past the tipping point and the alt is dictatorship and genocide---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.

#### Scenario analysis about alternative international futures is vital to critical reflexivity – deconstructs cognitive biases and flawed ontological assumptions, and empowers creativity and flexibility in thinking and advocacy

Barma, et al 16 (Naazneen Barma, Ph.D. Political Science, UC-Berkeley, Assistant Professor of National Security Affairs, Naval Postgraduate School; Brent Durbin, Ph.D. Political Science, UC-Berkeley, Professor of Government, Smith College; Eric Lorber, J.D. UPenn, Ph.D. Political Science, Duke, Gibson, Dunn & Crutcher; Rachel Whitlark, Ph.D. Political Science, GWU, Post-Doctoral Research Fellow, Project on Managing the Atom and International Security Program within the Belfer Center for Science and International Affairs at Harvard; “‘Imagine a World in Which’: Using Scenarios in Political Science,” International Studies Perspectives, 17(2), p.1-19, <http://www.naazneenbarma.com/uploads/2/9/6/9/29695681/using_scenarios_in_political_science_isp_2015.pdf>)

Over the past decade, the “cult of irrelevance” in political science scholarship has been lamented by a growing chorus (Putnam 2003; Nye 2009; Walt 2009). Prominent scholars of international affairs have diagnosed the roots of the gap between academia and policymaking, made the case for why political science research is valuable for policymaking, and offered a number of ideas for enhancing the policy relevance of scholarship in international relations and comparative politics (Walt 2005,2011; Mead 2010; Van Evera 2010; Jentleson and Ratner 2011; Gallucci 2012; Avey and Desch 2014). Building on these insights, several initiatives have been formed in the attempt to “bridge the gap.”2 Many of the specific efforts put in place by these projects focus on providing scholars with the skills, platforms, and networks to better communicate the findings and implications of their research to the policymaking community, a necessary and worthwhile objective for a field in which theoretical debates, methodological training, and publishing norms tend more and more toward the abstract and esoteric. Yet enhancing communication between scholars and policymakers is only one component of bridging the gap between international affairs theory and practice. Another crucial component of this bridge is the generation of substantive research programs that are actually policy relevant—a challenge to which less concerted attention has been paid. The dual challenges of bridging the gap are especially acute for graduate students, a particular irony since many enter the discipline with the explicit hope of informing policy. In a field that has an admirable devotion to pedagogical self-reflection, strikingly little attention is paid to techniques for generating policy-relevant ideas for dissertation and other research topics. Although numerous articles and conference workshops are devoted to the importance of experiential and problem-based learning, especially through techniques of simulation that emulate policymaking processes (Loggins 2009; Butcher 2012; Glasgow 2012; Rothman 2012; DiCicco 2014), little has been written about the use of such techniques for generating and developing innovative research ideas. This article outlines an experiential and problem-based approach to developing a political science research program using scenario analysis. It focuses especially on illuminating the research generation and pedagogical benefits of this technique by describing the use of scenarios in the annual New Era Foreign Policy Conference (NEFPC), which brings together doctoral students of international and comparative affairs who share a demonstrated interest in policy-relevant scholarship.3 In the introductory section, the article outlines the practice of scenario analysis and considers the utility of the technique in political science. We argue that scenario analysis should be viewed as a tool to stimulate problem-based learning for doctoral students and discuss the broader scholarly benefits of using scenarios to help generate research ideas. The second section details the manner in which NEFPC deploys scenario analysis. The third section reflects upon some of the concrete scholarly benefits that have been realized from the scenario format. The fourth section offers insights on the pedagogical potential associated with using scenarios in the classroom across levels of study. A brief conclusion reflects on the importance of developing specific techniques to aid those who wish to generate political science scholarship of relevance to the policy world. What Are Scenarios and Why Use Them in Political Science? Scenario analysis is perceived most commonly as a technique for examining the robustness of strategy. It can immerse decision makers in future states that go beyond conventional extrapolations of current trends, preparing them to take advantage of unexpected opportunities and to protect themselves from adverse exogenous shocks. The global petroleum company Shell, a pioneer of the technique, characterizes scenario analysis as the art of considering “what if” questions about possible future worlds. Scenario analysis is thus typically seen as serving the purposes of corporate planning or as a policy tool to be used in combination with simulations of decision making. Yet scenario analysis is not inherently limited to these uses. This section provides a brief overview of the practice of scenario analysis and the motivations underpinning its uses. It then makes a case for the utility of the technique for political science scholarship and describes how the scenarios deployed at NEFPC were created. The Art of Scenario Analysis We characterize scenario analysis as the art of juxtaposing current trends in unexpected combinations in order to articulate surprising and yet plausible futures, often referred to as “alternative worlds.” Scenarios are thus explicitly not forecasts or projections based on linear extrapolations of contemporary patterns, and they are not hypothesis-based expert predictions. Nor should they be equated with simulations, which are best characterized as functional representations of real institutions or decision-making processes (Asal 2005). Instead, they are depictions of possible future states of the world, offered together with a narrative of the driving causal forces and potential exogenous shocks that could lead to those futures. Good scenarios thus rely on explicit causal propositions that, independent of one another, are plausible—yet, when combined, suggest surprising and sometimes controversial future worlds. For example, few predicted the dramatic fall in oil prices toward the end of 2014. Yet independent driving forces, such as the shale gas revolution in the United States, China’s slowing economic growth, and declining conflict in major Middle Eastern oil producers such as Libya, were all recognized secular trends that—combined with OPEC’s decision not to take concerted action as prices began to decline—came together in an unexpected way. While scenario analysis played a role in war gaming and strategic planning during the Cold War, the real antecedents of the contemporary practice are found in corporate futures studies of the late 1960s and early 1970s (Raskin et al. 2005). Scenario analysis was essentially initiated at Royal Dutch Shell in 1965, with the realization that the usual forecasting techniques and models were not capturing the rapidly changing environment in which the company operated (Wack 1985; Schwartz 1991). In particular, it had become evident that straight-line extrapolations of past global trends were inadequate for anticipating the evolving business environment. Shell-style scenario planning “helped break the habit, ingrained in most corporate planning, of assuming that the future will look much like the present” (Wilkinson and Kupers 2013, 4). Using scenario thinking, Shell anticipated the possibility of two Arab-induced oil shocks in the 1970s and hence was able to position itself for major disruptions in the global petroleum sector. Building on its corporate roots, scenario analysis has become a standard policymaking tool. For example, the Project on Forward Engagement advocates linking systematic foresight, which it defines as the disciplined analysis of alternative futures, to planning and feedback loops to better equip the United States to meet contemporary governance challenges (Fuerth 2011). Another prominent application of scenario thinking is found in the National Intelligence Council’s series of Global Trends reports, issued every four years to aid policymakers in anticipating and planning for future challenges. These reports present a handful of “alternative worlds” approximately twenty years into the future, carefully constructed on the basis of emerging global trends, risks, and opportunities, and intended to stimulate thinking about geopolitical change and its effects.4 As with corporate scenario analysis, the technique can be used in foreign policymaking for long-range general planning purposes as well as for anticipating and coping with more narrow and immediate challenges. An example of the latter is the German Marshall Fund’s EuroFutures project, which uses four scenarios to map the potential consequences of the Euro-area financial crisis (German Marshall Fund 2013). Several features make scenario analysis particularly useful for policymaking.5 Long-term global trends across a number of different realms—social, technological, environmental, economic, and political—combine in often-unexpected ways to produce unforeseen challenges. Yet the ability of decision makers to imagine, let alone prepare for, discontinuities in the policy realm is constrained by their existing mental models and maps. This limitation is exacerbated by well-known cognitive bias tendencies such as groupthink and confirmation bias (Jervis 1976; Janis 1982; Tetlock 2005). The power of scenarios lies in their ability to help individuals break out of conventional modes of thinking and analysis by introducing unusual combinations of trends and deliberate discontinuities in narratives about the future. Imagining alternative future worlds through a structured analytical process enables policymakers to envision and thereby adapt to something altogether different from the known present. Designing Scenarios for Political Science Inquiry The characteristics of scenario analysis that commend its use to policymakers also make it well suited to helping political scientists generate and develop policy-relevant research programs. Scenarios are essentially textured, plausible, and relevant stories that help us imagine how the future political-economic world could be different from the past in a manner that highlights policy challenges and opportunities. For example, terrorist organizations are a known threat that have captured the attention of the policy community, yet our responses to them tend to be linear and reactive. Scenarios that explore how seemingly unrelated vectors of change—the rise of a new peer competitor in the East that diverts strategic attention, volatile commodity prices that empower and disempower various state and nonstate actors in surprising ways, and the destabilizing effects of climate change or infectious disease pandemics—can be useful for illuminating the nature and limits of the terrorist threat in ways that may be missed by a narrower focus on recognized states and groups. By illuminating the potential strategic significance of specific and yet poorly understood opportunities and threats, scenario analysis helps to identify crucial gaps in our collective understanding of global politicaleconomic trends and dynamics. The notion of “exogeneity”—so prevalent in social science scholarship—applies to models of reality, not to reality itself. Very simply, scenario analysis can throw into sharp relief often-overlooked yet pressing questions in international affairs that demand focused investigation. Scenarios thus offer, in principle, an innovative tool for developing a political science research agenda. In practice, achieving this objective requires careful tailoring of the approach. The specific scenario analysis technique we outline below was designed and refined to provide a structured experiential process for generating problem-based research questions with contemporary international policy relevance.6 The first step in the process of creating the scenario set described here was to identify important causal forces in contemporary global affairs. Consensus was not the goal; on the contrary, some of these causal statements represented competing theories about global change (e.g., a resurgence of the nation-state vs. border-evading globalizing forces). A major principle underpinning the transformation of these causal drivers into possible future worlds was to “simplify, then exaggerate” them, before fleshing out the emerging story with more details.7 Thus, the contours of the future world were drawn first in the scenario, with details about the possible pathways to that point filled in second. It is entirely possible, indeed probable, that some of the causal claims that turned into parts of scenarios were exaggerated so much as to be implausible, and that an unavoidable degree of bias or our own form of groupthink went into construction of the scenarios. One of the great strengths of scenario analysis, however, is that the scenario discussions themselves, as described below, lay bare these especially implausible claims and systematic biases.8 An explicit methodological approach underlies the written scenarios themselves as well as the analytical process around them—that of case-centered, structured, focused comparison, intended especially to shed light on new causal mechanisms (George and Bennett 2005). The use of scenarios is similar to counterfactual analysis in that it modifies certain variables in a given situation in order to analyze the resulting effects (Fearon 1991). Whereas counterfactuals are traditionally retrospective in nature and explore events that did not actually occur in the context of known history, our scenarios are deliberately forward-looking and are designed to explore potential futures that could unfold. As such, counterfactual analysis is especially well suited to identifying how individual events might expand or shift the “funnel of choices” available to political actors and thus lead to different historical outcomes (Nye 2005, 68–69), while forward-looking scenario analysis can better illuminate surprising intersections and sociopolitical dynamics without the perceptual constraints imposed by fine-grained historical knowledge. We see scenarios as a complementary resource for exploring these dynamics in international affairs, rather than as a replacement for counterfactual analysis, historical case studies, or other methodological tools. In the scenario process developed for NEFPC, three distinct scenarios are employed, acting as cases for analytical comparison. Each scenario, as detailed below, includes a set of explicit “driving forces” which represent hypotheses about causal mechanisms worth investigating in evolving international affairs. The scenario analysis process itself employs templates (discussed further below) to serve as a graphical representation of a structured, focused investigation and thereby as the research tool for conducting case-centered comparative analysis (George and Bennett 2005). In essence, these templates articulate key observable implications within the alternative worlds of the scenarios and serve as a framework for capturing the data that emerge (King, Keohane, and Verba 1994). Finally, this structured, focused comparison serves as the basis for the cross-case session emerging from the scenario analysis that leads directly to the articulation of new research agendas. The scenario process described here has thus been carefully designed to offer some guidance to policy-oriented graduate students who are otherwise left to the relatively unstructured norms by which political science dissertation ideas are typically developed. The initial articulation of a dissertation project is generally an idiosyncratic and personal undertaking (Useem 1997; Rothman 2008), whereby students might choose topics based on their coursework, their own previous policy exposure, or the topics studied by their advisors. Research agendas are thus typically developed by looking for “puzzles” in existing research programs (Kuhn 1996). Doctoral students also, understandably, often choose topics that are particularly amenable to garnering research funding. Conventional grant programs typically base their funding priorities on extrapolations from what has been important in the recent past—leading to, for example, the prevalence of Japan and Soviet studies in the mid-1980s or terrorism studies in the 2000s—in the absence of any alternative method for identifying questions of likely future significance. The scenario approach to generating research ideas is grounded in the belief that these traditional approaches can be complemented by identifying questions likely to be of great empirical importance in the real world, even if these do not appear as puzzles in existing research programs or as clear extrapolations from past events. The scenarios analyzed at NEFPC envision alternative worlds that could develop in the medium (five to seven year) term and are designed to tease out issues scholars and policymakers may encounter in the relatively near future so that they can begin thinking critically about them now. This timeframe offers a period distant enough from the present as to avoid falling into current events analysis, but not so far into the future as to seem like science fiction. In imagining the worlds in which these scenarios might come to pass, participants learn strategies for avoiding failures of creativity and for overturning the assumptions that prevent scholars and analysts from anticipating and understanding the pivotal junctures that arise in international affairs

## K

#### Antitrust can complement socialist goals but abandoning it spurs corporate takeover

Raju Parakkal and Evan Edward Laine 16. Assistant Professor of International Relations @ Philadelphia University. Director of the Law & Society Program and Faculty Director, Arlen Specter Center & Associate Professor of History. Capitalism, Antitrust, and Democracy: Perfect Partners or Strange Bedfellows? The Antitrust Bulletin. 2016. 61(2): 231-233

In invoking the title of Joseph Schumpeter's magnum opus, Capitalism, Socialism and Democracy,1 as inspiration for the title of this symposium, we at once highlight the nature of the domains of focus for this symposium while alluding to the similar conundrums and complexities that characterized Schumpeter's analysis of these three politico-economic structures of a society. More substantially, we invite attention to the complicated nature of the relationships that antitrust law shares with both capitalism and democracy. In its empirical relationship with capitalism and democracy, however, antitrust laws appear uncomplicated, as they are seen more in countries that are capitalistic and democratic compared to statist and authoritarian ones.2 Therefore, one could summarily conclude that antitrust laws have a positive, uncomplicated relationship with both capitalism and democracy. Nevertheless, this seemingly positive association masks certain complexities inherent in antitrust's relationships with capitalism and democracy. It also masks the complicated relationship that exists between capitalism and democracy.3 Unpacking these complexities and complications is an explicit goal of this symposium. As it is said, the devil is in the detail. The complexities in the relationships that antitrust laws share with capitalism and democracy arise from the myriad of effects that the application of antitrust laws can have on furthering the ideals of both capitalism and democracy. While the traditional reason for countries to adopt and apply antitrust laws was to prevent anticompetitive business practices that hurt consumers and the competition, a more subtle reason has been to enable the economy and the country at large to achieve certain social and political objectives, apart from economic ones.4 In the world contextualized by this symposium, the trio of antitrust, capitalism, and democracy, as well as relations among them, are of particular interest and consequence to modem societies. And in that world, a few outcomes are critical and, therefore, must be carefully evaluated. Wealth distribution is one such outcome. As presented by William J. Curran III in his article Commitment and Betrayal: Contradictions in American Democracy, Capitalism, and Antitrust Laws, almost 90% of American wealth is in the hands of the richest 20% of Americans. Regardless of the varied historical reasons that led to this outcome, that statistic reflects a highly unequal society in terms of wealth. Curran, however, is unequivocal that capitalism and laws that support it, like antitrust laws, create today's huge level of wealth inequality that is incompatible with democracy. He argues that this causative relationship is the result of capitalism's tendency to distribute wealth disproportionately to the wealthy and antitrust's support of capitalism and the distributional threat to democracy. The following lines from the article perfectly sum up his sentiments: " ... today, it can be understood that if capitalism requires competition, and competition requires inequality, then antitrust laws by supporting capitalism will also contribute to the extremes in inequality to which capitalism leads." Curran completes the three-way connection by arguing that an interpretation and enforcement of antitrust laws that favored capitalism not only helped create mega corporations, superwealthy individuals, and high levels of wealth inequality, but also made a sham of American democracy by letting that political ideal be subservient and subordinate to runaway capitalism and a grossly unequal distribution of wealth. Curran's arguments lead to the only logical conclusion that he propounds in his article-repeal the American antitrust laws if we wish to have a democracy in this country. Curran's conclusions are worthy of further attention and discussion. This evaluation is especially pertinent as the nation attempts to recover from the Great Recession and its effects on the poor and middle classes. One could be in agreement with Curran to question whether an economic approach to antitrust analysis and enforcement has been the best for democracy in America. Yet as pointed out by Alan Barr in his commentary, Comment on William J. Curran III's Commitment and Betrayal: Contradictions in American Democracy, Capitalism, and Antitrust Laws, antitrust laws were arguably not adopted to ensure income or wealth equality, and their repeal may only be a harbinger for the creation of even bigger corporate behemoths. Barr goes on to argue that even if antitrust laws led to a "democracy deficit" in contemporary American society, their repeal is no guarantee that the corporate power and democracy derailment that Curran laments can be reversed.5 According to Barr, the economic equality gap could possibly be narrowed through other policy measures, such as labor or tax laws, without repealing the antitrust laws currently in place. However, one also has to understand that these other measures would have a less arduous task of bridging that gap if antitrust policy was part of this overall "policy team." And, of course, Curran would disagree here since he believes that antitrust would only perpetuate wealth inequality and likely broaden rather than narrow it. It is also highly likely that while he would consider as interesting Barr's contention that antitrust laws were not adopted for ensuring equities in wealth distribution, he would also view this argument as collateral to his focus on antitrust's creation of wealth for the wealthy and its subversion of democracy.

#### They’d cause transition wars – causes global war and climate change

Smith 19 [Noah; 4/5/19; Bloomberg Opinion columnist, former assistant professor of finance at Stony Brook University; "Dumping Capitalism Won’t Save the Planet," https://www.bloomberg.com/opinion/articles/2019-04-05/capitalism-is-more-likely-to-limit-climate-change-than-socialism]

It has become fashionable on social media and in certain publications to argue that capitalism is killing the planet. Even renowned investor Jeremy Grantham, hardly a radical, made that assertion last year. The basic idea is that the profit motive drives the private sector to spew carbon into the air with reckless abandon. Though many economists and some climate activists believe that the problem is best addressed by modifying market incentives with a carbon tax, many activists believe that the problem can’t be addressed without rebuilding the economy along centrally planned lines. The climate threat is certainly dire, and carbon taxes are unlikely to be enough to solve the problem. But eco-socialism is probably not going to be an effective method of addressing that threat. Dismantling an entire economic system is never easy, and probably would touch off armed conflict and major upheaval. In the scramble to win those battles, even the socialists would almost certainly abandon their limitation on fossil-fuel use — either to support military efforts, or to keep the population from turning against them. The precedent here is the Soviet Union, whose multidecade effort to reshape its economy by force amid confrontation with the West led to profound environmental degradation. The world's climate does not have several decades to spare. Even without international conflict, there’s little guarantee that moving away from capitalism would mitigate our impact on the environment. Since socialist leader Evo Morales took power in Bolivia, living standards have improved substantially for the average Bolivian, which is great. But this has come at the cost of higher emissions. Meanwhile, the capitalist U.S managed to decrease its per capita emissions a bit during this same period (though since the U.S. is a rich country, its absolute level of emissions is much higher). In other words, in terms of economic growth and carbon emissions, Bolivia looks similar to more capitalist developing countries. That suggests that faced with a choice of enriching their people or helping to save the climate, even socialist leaders will often choose the former. And that same political calculus will probably hold in China and the U.S., the world’s top carbon emitters — leaders who demand draconian cuts in living standards in pursuit of environmental goals will have trouble staying in power.

#### The plan solves financialization driven crisis---moves from value extraction to value creation

Susan K. Sell 20. School of Regulation and Global Governance, Australian National University. “What COVID-19 Reveals About Twenty-First Century Capitalism: Adversity and Opportunity” Development volume 63, pages150–156 (2020). https://link.springer.com/article/10.1057/s41301-020-00263-z

Viewed from a structural perspective, twenty-first century capitalism presents daunting challenges for imagining a more compassionate future. Globalization, economic interdependence, intertwined global supply chains, and concentrated economic and political power present a difficult web to reshape or even to untangle. Wall Street and Monopoly capitalisms powerfully shape the global political economy.

One may think of a spectrum of options from re-arranging the deck chairs on the Titanic to wholesale structural reform. Corporate social responsibility initiatives and philanthrocapitalism lie on the ‘deck chair’ end of the spectrum, regulatory reform lies in the middle, and a dramatic refashioning of capitalism to support global human and planetary health lies on the far end. The sheer scale and lethality of the COVID-19 pandemic, a virus that recognizes no class, nation, race or gender as immune, may provide us with an opportunity to rethink the system that has been laid bare in its face.

Wall Street capitalism has skewed the ratio of risk and reward with negative effects on innovation and distribution. Financialized capitalism excels at extracting value rather than creating it. This is clear in the pharmaceutical industry in which the focus on shareholder value has created warped incentives for executives to engage in stock buybacks to inflate stock prices and executive compensation. Value extracted in this way is typically not re-invested in the enterprise to retain skilled employees and innovate, but rather is used to pay out dividends and buy up small potential competitors or innovative forms. As Braithwaite suggests, the current system has increased ‘political and economic power of banks and the rentier class (rentiers who live of income from investments in property or securities rather than from producing anything)’ (Braithwaite 2019: 559). Huge tax cuts on capital gains, that Wall Street lobbyists have secured, have led to jobless recoveries and a severed link between productivity and job growth.

Meaningful regulatory reform of the banking sector and financial markets would include reforms to covert ‘roaring banking’ back into ‘boring banking’ (Epstein 2018). From the 1940s to the 1970s banks were boring in that they were restricted in the risks that they were permitted to take. Banking featured public missions to provide long term credit and housing finance, caps on interest rates and a moderate rate of return and stability in the sector (Epstein 2018). Creating a firewall between basic retail and investment banking, by reviving the Glass-Steagall Act of 1933, would prevent the contagion and collapse that spread from the shadow banking sector to the regulated banking sector in 1929 and in 2007–2008 (Fahri and Tirole 2020). Reducing the size of ‘too-big-to-fail’ banks and taxing financial transactions would also help curb the contemporary risky behaviour and damaging excesses in this sector. Returning to a model of economic growth rather than profit would include progressive taxation; ‘in 1952 the highest income tax bracket in the United States was 92% and the economy grew faster than ever’ (Bregman 2020). Rescinding the US Securities and Exchange Commission’s 1982 rule permitting stock buybacks would be a positive step to change incentives. Implementing curbs on capital flows and tax evasion would also serve to support policy space and additional resources to address public missions such as health care.

Robust antitrust or competition policy could boost IP reform to curb abuses of monopoly power across a range of sectors from Big Pharma, Big Food, and Big Tech among others. Beyond competition policy, a frank accounting of the value proposition of pharmaceutical products that is transparent about the percentages of public sector money behind the development of pharmaceutical products and medical devices would be a step in the right direction. As Mazzucato (2013), Mazzucato and Roy (2019), and Lazonick and Hopkins (2020) have all pointed out, most pharmaceutical innovation has been engineered by the ‘entrepreneurial state’ and funded by taxpayers. The public sector has taken the risks and the private sector is reaping nearly all of the rewards. This risk/reward ratio must be re-aligned to reflect the real value provided by public financing. Such transparency should serve to reduce the costs of essential medicines so that taxpayers do not end up paying twice for medicines. Alternative financing for drug development, such as prize funds, and the expansion of patent pools could be pursued. Intellectual property rights could be relaxed for public health needs, especially in a case such as COVID-19, as India and South Africa are requesting at the World Trade Organization. Relying on charity, and philanthro-capitalists whose fortunes and worldview reflect Wall Street and Monopoly capitalisms presents uncertain, unsustainable and even dangerous possibilities. Private interests and public interests are bound to clash to the detriment of the public at some juncture.

Addressing inequality and precarious labour has prompted calls for more structural reforms. The rhetoric of ‘essential worker’ offers an opportunity. Those designated as ‘essential workers’ during this pandemic are among the most poorly paid, most exposed to potentially fatal risks and lack access to basic health care and benefits, such as paid sick leave, that would help to protect themselves and others. Essential workers are those who take care of those who are most important and vulnerable, infants and children, elderly parents, the disabled and everyone else who needs stocked grocery shelves, home deliveries of food and medicine, education, and first responders. It is noteworthy that the Wall Street titans who retreated to the Hamptons during the Manhattan outbreak have not been designated as ‘essential’.

This pandemic offers an opening to rethink what ‘essential’ really means and how essential work should be compensated. Living wages should be a basic human right. Albena Azmanova, a political theorist, calls for a ‘more direct examination of capitalism’ to identify ‘points of fracture in today’s capitalistic fabric’ (Azmanova 2014: 357–8). She argues that those who seem to have conflicting grievances of ‘ ‘labour-market insiders’ who have good jobs but feel pressured to work harder and longer, and ‘labour-market outsiders’ (the unemployed and those in precarious employment) are mutually related via a political economy which increases and generalizes commodification pressures’ (Azmanova 2014: 359). Thus, even the apparent ‘winners’ in the current system face increasing employment insecurity and these pressures indicate that ‘something is wrong with our model of wellbeing’ (Azmanova 2014: 359). The current system of competitive production of profit has produced ‘systemic forms of injustice and domination such as the precariousness of livelihoods across the class divide’ (Azmanova 2018: 8).

#### Cap’s sustainable---solves resource scarcity and climate change.

Rainer **Zitelmann 21**. German historian and author of “The Rich in Public Opinion.” "Consumption Presumption: Are Human Beings Destroying the World?" National Interest. 2-12-2021. <https://nationalinterest.org/feature/consumption-presumption-are-human-beings-destroying-world-178114>

Some people claim that we need to cut our consumption or there will be no hope for the planet. Such claims are based on the thesis that continued growth increases the rate at which the earth’s finite resources are consumed and, moreover, leads to irreversible climate change. And such warnings are by no means new. In 1970, for instance, the Club of Rome attracted a great deal of attention with the publication of The Limits to Growth. A Report for the Club of Rome’s Project on the Predicament of Mankind, which has to date sold more than thirty million copies in thirty languages. The book warned people to change their ways and had a clear message: the world’s raw materials, and in particular, oil would soon be used up. In twenty years, the scientists predicted, we would have used the very last drop of oil. Of course, the Club of Rome’s models for the depletion of oil—and almost all other major raw materials—were wrong. According to the scenarios presented in The Limits to Growth, we should now be living on a planet that has been devoid of natural gas, copper, lead, aluminum and tungsten for decades. And we were supposed to have run out of silver in 1985. Despite the bleak forecasts, as of January 2020, the United States Geological Survey estimated silver reserves worldwide at 560,000 tons.

More from Less

Employing an extensive array of data, the American scientist Andrew McAfee proves in his book More from Less that**economic growth is no longer coupled to the consumption of raw materials**. Data for the United States, for example, show that of seventy-two resources, from aluminum to zinc, **only six are not yet post-peak**. Nevertheless, despite the fact that the U.S. economy has grown strongly in recent years, **consumption of many commodities is actually decreasing**.

Back in 2015, the American environmental scientist Jesse Ausubel wrote an essay, “The Return of Nature: How Technology Liberates the Environment,” showing **that Americans are consuming fewer and fewer raw materials per capita**. Total consumption of steel, copper, fertilizer, wood and paper, which had previously always risen in line with economic growth, **had plateaued and was now in constant decline**.

**Such across-the-board reductions in natural resource consumption are only possible because of much-maligned capitalism**: companies are constantly developing more efficient production methods and reducing the amount of raw materials they consume. Of course, they are not doing this primarily to protect the environment but to cut costs.

What's more, a constant stream of innovations has promoted the trend of miniaturization or dematerialization. Just think of your smartphone. How many devices has your smartphone replaced and how many raw materials did they use to consume?

Calculator

Telephone

Video camera

Alarm clock

Voice recorder

Navigation system

Camera

CD-player/radio

Compass

Nowadays, many people no longer have a fax machine or street atlas because they have everything they need on their smartphone. Some even use their phones instead of a wristwatch. You used to need four separate microphones in your telephone, cassette recorder, Dictaphone and video camera, today you just need one—in your smartphone.

Fighting climate change with nuclear energy

The finite nature of the world’s natural resources is one argument against growth, climate change is another. Let’s take China as an example: China currently emits more CO2 than any other country in the world **and is building a number of new nuclear power plants in order to achieve carbon neutrality by 2060**. With the new build program well underway, China’s first new-generation nuclear power plant recently went into operation.

In the very near future, China intends to start exporting power plants. **The latest generation of nuclear power plants is much safer than earlier models—and can play a pivotal role in the fight against climate change**. In the United States, Joe Biden is already evaluating the advantages of small modular reactor (SMR) nuclear power plants. As the name suggests, SMRs are smaller than traditional nuclear fission reactors and offer a maximum capacity of three hundred megawatts. In the United Kingdom, for example, a consortium led by Rolls-Royce has announced plans to build up to sixteen SMR power plants.

So far, two reactors of this type are in operation, both onboard the floating nuclear power plant  “\Akademik Lomonosov, which supplies heat and electricity to the Siberian city of Pevec and its one hundred thousand inhabitants.

Anticapitalists blame capitalism for resource consumption and climate change. **But political decisions**—such as Germany’s decision to phase out nuclear energy—**frequently have a negative impact on climate change**.

Telling people to cut their consumption must seem like pure mockery to the hundreds of millions of people around the world who are still living in extreme poverty. What they need is more capitalism and economic growth. Just like in China, where the number of people living in extreme poverty has fallen from 88 percent in 1981 to less than 1 percent today. Andrew McAfee’s book has an optimistic message about how we don't have to turn back the clocks and cut our consumption: **capitalism and technological progress are allowing us to steward the world’s resources**, rather than stripping them bare.



#### Regulated capitalism solves war, environmental issues, and quality of life

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Discourse on food ethics often advocates the anti-capitalist idea that we need less capitalism, less growth, and less globalization if we want to make the world a better and more equitable place, with arguments focused on applications to food, globalization, and a just society. For example, arguments for this anti-capitalist view are at the core of some chapters in nearly every handbook and edited volume in the rapidly expanding subdiscipline of food ethics. None of these volumes (or any article published in this subdiscipline broadly construed) focuses on a defense of globalized capitalism.1 More generally, discourse on global ethics, environment, and political theory in much of academia—and in society—increasingly features this anti-capitalist idea as well.2 The idea is especially prominent in discourse surrounding the environment, climate, and global poverty, where we face a nexus of problems of which capitalism is a key driver, including climate change, air and water pollution, the challenge of feeding the world, ensuring sustainable development for the world's poorest, and other interrelated challenges. It is therefore important to ask whether this anti-capitalist idea is justified by reason and evidence that is as strong as the degree of confidence placed in it by activists and many commentators on food ethics, global ethics, and political theory, more generally. In fact, many experts argue that this anti-capitalist idea is not supported by reason and argument and is actually wrong. The main contribution of this essay is to explain the structure of the leading arguments against the anti-capitalist idea, and in favor of the opposite conclusion. I begin by focusing on the general argument in favor of well-regulated globalized capitalism as the key to a just, flourishing, and environmentally healthy world. This is the most important of all of the arguments in terms of its consequences for health, wellbeing, and justice, and it is endorsed by experts in the empirically minded disciplines best placed to analyze the issue, including experts in long-run global development, human health, wellbeing, economics, law, public policy, and other related disciplines. On the basis of the arguments outlined below, well-regulated capitalism has been endorsed by recent Democratic presidents of the United States such as Barack Obama, and by progressive Nobel laureates who have devoted their lives to human development and more equitable societies, as well as by a wide range of experts in government and leading nongovernmental organizations. The goal of this essay is to make the structure and importance of these arguments clear, and thereby highlight that discourse on global ethics and political theory should engage carefully with them. The goal is not to endorse them as necessarily sound and correct. The essay will begin by examining general arguments for and against capitalism, and then turn to implications for food, the environment, climate change, and beyond. Arguments for and against Forms of Capitalism The Argument against Capitalism Capitalism is often argued to be a key driver of many of society's ills: inequalities, pollution, land use changes, and incentives that cause people to live differently than in their ideal dreams. Capitalism can sometimes deepen injustices. These negative consequences are easy to see—resting, as they do, at the center of many of society's greatest challenges.3 And at the same time, it is often difficult to see the positive consequences of capitalism.4 What are the positive consequences of allowing private interests to clear-cut forests and plant crops, especially if those private interests are rich multinational corporations and the forests are in poor, developing countries whose citizens do not receive the profits from deforestation? Why give private companies the right to exploit resources at all, since exploitation almost always has some negative consequences such as those listed above? These are the right questions to ask, and they highlight genuine challenges to capitalism. And in light of these challenges, it is reasonable to consider the possibility that perhaps a different economic system altogether would be more equitable and beneficial to the global population. The Argument for Well-Regulated Capitalism However, things are more complicated than the arguments above would suggest, and the benefits of capitalism, especially for the world's poorest and most vulnerable people, are in fact myriad and significant. In addition, as we will see in this section, many experts argue that capitalism is not the fundamental cause of the previously described problems but rather an essential component of the best solutions to them and of the best methods for promoting our goals of health, well-being, and justice. To see where the defenders of capitalism are coming from, consider an analogy involving a response to a pandemic: if a country administered a rushed and untested vaccine to its population that ended up killing people, we would not say that vaccines were the problem. Instead, the problem would be the flawed and sloppy policies of vaccine implementation. Vaccines might easily remain absolutely essential to the correct response to such a pandemic and could also be essential to promoting health and flourishing, more generally. The argument is similar with capitalism according to the leading mainstream arguments in favor of it: Capitalism is an essential part of the best society we could have, just like vaccines are an essential part of the best response to a pandemic such as COVID-19. But of course both capitalism and vaccines can be implemented poorly, and can even do harm, especially when combined with other incorrect policy decisions. But that does not mean that we should turn against them—quite the opposite. Instead, we should embrace them as essential to the best and most just outcomes for society, and educate ourselves and others on their importance and on how they must be properly designed and implemented with other policies in order to best help us all. In fact, the argument in favor of capitalism is even more dramatic because it claims that much more is at stake than even what is at stake in response to a global pandemic—what is at stake with capitalism is nothing less than whether the world's poorest and most vulnerable billion people will remain in conditions of poverty and oppression, or if they will instead finally gain access to what is minimally necessary for basic health and wellbeing and become increasingly affluent and empowered. The argument in favor of capitalism proceeds as follows: Premise 1. Development and the past. Over the course of recorded human history, the majority of historical increases in health, wellbeing, and justice have occurred in the last two centuries, largely as a result of societies adopting or moving toward capitalism. Capitalism is a relevant cause of these improvements, in the sense that they could not have happened to such a degree if it were not for capitalism and would not have happened to the same degree under any alternative noncapitalist approach to structuring society. The argument in support of this premise relies on observed relationships across societies and centuries between indicators of degree of capitalism, wealth, investments in public goods, and outcomes for health, wellbeing, and justice, together with econometric analysis in support of the conclusion that the best explanation of these correlations and the underlying mechanism is that large increases in health, wellbeing, and justice are largely driven by increasing investments in public goods. The scale of increased wealth necessary to maximize these investments requires capitalism. Thus, as capitalist societies have become dramatically wealthier over the past hundred years (and wealthier than societies with alternative systems), this has allowed larger investments in public goods, which simply has not been possible in a sustained way in societies without the greater wealth that capitalism makes possible. Important investments in public goods include investments in basic medical knowledge, in health and nutrition programs, and in the institutional capacity and know-how to regulate society and capitalism itself. As a result, capitalism is a primary driver of positive outcomes in health and wellbeing (such as increased life expectancy, lowered child and maternal mortality, adequate calories per day, minimized infectious disease rates, a lower percentage and number of people in poverty, and more reported happiness);5 and in justice (such as reduced deaths from war and homicide; higher rankings in human rights indices; the reduced prevalence of racist, sexist, homophobic opinions in surveys; and higher literacy rates).6 These quantifiable positive consequences of global capitalism dramatically outweigh the negative consequences (such as deaths from pollution in the course of development), with the result that the net benefits from capitalism in terms of health, wellbeing, and justice have been greater than they would have been under any known noncapitalist approach to structuring society.7 Premise 2. Economics, ethics, and policy. Although capitalism has often been ill-regulated and therefore failed to maximize net benefits for health, wellbeing, and justice, it can become well-regulated so that it maximizes these societal goals, by including mechanisms identified by economists and other policy experts that do the following: optimally8 regulate negative effects such as pollution and monopoly power, and invest in public goods such as education, basic healthcare, and fundamental research including biomedical knowledge (more generally, policies that correct the failures of free markets that economists have long recognized will arise from “externalities” in the absence of regulation);9 ensure equity and distributive justice (for example, via wealth redistribution);10 ensure basic rights, justice, and the rule of law independent of the market (for example, by an independent judiciary, bill of rights, property rights, and redistribution and other legislation to correct historical injustices due to colonialism, racism, and correct current and historical distortions that have prevented markets from being fair);11 and ensure that there is no alternative way of structuring society that is more efficient or better promotes the equity, justice, and fairness goals outlined above (by allowing free exchange given the regulations mentioned).12 To summarize the implication of the first two premises, well-regulated capitalism is essential to best achieving our ethical goals—which is true even though capitalism has certainly not always been well regulated historically. Society can still do much better and remove the large deficits in terms of health, wellbeing, and justice that exist under the current inferior and imperfect versions of capitalism. Premise 3. Development and the future. If the global spread of capitalism is allowed to continue, desperate poverty can be essentially eliminated in our lifetimes. Furthermore, this can be accomplished faster and in a more just way via well-regulated global capitalism than by any alternatives. If we instead opt for less capitalism, less growth, and less globalization, then desperate poverty will continue to exist for a significant portion of the world's population into the further future, and the world will be a worse and less equitable place than it would have been with more capitalism. For example, in a world with less capitalism, there would be more overpopulation, food insecurity, air pollution, ill health, injustice, and other problems. In part, this is because of the factors identified by premise 1, which connect a turn away from capitalism with a turn away from continuing improvements in health, wellbeing, and justice, especially for the developing world. In addition, fertility declines are also a consequence of increased wealth, and the size of the population is a primary determinant of food demand and other environmental stressors.13 Finally, as discussed at length in the next section of the essay, capitalism can be naturally combined with optimal environmental regulations.14 Even bracketing anything like optimal regulation, it remains true that sufficiently wealthy nations reduce environmental degradation as they become wealthier, whereas developing nations that are nearing peak degradation will remain stuck at the worst levels of degradation if we stall growth, rather than allowing them to transition to less and less degradation in the future via capitalism and economic growth.15 In contrast, well-regulated capitalism is a key part of the best way of coping with these problems, as well as a key part of dealing with climate change, global food production, and other specific challenges, as argued at length in the next section. Here it is important to stress that we should favor well-regulated capitalism that includes correct investments in public goods over other capitalist systems such as the neoliberalism of the recent past that promoted inadequately regulated capitalism with inadequate concern for externalities, equity, and background distortions and injustices.16 Conclusion. Therefore, we should be in favor of capitalism over noncapitalism, and we should especially favor well-regulated capitalism, which is the ethically optimal economic system and is essential to any just basic structure for society. This argument is impressive because, as stated earlier in the essay, it is based on evidence that is so striking that it leads a bipartisan range of open-minded thinkers and activists to endorse well-regulated capitalism, including many of those who were not initially attracted to the view because of a reasonable concern for the societal ills with which we began. To better understand why such a range of thinkers could agree that well-regulated capitalism is best, it may help to clarify some things that are not assumed or implied by the argument for it, which could be invoked by other bad arguments for capitalism. One thing the argument above does not assume is that health, wellbeing, or justice are the same thing as wealth, because, in fact, they are not. Instead, the argument above relies on well-accepted, measurable indicators of health and wellbeing, such as increased lifespan; decreased early childhood mortality; adequate nutrition; and other empirically measurable leading indicators of health, wellbeing, and justice.17 Similarly, the argument that capitalism promotes justice, peace, freedom, human rights, and tolerance relies on empirical metrics for each of these.18 Furthermore, the argument does not assume that because these indicators of health, wellbeing, and justice are highly correlated with high degrees of capitalism, that therefore capitalism is the direct cause of these good outcomes. Rather, the analyses suggest instead that something other than capitalism is the direct cause of societal improvements (such as improvements in knowledge and technology, public infrastructure, and good governance), and that capitalism is simply a necessary condition for these improvements to happen.19 In other words, the richer a society is, the more it is able to invest in all of these and other things that are the direct causes of health, wellbeing, and justice. But, to maximize investment in these things societies need well-regulated capitalism. As part of these analyses, it is often stressed that current forms of capitalism around the world are highly defective and must be reformed in the direction of well-regulated capitalism because they lack investments in public goods, such as basic knowledge, healthcare, nutrition, other safety nets, and good governance.20 In this way, an argument for a particular kind of progressive reformism is an essential part of the analyses that lead many to endorse the more general argument for well-regulated capitalism. Although these analyses are nuanced, and appropriately so, it remains the case that the things that directly lead to health, wellbeing, and justice require resources, and the best path toward generating those resources is well-regulated capitalism. And on the flip side, according to the analyses behind premise 1 described above, an anti-capitalist system would not produce the resources that are needed, and would thus be a disaster, especially for the poorest billion people who are most desperately in need of the resources that capitalism can create and direct, to escape from extreme poverty.21

#### Capitalism solves extinction – green tech innovation OR gets off rock

Zimet 20 (Saul, Writer for the the Foundation for Economic Education. Capitalism or the Climate? 5-17-20. [https://quillette.com/2020/05/17/capitalism-or-the-climate /](https://quillette.com/2020/05/17/capitalism-or-the-climate%20/)/shree)

Knowledge, Deutsch argues, is the variable most relevant to our potential flourishing. When Arctic populations survive in the Arctic and Amazonian populations survive in the Amazon, they do it by means of specific knowledge. If Deutsch were suddenly transported to the primeval Great Rift Valley, he would die for lack of knowledge. Without the requisite knowledge, humans will die virtually anywhere. With the requisite knowledge, encoded in brains, genes, computers, or other substrates, humans can survive virtually anywhere, on the Earth or elsewhere in space: Whether humans could live entirely outside the biosphere—say, on the moon—does not depend on the quirks of human biochemistry. Just as humans currently cause over a tonne of vitamin C to appear in Oxfordshire every week (from their farms and factories), so they could do the same on the moon—and the same goes for breathable air, water, and comfortable temperature and all their other parochial needs. Those needs can all be met, given the right knowledge, by transforming other resources. Deutsch explains that even today humans possess the technology to colonize the Moon and other stereotypically harsh environments. At this time in history, colonizing the moon would be prohibitively expensive. But right now you can buy a 4-terabyte hard-drive on Amazon for under 100 dollars. In 1980, that much storage cost about 772 million dollars. The price of technology frequently undergoes enormous reductions as science moves forward. Given that the price of digital memory was divided by millions in just a few decades, imagine the extraterrestrial societies we could conceivably build after perhaps a few centuries of compounding scientific and economic growth. However, my argument is not that we will ever colonize space, nor that we should plan to do so. As Neil deGrasse Tyson argues, it will probably be trivial to adapt to a wide range of Earth climates long before it is feasible to colonize the Moon or Mars. Rather, I am pointing out that any dependence we have on specific environmental conditions is the result of insufficient knowledge. Capitalism and the production of knowledge Throughout nearly all of human history, widespread economic growth per capita did not exist. Productivity per capita was ubiquitously stagnant; generation after generation, millennium after millennium, extreme poverty remained nearly universal and large-scale economic progress was not even imaginable. Virtually everyone lived on less than $3.50 per day in today’s dollars according to research from University of Oxford economist Max Roser, and the average person lived on much less. That’s even worse than it sounds, because (among other reasons) most of the things we can buy today had yet to be invented, and people didn’t have access to most of the information that informs our purchases in the 21st century. Then, starting in Western Europe in the 16th, 17th, and 18th centuries, an unprecedented breadth of optimism emerged and turned wealth (resources hoarded away in vaults and mattresses) into capital (resources invested in future production and discovery). Thus, capitalism was born, and with it, exponential economic growth began to spread across most of the Earth (a process that continues to this day). As a result, both the rich and the poor are consistently getting rapidly richer for the first time in human history. Whereas 94 percent of the population was in extreme poverty as recently as 1820, in 1990 the number was down to 36 percent, and in 2015 the number was less than 10 percent. And as the world gets wealthier, countless important things proliferate, such as access to nutrition, freedom from violence, improvements in life expectancy, and of course, the access to and production of scientific and technological knowledge. Knowledge is produced and spread in many ways. Education is one crucial variable, for the purpose of having both an educated population of innovators and a thriving research community. According to research from the Brookings Institute, educational opportunities and outcomes for the affluent radically exceed those for the poor—not just between countries, or within them, but everywhere. This is to be expected. Whether funded by individuals or government programs, it costs a lot of resources to build strong educational institutions and invest in educating generations of students. Poor populations who can barely afford shelter, clean water, food, and medicine don’t have much left over to invest in less immediate necessities such as education. And of course, this creates a feedback loop with causation running in both directions—if a population is uneducated, escaping poverty is much more difficult; if a population is poor, investing in education is much more difficult. Another foundational tool for knowledge production is innovation, which capital and profit motive facilitate. A large amount of innovation comes from excess capital being invested in new research and development. Poorer populations, whether subnational, national, or global, have less to invest in prospective new inventions and processes of which the details are unpredictable in advance. No system incentivizes useful investments and disincentivizes wasteful investments better than the capitalist system, in which the investor’s own capital is on the line. Incentives and wealth are two main reasons why all of the most innovative nations, such as the top 10 on the 2020 Bloomberg Innovation Index, are capitalist countries. The sociologist Susan Cozzens at the Georgia Institute of Technology offers a succinct description of the process: In the classic literature of the economics of innovation, private firms are the driving force. They seek competitive advantage in the market by introducing new products that give them a temporary monopoly. By charging high prices during the period of temporary monopoly, the firm makes profits and grows. Introducing new processes can result in competitive advantage if that step reduces costs or increases productivity. In this view, firms drive innovation in order to survive and win in the marketplace. Indeed, no serious critics of capitalism argue that any other system produces greater material wealth and innovation. Even Marxists, capitalism’s most vehement antagonists, generally acknowledge that no system has ever produced more innovation and abundance. In The Communist Manifesto in 1848, Marx and Engels wrote this: The bourgeoisie [capitalist class], during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of Nature’s forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalisation of rivers, whole populations conjured out of the ground—what earlier century had even a presentiment that such productive forces slumbered in the lap of social labour? If only Marx and Engels could see how drastically the affluence of the proletariat has grown under global capitalism since then. Environmental technology In 1894, just 21 years before Einstein’s theory of general relativity, the Nobel Prize-winning physicist Albert Michelson famously proclaimed, “The more important fundamental laws and facts of physical science have all been discovered, and these are now so firmly established that the possibility of their ever being supplanted in consequence of new discoveries is exceedingly remote.” Some phenomena, like blizzards and thunderstorms, are somewhat predictable to those with the requisite equipment and training. But the future of human knowledge is no such phenomenon. Discoveries, by their very nature, are unknown until they are not. Innovations are often unimaginable until they occur because the act of imagining them is what brings them into existence. The history of failures to predict future knowledge is long and robust. In 1901, two years before they both achieved flight by aircraft, Wilbur Wright said to his brother, “Don’t think men will fly for a thousand years.” In 1932, just six years before the successful splitting of the atom, Albert Einstein said, ”There is not the slightest indication that nuclear energy will ever be obtainable.” In 1957, 12 years before Neil Armstrong set foot on the Moon, the father of radio Lee de Forest stated, “Man will never reach the Moon regardless of all future scientific advances.” Even after world-changing technologies are invented, estimates of their utility are often wildly inaccurate. The Internet, cars, and telephones were all dismissed as insignificant inventions in the years preceding their universal ascendance. So we should be skeptical when we see publications like the BBC, Bloomberg, and Forbes denying the plausibility of imminent technological advances on our climate problems. The truth is nobody has any idea what salutary innovations and discoveries do or do not exist in our imminent future. Many popular technological solutions to environmental issues have already been proposed in recent years. Carbon capture and sequestration technology is endorsed by climate scientists at the Intergovernmental Panel on Climate Change (IPCC) as well as by United States Congress members from both the Democratic and Republican parties. Inventions are being implemented to remove plastic from the oceans. Sea walls are being engineered in some coastal communities and considered at larger scales to mitigate sea level rise. In The Climate Casino, Nordhaus writes: “Current estimates are that geoengineering would cost between one tenth and one hundredth as much as reducing CO2 emissions for an equivalent amount of cooling.” But at their present level of development, such technologies are inadequate to the full scope of the problem because they don’t sufficiently address certain dangers such as ocean acidification. Therefore, many environmentalists prefer extreme reductions in carbon emissions, which would stop anthropogenic climate change at its root. But anthropogenic climate change is not just a phenomenon of the future. The Washington Post, the Los Angeles Times, CNN, and other news organizations have noted that it is already having serious effects here and now. The transition from predicted impact to experienced impact took place decades ago. So, how well are we adapting so far? Scientific American reports that global warming may already be responsible for 150,000 deaths worldwide each year due to its effects on the frequency and scale of floods and hurricanes, droughts and heat waves, spread of vector-borne diseases, and other factors. However, research from the Reason Foundation shows that deaths caused by extreme weather events have declined by more than 90 percent since 1920. University of Oxford economist Max Roser’s research shows that the burden of disease, famine, and other relevant problems have also declined in recent years and decades (the disease statistics cited above are older than the COVID-19 pandemic, but there is no evidence that COVID-19 is directly exacerbated by climate change like vector-borne diseases such as malaria and dengue are). And overall life expectancy has risen globally from about 34 years in 1900 to about 72 years in 2019. Why are climate-related death rates declining overall while climate change seems to be causing more deaths? Because as economic activity continues to drive up carbon emissions, the resulting growth rates give more communities access to strongly built and climate-controlled buildings, medical education and supplies, life-saving infrastructure such as hospitals and clean water, and many other enormous advantages. When the media and activists argue that burning fossil fuels has not been worth the climate-related damage to human life, they are counting the victims of climate catastrophe while ignoring the beneficiaries of economic growth in developing countries and elsewhere. That is a mistake because the two are inextricably linked. Choose your own extinction Of course, just because we’ve adapted extremely well so far doesn’t mean the trend will continue. Dangerous tipping points may yet accelerate the problem beyond our capacity to respond. As living organisms, we have a problem of evolutionary magnitude: we adapt gradually in an environment that can change rapidly. If we go on existing like any other animal, our niche will eventually change so quickly that we won’t be able to adapt fast enough. This has happened to 99.9 percent of all known species since the beginning of life on Earth roughly four billion years ago. These changes have ranged from asteroid impacts, to volcanic eruptions, to viral pandemics, and of course to human activity in recent millennia, and are typically unpredictable to the species they eliminate because they come from outside the limited context in which those species evolved. Some argue that humans are just another mammal like any other, and that all our claims of exceptionality have been ignorant hubris. If this is true, we are almost certainly doomed to relatively imminent extinction by forces beyond our influence. But thinking this way about the human species does not quite account for the implications of the economic growth trend of the last few centuries. In his book Scale, former Santa Fe Institute president Geoffrey West, whose renowned scientific research put him on Time Magazine’s 2006 list of the 100 most influential people in the world, discusses a profound biological fact about mammal species: they virtually all have the same average number of heartbeats per capita. An average elephant has a long lifespan but a slow heart-rate, and an average mouse has a short lifespan but a fast heart-rate. It all balances out to roughly one-and-a-half billion heartbeats over the course of a lifetime. Other classes of animals follow similar metabolic scaling laws. A few hundred years ago, before the rise of capitalism, humans were no different—they lived roughly 35 years on average and had about one-and-a-half billion heartbeats just like any other mammal. But gains in knowledge since then, such as innovations in medicine, agriculture, and government, have roughly doubled our life expectancy and with it our average number of heartbeats per lifetime (some dogs and other domesticated animals have been similarly altered by access to human innovations). This constitutes a totally unprecedented departure from the biological status quo. Technological knowledge, fueled by capital, has allowed us to do many things categorically unlike the achievements of other species as far as we know. The universal extinction paradigm, which has limited all mammal species so far to one million years or less, should be high on our list of patterns to break. We don’t know what existential threats will come or how long we have to prepare for them, but we can’t expect human ingenuity to rush us past the finish line at the last minute without a context of widespread continuous technological and scientific progress until that point—a project it seems only capitalism can hope to fund. David Deutsch observes that the word “sustain” generally refers to the absence or prevention of change. This is what environmentalists such as Naomi Klein and Alexandria Ocasio-Cortez would like to do with our environment by ending capitalism. Their solution to climate change is what all non-human animals have always done: leave the environment basically unaltered by refraining from large-scale production, and wait around to go extinct. Unfortunately, as Deutsch writes, “Static societies eventually fail because their characteristic inability to create knowledge rapidly must eventually turn some problem into a catastrophe.” Thus, it is not that capitalism is the problem and sustainability is the solution, but that sustainability is the problem and capitalism is the solution. Every year, global capitalism allows more research and development departments to be funded. Every day it gives more citizens of affluent and developing nations the material wealth required for better education and information technology. Economic growth, coupled with rising carbon emissions, might lead to a climate apocalypse—or it might continue to bring us material and technological salvation. We cannot really know in advance. But we would be crazy to choose the time-tested alternative to capitalism: extinction by stagnation.

#### Space colonization solves extinction.

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The main benefit that could be provided by colonisation of Mars would be an opportunity to save the life of humanity when it is life on Earth will be endangered. It seems that the greatest possible source of dangers is the humanity itself, but beside it, the another greatest danger is probably the asteroid impact. To provide survival of humanity, the easier and the less costly project, as Impey points out, can be an attempt to reduce threats on Earth, and taking more care for proper conditions for human survival on Earth [12]. If we treat the idea of Mars colonisation as an alternative for an opportunity of survival of humanity, the mentioned running out resources are only one of possible threats for maintaining life on Earth. If we take into account such possible threats, it is worth considering Mars as perhaps the unique solution for further survival of humanity. Among possible threats on Earth we can enumerate such of them like nuclear war, environmental catastrophes, incurable epidemic, asteroid impact, or uncontrolled development of artificial intelligence that could be deleterious for humanity [12]. Of course, the concept of the human outer space colony as a way to solve human life could be applied probably only to some small part of the entire humanity, for instance, for these ones who survived one of the mentioned catastrophes. Consequently, the current work on preparation of the manned mission to Mars can be treated as a work to provide the future further living of the human species whose further existence on Earth in the next several hundred or several thousand years can be really endangered.

#### Capitalism creates world peace---large powers are incentivized to limit conflict and weak powers are constrained

Michael Mousseau 19. [Michael Mousseau (Ph.D. Binghamton University 1998) studies international politics with a particular focus on the link between economic conditions, institutions, and conflict. He is the creator of economic norms theory, which identifies how sustained and equal opportunity in a market can create popular interests in liberal democracy, and cause peace within and among nations. Prior to coming to UCF in 2013, Mousseau taught for fifteen years at Koç University in Istanbul, Turkey, and has been a research fellow at the United Nations Studies Program, Yale University (2003); the Belfer Center International Security Program, Harvard University (2005 – 2006); and the Saltzman Institute of War and Peace Studies, Columbia University (2010-2011).] The End of War: How a Robust Marketplace and Liberal Hegemony Are Leading to Perpetual World Peace. International Security 2019; 44 (1): 160–196. <https://doi.org/10.1162/isec_a_00352>

Is war becoming obsolete? There is wide agreement among scholars that war has been in sharp decline since the defeat of the Axis powers in 1945, even as there is little agreement as to its cause.1 Realists reject the idea that this trend will continue, citing states’ concerns with the “security dilemma”: that is, in anarchy states must assume that any state that can attack will; therefore, power equals threat, and changes in relative power result in conºict and war.2 Discussing the rise of China, Graham Allison calls this condition “Thucydides’s Trap,” a reference to the ancient Greek’s claim that Sparta’s fear of Athens’ growing power led to the Peloponnesian War.3 This article argues that there is no Thucydides Trap in international politics. Rather, the world is moving rapidly toward permanent peace, possibly in our lifetime**.** Drawing on economic norms theory,4 I show that what sometimes appears to be a Thucydides Trap may instead be a function of factors strictly internal to states and that these factors vary among them. In brief, leaders of states with advanced market-oriented economies have foremost interests in the principle of self-determination for all states, large and small, as the foundation for a robust global marketplace. War among these states, even making preparations for war, is not possible, because they are in a natural alliance to preserve and protect the global order. In contrast, leaders of states with weak internal markets have little interest in the global marketplace; they pursue wealth not through commerce, but through wars of expansion and demands for tribute. For these states, power equals threat, and therefore they tend to balance against the power of all states. Fearing stronger states, however, minor powers with weak internal markets tend to constrain their expansionist inclinations and, for security reasons, bandwagon with the relatively benign market-oriented powers.I argue that this liberal global hierarchy is unwittingly but systematically buttressing states’ embrace of market norms and values that, if left uninterrupted, is likely to culminate in permanent world peace, perhaps even something close to harmony. My argument challenges the realist assertion that great powers are engaged in a timeless competition over global leadership, because hegemony cannot exist among great powers with weak markets; these inherently expansionist states live in constant fear and therefore normally balance against the strongest state and its allies.5 Hegemony can exist only among market-oriented powers, because only they care about global order. Yet, there can be no competition for leadership among market powers, because they always agree with the goal of their strongest member (currently the United States) to preserve and protect the global order based on the principle of selfdetermination. If another commercial power, such as a rising China, were to overtake the United States, the world would take little notice, because the new leading power would largely agree with the global rules promoted and enforced by its predecessor. Vladimir Putin’s Russia, on the other hand, seeks to create chaos around the world. Most other powers, having market-oriented economies, continue to abide by the hegemony of the United States despite its relative economic decline since the end of World War II.6 To support my theory that domestic factors determine states’ alignment decisions, I analyze the voting preferences of members of the United Nations General Assembly from 1946 to 2010. I find that states with weak internal markets tend to disagree with the foreign policy preferences of the largest market power (i.e., the United States), but more so if they are major powers or have stronger rather than weaker military and economic capabilities. The power of states with robust internal markets, in contrast, appears to have no effect on their foreign policy preferences, as market-oriented states align with the market leader regardless of their power status or capabilities. I corroborate that this pattern may be a consequence of states’ interest in the global market order by finding that states with higher levels of exports per capita are more likely than other states to have preferences aligned with those of the United States; those with lower levels of exports are more likely to have interests that do not align with the United States, but again more so if they are stronger rather than weaker. Liberal scholars of international politics have long offered explanations for why the incidence of war may decline, generally beginning with the assumption that although the security dilemma exists, it can be overcome with the help of factors external to states.7 Neoliberal institutionalists treat states as like units and international organization as an external condition.8 Trade interdependence is dyadic and thus an external condition.9 Democracy is an internal factor, but theories of democratic peace have an external dimension: peace is the result of the expectations of states’ behavior informed by the images that leaders create of each other’s regime types.10 In contrast, I show that the security dilemma may not exist at all and how peace can emerge in anarchy with states pursuing their interests determined entirely by internal factors.11 I begin by explaining how a robust internal market can affect a society’s values and institutions. Next, I discuss how a state’s internal values and institutions can influence its foreign policy interests. After identifying the market oriented states, I describe the hegemony of market states and argue that its power may be reaching the point where it cannot be seriously challenged. After reporting the results of my tests of the theory, I explain why hegemonic war cannot happen and how market hegemony, by bolstering states’ internal markets, is causing the decline of war. I follow this with discussions of the security implications of China’s rise for the global market order and why predictions of the demise of the liberal order are greatly exaggerated. I conclude with a few thoughts on some of the implications of my argument, including how the world is on a centuries-long trajectory of profound change toward permanent peace.

#### Capitalist commercial beekeeping is key to prevent otherwise inevitable population collapse

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You've heard the story: Honeybees are disappearing. Beginning in 2006, beekeepers began reporting mysteriously large losses to their honeybee hives over the winter. The bees weren't just dying—they were abandoning their hives altogether. The strange phenomenon, dubbed colony collapse disorder, soon became widespread. Ever since, beekeepers have reported higher-than-normal honeybee deaths, raising concerns about a coming silent spring. The media swiftly declared disaster. Time called it a "bee-pocalypse"; Quartz went with "beemageddon." By 2013, National Public Radio was declaring "a crisis point for crops" and a Time cover was foretelling "a world without bees." A share of the blame has gone to everything from genetically modified crops, pesticides, and global warming to cellphones and high-voltage electric transmission lines. The Obama administration created a task force to develop a "national strategy" to promote honeybees and other pollinators, calling for $82 million in federal funding to address pollinator health and enhance 7 million acres of land. This year both Cheerios and Patagonia have rolled out save-the-bees campaigns; the latter is circulating a petition calling on the feds to "protect honeybee populations" by imposing stricter regulations on pesticide use. A threat to honeybees should certainly raise concerns. They pollinate a wide variety of important food crops—about a third of what we eat—and add about $15 billion in annual value to the economy, according to the U.S. Department of Agriculture. And beekeepers are still reporting above-average bee deaths. In 2016, U.S. beekeepers lost 44 percent of their colonies over the previous year, the second-highest annual loss reported in the past decade. But here's what you might not have heard. Despite the increased mortality rates, there has been no downward trend in the total number of honeybee colonies in the United States over the past 10 years. Indeed, there are more honeybee colonies in the country today than when colony collapse disorder began. Beekeepers have proven incredibly adept at responding to this challenge. Thanks to a robust market for pollination services, they have addressed the increasing mortality rates by rapidly rebuilding their hives, and they have done so with virtually no economic effects passed on to consumers. It's a remarkable story of adaptation and resilience, and the media has almost entirely ignored it. The Bee Business The chief reason commercial beekeeping exists is to help plants have sex. Some crops, such as corn and wheat, can rely on the wind to transfer pollen from stamen to pistil. But others, including a variety of fruits and nuts, need assistance. And since farmers can't always depend solely on bats, birds, and other wild pollinators to get the job done, they turn to honeybees for help with artificial insemination. Unleashed by the thousands, the bees improve the quality and quantity of the farms' yields; in return, the plants provide nectar, which the bees use to produce honey. Honeybees are essentially livestock. Their owners breed them, rear them, and provide proper nutrition and veterinary care to them. Unlike bumblebees and wasps, honeybees are not native to North America; the primary commercial species, the European honeybee, is thought to have been introduced by English settlers in the 17th century. Commercial beekeepers are migratory. They truck their hives across the country in tractor trailers on a journey to "follow the bloom," stacking their hives on semis and moving at night while the bees are at rest. Most travel to California in the early spring to pollinate almonds. After that, they take their own routes. Some go to Oregon and Washington for apples, pears, and cherries; others to the apple orchards of New York. Some pollinate fruits and vegetables in Florida in the early spring, followed by blueberries in Maine. Like any such transit project, accidents happen—as when one beekeeper, Lane Miller, crashed his truck in a canyon near Bozeman, Montana, in 2014. More than 500 hives—about 9 million sleepy, angry bees—spilled onto the roadway. "The bees were so agitated you could barely see the beekeepers or the wreckage itself," said the local fire chief at the time. After 14 hours, hundreds of stings, and a crew of emergency beekeepers, the road finally reopened. Still, the migration is mostly uneventful. After blooming season, beekeepers shift their focus from pollinating crops to making honey. Many commercial crops that require honeybee pollination, such as almonds and apples, do not provide enough nectar for the bees to produce surplus honey. So in the summer, beekeepers often head to the Midwest, where they essentially pasture the bees, turning their hives loose in fields near sunflower, clover, or wildflowers, which supply large amounts of nectar and allow the bees to make plenty of honey. When summer ends, the beekeepers truck their bees back south to spend the winter in warmer climates. Some observers claim that this annual migration is contributing to colony collapse. As the food writer Michael Pollan put it in The New York Times in 2007, "the lifestyle of the modern honeybee leaves the insects so stressed out and their immune systems so compromised that, much like livestock on factory farms, they've become vulnerable to whatever new infectious agent happens to come along." But it is precisely this modern-livestock lifestyle and the active markets for pollination services that have allowed non-native honeybees to flourish on our continent. They are the reason honeybee populations have remained steady even in the face of disease and other afflictions. The Fable of the Bees Before the 1970s, it was widely believed among academics that the pollination industry's very existence was a problem. In a 1952 paper, the appropriately named economist J.E. Meade argued that honeybee pollination was an "unpaid factor" in apple farming, since orchard owners and beekeepers did not coordinate their production decisions. Both produce what economists call "positive externalities," or spillover benefits for the other, causing inefficiencies. Since "the apple-farmer cannot charge the beekeeper for the bee's food, which the former produces for the latter," Meade believed that certain "subsidies and taxes must be imposed." (Indeed, Washington established a honey price-support program in 1952 with the goal of promoting pollination. The program was briefly eliminated in 1996, but has since been resurrected.) But then another economist, Steven Cheung, investigated how the honeybee pollination market actually worked. In a 1973 study, he found plenty of contracting between beekeepers and orchard owners to overcome the problem Meade had identified. All he had to do was open the yellow pages of the phone book to find listings for pollination services. "The fable of the bees," as Cheung called it, was blackboard theorizing. Real-life farmers and beekeepers were solving this problem on their own. Sometimes the farmers paid the beekeepers to pollinate their crops; other times the beekeepers paid the farmers for the right to place hives in their orchards. It all depended on which activity—pollination or honey production—generated more value in that instance. Sometimes the exchange involved both money and honey. Meade, meanwhile, had gotten his central example backward: Apple pollination does not yield much honey, so the beekeeper charges the apple farmer, not the other way around. The details differ, but markets for pollination services clearly exist and work quite well. Today, commercial beekeeping is a $600–$700 million industry that spans all regions of the country. And now the beekeepers and farmers are working together to overcome another apiary challenge: dead bees. Adaptation There have been 23 episodes of major colony losses since the late 1860s. Two of the most recent bee killers are Varroa mites and tracheal mites, two parasites that first appeared in North America in the 1980s. The latter, which attack their hosts' breathing tubes, devastated hives in many states before honeybees began to develop a genetic resistance. The former—tick-like parasites that suck bees' blood—remain a scourge for beekeepers today. Other threats to bee colonies include American foulbrood (which attacks bee larvae), nosema (which invades bees' intestinal tracts), and chalkbrood (which infests bees' guts, causing them to starve). Beekeepers have developed a variety of strategies to combat these afflictions, including the use of miticides, fungicides, and other treatments. While colony collapse disorder presents new challenges and higher mortality rates, the industry has found ways to adapt. Rebuilding lost colonies is a routine part of modern beekeeping. The most common method involves splitting a healthy colony into multiple hives—a process that beekeepers call "making increase." The new hives, known as "nucs" or "splits," require a new fertilized queen bee, which can be purchased from a commercial queen breeder. These breeders produce hundreds of thousands of queen bees each year. A new fertilized queen typically costs about $19 and can be shipped to beekeepers overnight. (One breeder's online ad touts its queens as "very prolific, known for their rapid spring buildup, and…extremely gentle.") As an alternative to purchasing queens, beekeepers can produce their own queens by feeding royal jelly to larvae. Beekeepers regularly split their hives prior to the start of pollination season or later in the summer in anticipation of winter losses. The new hives quickly produce a new brood, which in about six weeks can be strong enough to pollinate crops. Often, beekeepers can replace more bees by splitting hives than they lose over the winter, resulting in no net loss to their colonies. Another way to rebuild a colony is to purchase "packaged bees" to replace an empty hive. (A 3-pound package typically costs about $90 and includes roughly 12,000 worker bees and a fertilized queen.) A third method is to replace an older queen with a new one. A queen bee is a productive egg-layer for one or two seasons; after that, replacing her will reinvigorate the health of the hive. If the new queen is accepted—as she often is when an experienced beekeeper installs her—the hive can be productive right away. Replacing lost colonies by splitting hives is surprisingly straightforward and can be accomplished in about 20 minutes. New queens and packaged bees are also inexpensive. If a commercial beekeeper loses 100 of his hives, replacing them would come at a cost—the price of each new queen, plus the time required to split the existing hives—but it is unlikely to spell disaster. And because new hives can be up and running in short order, there is little or no lost time for pollination or honey production. As long as some healthy hives remain that can be used for splitting, beekeepers can quickly and easily rebuild lost colonies. Colonies Collapse But there are dead bees and then there are dead bees. In the fall of 2006, the Pennsylvania beekeeper David Hackenberg went to check on a group of hives he had left in a gravel lot near Tampa. To his surprise, the hives were nearly empty. No adult bees, no dead bees—just a lonely queen and a few young stragglers in each one. The others had simply vanished. Altogether, Hackenberg lost more than two-thirds of his 3,000 hives. Within a few weeks, other beekeepers began reporting similar problems. By February 2007, the strange affliction was given a name: colony collapse disorder. Beekeepers have always lost a portion of their hives each year to parasites, infections, pests, and other diseases, but this was different. The collapse was widespread and far more deadly. That winter, beekeepers across the country lost 32 percent of their colonies, more than twice their average winter mortality rates. Similar losses were reported in Europe, India, and Brazil. The problem captured the world's attention in part because it was mysterious. Hackenberg and the other beekeepers did not find evidence of mites, robber bees, wax moths, or any of the other common pests or ailments that often kill the insects. The hives were still chock full of honey, pollen, eggs, and larvae. But the worker bees were gone. Ten years later, scientists still debate the causes of colony collapse disorder. Researchers have been unable to pinpoint an exact culprit, and most now believe a variety of factors are at play, including infections, pathogens, and malnutrition. Environmental groups such as Greenpeace and the Natural Resource Defense Council often blame neonicotinoids—a class of "systemic" pesticides that are soaked onto seeds and absorbed throughout the entire plant as it grows—and call for regulations restricting their use. The European Union implemented a partial ban on neonicotinoids in 2013 due to their possible impact on bees, but the Environmental Protection Agency (EPA) has yet to take similar action in the United States. Earlier this year, in fact, the agency determined that four common neonicotinoid pesticides "do not pose significant risks to bee colonies," though that finding is disputed by environmental groups. And recent evidence suggests that the E.U.'s ban has done more harm than good, by encouraging farmers to use other, more lethal pesticides. A Buzzing Economy To see how effective beekeepers' strategies have been in the face of colony collapse, examine the data from the U.S. Department of Agriculture's annual beekeeper surveys. In 2016, there were 2.78 million honeybee colonies in the United States—16 percent more than when the disorder hit in 2006. In fact, there are more honeybee colonies in the country today than in nearly 25 years. Honey production also shows no pattern of decline. Last year, U.S. beekeepers churned out 161 million pounds of honey, slightly more than when colony collapse began. What about the broader impacts of rebuilding lost colonies? In a new working paper, the Montana State University economist Randal Rucker, the North Carolina State University economist Walter Thurman, and the Oregon State University entomologist Michael Burgett come to a surprising conclusion: The disorder has had almost no discernible effect on the economy. Even as beekeepers have had to repeatedly rebuild their lost hives, the overall costs to them, and to consumers, have been minimal. Thank the perseverance of beekeepers and the resilience of pollination markets. To rebuild after winter losses, beekeepers must purchase more packaged bees and queen bees from specialized breeders. Yet even these bees' prices have been largely unaffected by the increase in demand brought about by colony collapse disorder. Using annual data collected from advertisements in the American Bee Journal, a beekeeping magazine, the researchers find no measurable increase in the prices of these bees after controlling for pre-existing trends. One reason is that supply is extremely elastic: Commercial queen breeders are able to rear large numbers of queen bees quickly, often in less than a month, to meet increased demand.

#### Bees are integral to human survival – Collapse destroys global food supply and agriculture

**Halter 10** (Reese, Founder of Global Forest Science, Prof @ Alabama, Has done studies and written books on honeybees and the importance of their pollination, "VIEWPOINTS: Humble honeybees are vital to human survival", February 10, <http://blog.al.com/birmingham-news-commentary/2010/02/viewpoints_humble_honeybees_ar.html>)

VIEWPOINTS: Humble honeybees are vital to human survival Over the past three years, more than 50 billion honeybees have died. Scientists understand the causes, and now, we need everyone to lend a helping hand. bee.jpgThe humble honeybee has been inextricably linked to humankind since prehistoric times. At first, we were drawn to this remarkable creature because of its sweet honey. Honey is to a bee what electricity is for humans: energy. One teaspoon of honey weighing 21 grams contains 16 grams of sugar, or 60 calories, and it took 12 bees their entire foraging lives, combined flying time of about 6,000 miles, to produce 21 grams of honey. To understand the importance of honeybees, consider that every third bite on your plate is a result of their primary role on the planet as pollinators, the most important group on Earth. Honeybees contribute at least $44 billion a year to the U.S. economy. In Alabama, bees from 2,500 beekeepers in all 67 counties pollinate crops like apples, blueberries, blackberries, cantaloupes, cucumbers, grapes, honeydew, peaches, persimmons, plums, pumpkins, strawberries, squash, sunflowers, tomatoes, vegetable seeds, watermelons; alfalfa and clover for beef and dairy industries; cotton for our clothes; and, of course, bees give us honey, candles and medicines. Bees have been on the planet for more than 100 million years, or about 14 times longer than the first human progenitor. Bees have a memory: They vote, are being trained to count and are helping people as an early detector of disease by sniffing skin and lung cancers, diabetes and tuberculosis. The Red Cross estimates there are 40,000 new land mines being deployed weekly. Each year, these brutal weapons of destruction maim tens of thousands of children. Researchers from the University of Montana are using bees to find TNT residue -- the primary ingredients in land mines. Many blue-chip corporations depend on honeybees for their products. A combination of factors has collided to create the conditions for memory loss, appetite loss and autoimmune system collapse resulting in the rapid decline in honeybee populations worldwide. Each year, 5 billion pounds of pesticides are applied globally, and these chemicals are known to poison nerves causing symptoms similar to Parkinson's or Alzheimer's. In 2008, researchers from Penn State found 43 different pesticides in a Pennsylvania apple orchard. Many farmers combine or stack their chemicals to reduce applications cost. However, stacking chemicals is known to increase toxicity levels in some cases by 1,000 times. Research from Europe showed that bees exposed to electromagnetic radiation from cellular towers made 21 percent less honeycomb, and that 36 percent of those bees, taken a half mile from the hive, were unable to navigate home. In 2006, the honeybee genome was decoded, and genetics revealed only half as many genes for detoxification and immunity compared to other known insects. Bees evolved to feed on a wide assortment of pollens, but today, we use them in monoculture fields. Pollens provide their only source of protein. Proteins grow eggs, larvae, brains and autoimmune systems. The abnormally high temperatures of 2006 were likely the tipping point for bees in North America. The searing springtime temperatures during the onset of flowering are believed to have caused sterile pollen in many plants. Sterile pollen produces little, if any, protein. In 2007, almond, plum, kiwi and cherry pollen that was tested exhibited little if any protein content. Infertile soils lacking essential nutrients, bacteria, fungi, protozoa along with climate change were implicated. Beekeepers around the globe are now feeding their hives a form of a protein shake with eggs, brewer's yeast, pollen and honey. Clearly, agriculture must reduce the levels in toxicity from pesticides, herbicides and miticides globally. There is hope on the horizon, as organics are the fastest-growing sector in the United States at $24 billion a year. First lady Michelle Obama has an organic garden on the White House lawn with two honeybee hives close by. Each of us can help by buying organic foods and cottons, and support local beekeepers by buying organic honey. Do not use herbicides, insecticides or miticides in your yard. Plant a wide variety of native yellow and blue flowers and take part by helping scientists in the U.S. National Phenology Network (www.usanpn.org). Without bees, we cannot survive.