## 1AC

**1AC---Access**

Advantage 1 is Access---

**Platform companies facilitate transactions between two sets of users—think Amazon—the *Amex* decision made it extremely difficult to challenge anticompetitive conduct in platform markets**

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(Herbert, “Antitrust and Platform Monopoly,” 130 Yale L.J. 1952)

A. Against Platform Exceptionalism

**In *Amex***, the Supreme Court **disregarded a basic principle about markets**, which is that they consist of **close substitutes**.212 Instead, it lumped production complements into the same market, and in the process, it **stymied coherent economic analysis** of the problem. To be sure, power in one side of a two-sided market cannot be assessed without determining what is occurring on the other side. But one does not need to group the two sides into the same “market.” Rather, a relevant market should be determined by reference to the side where anticompetitive effects are feared. Then, assessing power requires the fact finder to consider offsetting effects, some of which may occur on the other side.213

Second, the Court ignored an important distinction between fact and law. Disputes about market boundaries involve questions of fact. Nevertheless, the majority wrote—**as a matter of law**—that two-sided platforms compete **exclusively with other two-sided platforms**. These dicta have already produced **mischief in lower-court decisions**. For example, it led one court to conclude that a merger between a two-sided online flight-reservation system and a more traditional system **could not be a merger of competitors**.214

Third, without argument or evidence, the Court required litigants to show market power indirectly in vertical restraints cases by reference to a relevant market, even though superior techniques are available. Direct measures are particularly useful in digital markets, where the necessary data are easy to obtain and product differentiation makes traditional market definition unreliable.215 This was another breach of the boundary between fact and law.

Fourth, the Court misunderstood the economics of free riding, ignoring the fact that when a firm is able to recover the value of its investments through its own transactions, free riding is not a problem.

Fifth, the Court **failed** to perform the kind of **transaction-specific factual analysis** that has become **critical to economically responsible antitrust law**. Rather, it simply assumed, **without examining the actual transactions** before it, that losses on one side of a two-sided market are **inherently offset by gains on the other side**.216 Amex’s antisteering rule produced immediate losses for both the affected cardholder and the affected merchant. The only beneficiary was Amex, the operator of a platform able to shelter itself from competition. That competition, in turn, would have benefitted both cardholders and merchants.

Markets differ from one another.217 This is why we apply mainly antitrust law to **some markets**, regulation to others, and some mixture of the two to yet others. It is also why antitrust is **so fact intensive**, particularly on issues pertaining to market power or competitive effects. Indeed, the **biggest advantage that antitrust has** over legislative regulation is its **fact-driven methodology**. Antitrust courts do and should **avoid speaking categorically** about market situations that are not immediately before them and avoid making cursory conclusions based on inadequate facts. Within the antitrust framework, **there is no reason to think that digital platforms are unicorns** whose rules as a class differ from those governing other firms. Every market has its distinct features, but the ordinary rules of antitrust analysis are **adequate to consider them**. The ***Amex*** decision is a **cautionary tale** about what can happen when a court is so overwhelmed by a market’s idiosyncrasies that it makes **grand pronouncements**, abandoning well-established rules for analyzing markets in the process.

**Innovation not all created equal – Only nascent firms foster transformative tech innovation across sectors, AND it can’t be predicted or directed**

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(C. Scott, and Tim, “Nascent Competitors,” 168 U. Penn. L. Rev. 1879)

Over the last century and a half, small, innovative firms have played a **particularly important role** in the process of **innovation** and competition. This is not to discount the important history of innovation at big firms with large research laboratories, such as Bell Labs, Xerox PARC, and research labs at General Electric and Merck.30 However, over the same period, a significant number of disruptive innovations—**those that transform industry**—have come out of **very small firms** with new technologies **unproven at the time**: examples include the **Bell** Telephone Company, RCA, **MCI**, Genentech, **Apple**, **Netscape**, and dozens of others.31

There is a **particular competitive significance** of the **big innovations** at the **smaller firms,** for they also represent competitive entry, and sometimes **completely transform** the industry.32 New, unproven innovators are a key source of disruptive innovation.33 Consider that Bell’s telephone did not improve the telegraph, **but replaced it**, or the impact of Apple’s personal computer on the computing industry. As this suggests, **nascent competitors** can hold the promise of offering **fresh competition for the market**, not just **in** the market. They have the capacity to displace an incumbent through a **paradigm shift**—for example, a new platform for developing software or decoding a genome. **Nascent competition** tends to be **important** in industries marked by **rapid innovation** and **technological change**. **Software**, **pharmaceuticals**, mobile telephony, **e-commerce**, **search**, and social network services **are leading examples**.

Future potency. Second, a nascent competitor is relevant due to its **promise of future innovation**. Its potency is not yet fully developed and hence unproven. Whether that innovation will make a difference in the marketplace is subject to significant uncertainty. That is due to the unpredictable rate and direction of technological change. This uncertainty stems from the same forces of technological progress that make innovation so valuable. The nascent competitor may fail in various ways: the unproven cure, despite highest hopes, may flunk its clinical trials; the technologies thought to be the future might, in fact, be overrated. This uncertainty may not be a quantifiable risk, like the odds in a casino, but closer to Knightian true uncertainty—in other words, not readily susceptible to measurement.34 The unpredictable path of innovation **often results in product plasticity**, in which products evolve and are used for purposes **different than the original**. For example, in the 1990s, mobile telephones gained popularity as a complement to a wired telephone, as a means for making calls on the go.35 Today, they compete with land lines, cameras, computers, televisions, and credit cards. General purpose technologies such as computing and Internet connectivity act as powerful fuel for unpredictable change.36 Uncertainty about what products the incumbent and the nascent competitor will actually offer in the future has a further consequence—uncertainty about the degree to which those products will actually compete.

**Only a tech ecosystem that supplements Big Tech with many small disruptive innovators which are independent BUT able to access platforms’ data will allow us to beat China in AI. Centralization guarantees defeat, because China’s better at it and has way more people! Try or die for competitive innovation.**

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(Tom, “Digital Competition With China Starts With Competition At Home,” <https://www.brookings.edu/wp-content/uploads/2020/04/FP_20200427_digital_competition_china_wheeler_v3.pdf>)

The United States and China are engaged in a **technology-based conflict** to **determine** **21st-century** international economic **leadership**. China’s approach is to identify and support the research and development efforts of a handful of “**national champion**” companies. The **dominant tech companies** of the U.S. **are de facto embracing this** Chinese policy in their effort to maintain domestic marketplace control. Rather than embracing a China-like consecration of a select few companies, America’s digital competition with China **should begin with meaningful competition** at home and the allAmerican reality that competition drives innovation.

America’s dominant tech companies have seized upon the competition with China as a rationale for why their behavior should not be subject to regulatory oversight that would, among other things, promote competition. “China doesn’t regulate its companies” has become a go-to policy response. When coupled with “of course, we support regulation, but it must be responsible regulation,” it throws up a smokescreen that allows the dominant tech companies to make the rules governing their marketplace behavior.

At the heart of digital competition — both at home and abroad — is the capital asset of the 21st century: **data**. Initiatives such as **machine learning** and **artificial intelligence** are data-dependent, requiring a large data input to enable algorithms to reach a conclusion. China’s immense population of almost 1.5 billion gives it an advantage in this regard. By definition, a population that approaches five times the size of the U.S. population produces more data. The previously “backward” nature of the Chinese economy has resulted in another Chinese data advantage: New smartphone-based apps, created in place of the digital integration that China previously lacked, produce a richer collection of data. This bulk and richness of Chinese data creates **an inherent digital advantage** when compared to the United States.

If the United States **will never out-bulk China** in the quantity and quality of data**, it must out-innovate China**. Here, the United States **has an advantage**, **should it choose to take it**. **The centralized control** of the Chinese digital economy **is an anti-entrepreneurial force**. In contrast, **innovation** is the hallmark of a free and open market. But the domestic market must, indeed, be free, open, and **competitive**.

Currently, the American digital marketplace **is not competitive**. A handful of companies **command** the marketplace by hoarding the data asset others need to compete. As innovative as America’s tech giants may be, they represent a **bottleneck** **that starves independent innovators** **of the mother’s milk of digital competition**. **If America is to out-innovate China**, then American **innovators** **need access** to the **essential data asset** **required for that innovation**.

**The nation’s response to Chinese competition must not be the adoption of China-like national champions**, nor the “China doesn’t regulate its companies that way” smokescreen. American public policy should embrace the all-American concept of **competition-driven innovation**. This begins with **breaking the bottleneck** that withholds data from its **competitive application**. This **does not necessarily mean** **breaking up** the dominant companies, but it does mean breaking open **their mercenary lock** on the **assets essential for competition-driven innovation**.

#### Scale and novelty of innovation crater after mergers---empirics.

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Amit, “Firm boundaries matter: Evidence from conglomerates and R&D activity,” Journal of Financial Economics, 2014, 381-405, Elsevier

This paper examines the impact of the conglomerate form on the scale and novelty of corporate Research and Development (R&D) activity. I exploit a quasi-experiment involving failed mergers to generate exogenous variation in acquisition outcomes of target firms. A difference-in-differences estimation reveals that, relative to failed targets, firms acquired in diversifying mergers produce both a smaller number of innovations and also less-novel innovations, where innovations are measured using patent-based metrics. The treatment effect is amplified if the acquiring conglomerate operates a more active internal capital market and is largely driven by inventors becoming less productive after the merger rather than inventor exits. Concurrently, acquirers move R&D activity outside the boundary of the firm via the use of strategic alliances and joint ventures. There is complementary evidence that conglomerates with more novel R&D tend to operate with decentralized R&D budgets. These findings suggest that conglomerate organizational form affects the allocation and productivity of resources.

1. Introduction

Do firm boundaries affect the allocation of resources? This question had spawned significant research in economics since it was raised in Coase (1937). A large body of work has focused on comparing the resource allocation in conglomerates relative to stand-alone firms to shed light on this issue. Theoretically, there are completing views on this aspect. On the one hand, Alchian (1969), Wiliamson (1985), and Stein (1997), among others, have put forth the view that conglomerates, by virtue of exerting centralized control over the capital allocation process, may do a better job in directing investments than the external capital markets. On the other hand, the “dark side” view of internal capital markets argues that problems of corporate socialism are more prevalent in conglomerates making them less efficient in resource allocation (Rajan, Servaes, and Zingales, 2000; Scharfstein and Stein, 2000).

Estimating the effects predicted by these theories has proven challenging. On the one hand, there is a broad brush approach that argues that efficiency of conglomerates can be compared to stand-alone firms by examining their relative market values. This approach has, however, been criticized as being indirect and tainted by endogeneity bias which is hard to account for.1 The other, more direct approach, has been to examine the productivity differences across organizational forms to make assessment about resource allocation (Maksimovic and Philips, 2002; Sc hoar, 2002). In this paper, 1 extend the latter by focusing on one activity and demonstrating that a causal link exists between R&D productivity differences and organizational form. By doing so, I hope to provide evidence that firm boundaries can matter for allocation of resources.

I choose to focus on innovative activity following the argument made in Wiliamson (1985) that “... in the presence of asset specificity, uncertainty, and opportunistic behavior—differences in internal organization may impact innovative behavior ..." The intuition behind this idea is simple. Novel research projects are especially characterized by significant informational asymmetries between researchers and outside evaluators. This may provide researchers in divisions leeway to manipulate the information they transmit to corporate bosses, especially if they are faced with the possible threat of reallocation of resources by corporate headquarters. Recognizing this problem, high-level managers may be reluctant to embark on novel projects in the first place. Thus, it is precisely those organizations that attempt to exploit the efficiencies of a centralized resource allocation process that may end up fostering mediocrity in their divisional R&D activities.2

I use information in the Compustat files and from the 423,640 patents granted by the United States Patent and Trademark Office (USPTO) during the sample period to shed light on this question. I measure the scale of a company’s R&D output by the number of patents its research generates. In addition, I measure the novelty of its research program by the average number of citations its patents receive in subsequent patent applications. I start by providing some suggestive evidence by evaluating these measures for Compustat firms over 1980-1998. In particular, an average patenting single-segment firm produces patents that generate more citations than those obtained by the multi-segment firms. In addition, conglomerates with more active internal capital markets and higher implied competition for R&D resources do, on average, conduct less-novel research.

These results, however, only show an association between internal capital markets and research output. There may be a concern that these effects are driven by endogenous selection rather than the impact of organizational form on R&D activity. For instance, many conglomerates may have grown by acquiring firms that have the potential to come up with novel ideas in the future. Alternatively, they may acquire firms with one big idea which has already been developed. Both these arguments would lead to different biases in estimates that compare the average R&D productivity of conglomerate firms relative to stand-alone firms. The main identification strategy of the paper accounts for these selection concerns by exploiting a quasi-experiment.

The experiment constructs two groups of firms: a “treatment group” comprised of firms taken over in a friendly merger and a “control group” that is assembled from a sample of targets whose mergers failed to go through. The important consideration for empirical design is that the reasons for failure of the friendly merger of the control group be unrelated to R&D policy of the target. I read news articles for each of the failed mergers in my sample and select only those to be a part of the control group where one can argue this to be the case (e.g., deals around 1987 crash). The two groups then comprise a sample where 1 claim that the assignment of a firm into an acquirer is random. Under this assumption, I can difference out any selection concerns by comparing the R&D productivity of the firms in the treatment group pre-and post-merger with those of the control group.

This research design allows for two tests. The identification of the main estimate comes from the unsuccessful targets that were going to conglomerate acting as a counterfactual for how the successful targets would have performed R&D after the merger, had they not been acquired by conglomerates. In addition, the research design allows me to conduct a placebo test that involves targets in non-conglomerating mergers.

I employ a difference-in-differences specification which exploits within-firm variation and find that, relative to the control group, firms in the treatment group suffer a significant decline (about 60%) in novelty of their research output after the merger. This drop is driven by diversifying mergers with targets involved in non-conglomerating mergers not exhibiting any change in their R&D output What is more, I find that the drop in novelty is significantly more in treatment firms that were acquired by diversified firms which already had an active capital market in operation. These results suggest that the very internal workings of a conglomerate bring about a reduction in the novelty of research conducted there and confirm the ‘new-toy’ effect in diversified firms documented in Schoar (2002).

These findings also alleviate concerns that my results are driven by firms in the control group being more productive after the event, due to elevated market pressure after the unsuccessful merger. If it was the case, I would have also found similar effects for firms that were involved in unrelated mergers. As well, it would not immediately follow that market pressure would intensify for firms where I find the strongest results—i.e., in firms that are involved in mergers where acquirers operated a conglomerate with an active 1CM.

I further investigate the drivers of the treatment effect by examining the R&D productivity of inventors around the merger event There are two margins which could be responsible for a decline in the R&D productivity of the treatment group: on the extensive margin, individuals with ‘entrepreneurial spirit’ may leave the diversified firm; on the intensive margin, individuals may chose to stay in the firm but become less productive on the R&D dimension—both because the combined firm might be reluctant to fund their entrepreneurial ideas (Bhide, 2000; Gompers, Lemer and Scharfstein, 2005).3 I hand-collect information on all the inventors responsible for patents in the sample and exploit within-inventor variation in the data. The results suggest that the treatment effect is largely driven on the intensive margin. In particular, the impact of invention of an average inventor in the treatment group falls more than 50% post-merger. While there is an exodus of inventors after the merger event, the rate of exit is similar for both the control and treatment groups.

#### Foreign linkages render large firms vulnerable to Chinese influence.

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Dakota Foster, Zachary Arnold, “Antitrust and Artificial Intelligence: How Breaking Up Big Tech Could Affect the Pentagon’s Access to AI,” CSET Issue Brief, Center for Security and Emerging Technology, May 2020, https://www.geopolitic.ro/wp-content/uploads/2020/05/CSET-Antitrust-and-Artificial-Intelligence.pdf

A post-breakup AI sector composed of smaller firms might have fewer foreign governments and technology linkages, reducing the risks of U.S. government contracting for both the Pentagon and companies themselves. International expansion and domestic government contracting sometimes stand at odds. Yet the leading U.S. tech firms all have an international presence and prioritize foreign expansion.143 [FOOTNOTE 143 STARTS] For example, Google opened an AI research lab in Beijing in 2017 and has repeatedly explored growth in Chinese markets. See Douglas MacMillan, Shan Li, and Liza Lin, “Google Woos Partners for Potential China Expansion,” The Wall Street Journal, August 12, 2018, https://www.wsj.com/articles/google-woos-partners-for-potential-chinaexpansion-1534071600; Bowdeya Tweh, “Treasury Secretary Finds No Security Concerns With Google Work in China,” The Wall Street Journal, July 24, 2019, <https://www.wsj.com/articles/treasury-secretary-finds-no-security-concerns-with-googlework-in-china-11563976459>. [FOOTNOTE 143 ENDS]

As companies become more intertwined with and subject to pressure from foreign customers and governments, the Pentagon and other national security customers may view those companies and their products as too risky for defense purposes. The Pentagon has previously ended contracts on the basis of contractors’ foreign entanglements. In 2017, it terminated its relationship with Kaspersky Lab, a Russian software and cyber firm, following concerns about Russian intelligence bugs in Kaspersky products.144 In 2019, it cut ties with Huawei, the Chinese telecommunications giant,145 going so far as to ban the sale of Huawei phones on U.S. military bases.146 Huawei joined a growing list of Chinese companies the DOD monitors in an effort to protect American supply chains.147

At the same time, as U.S. firms become more entangled globally, they may choose foreign markets over U.S. government contracts. Foreign markets, particularly in China, have high sales volumes and potential for large profits. The allure of these markets could outweigh a few, large contracts with the U.S. government. Larger companies will more likely encounter this choice given their international opportunities of significant scale. Companies choosing to expand abroad would more probably accumulate foreign creditors, regulatory requirements, supply chain relationships, and other exposures reducing their appeal for the U.S. government. Smaller firms are less likely to face this tradeoff, and less inclined to choose foreign markets; for these firms, the value of international expansion often does not exceed that offered by domestic growth.

Moreover, just as the U.S. government has warned private and public entities from partnering with foreign companies like Huawei and Kaspersky, foreign governments may cut off American firms’ access to their citizens if seen as too close to Washington.

**Maintaining our innovative lead solves nuclear war**

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Matthew Kroenig and Bharath Gopalaswamy, "Will disruptive technology cause nuclear war?," Bulletin of the Atomic Scientists, 11-12-2018, <https://thebulletin.org/2018/11/will-disruptive-technology-cause-nuclear-war/>

Rather, we should think **more broadly** about how **new technology** might affect global politics, and, for this, it is helpful to turn to scholarly international relations theory. The dominant theory of the causes of war in the academy is the “bargaining model of war.” This theory identifies **rapid shifts** in the balance of power as a **primary cause of conflict**.

International politics often presents states with conflicts that they can settle through **peaceful bargaining**, but when bargaining **breaks down, war results**. **Shifts** in the balance of power are **problematic** because they **undermine effective bargaining**. After all, why agree to a deal today if your bargaining position will be stronger tomorrow? And, a clear understanding of the **military balance of power** can contribute to **peace**. (Why start a war you are likely to lose?) But shifts in the balance of power **muddy understandings** of which states have the advantage.

You may see where this is going. New technologies threaten to create potentially **destabilizing shifts** in the balance of power.

For decades, stability in Europe and Asia has been supported by US military power. In recent years, however, the balance of power in Asia has begun to shift, as China has increased its military capabilities. Already, Beijing has become **more assertive** in the region, claiming contested territory in the South China Sea. And the results of Russia’s **military modernization** have been on **full display** in its ongoing intervention in Ukraine.

Moreover, China **may have the lead** over the United States in **emerging technologies** that **could be decisive** for the future of military acquisitions and warfare, including 3D **printing**, **hypersonic** missiles, **quantum** computing, **5G** wireless connectivity, and **a**rtificial **i**ntelligence (AI). And Russian President Vladimir Putin is building new unmanned vehicles while ominously declaring, “Whoever leads in AI will rule the world.”

If China or Russia are able to **incorporate new technologies** into their militaries **before the United States**, then this could lead to the kind of **rapid shift** in the balance of power that **often causes war.**

If Beijing believes emerging technologies provide it with a **newfound, local military advantage** over the United States, for example, it may be **more willing** than previously to **initiate conflict over Taiwan**. And if Putin thinks new tech has **strengthened his hand**, he may be more tempted to launch a Ukraine-style **invasion of a NATO member**.

Either scenario could bring these **nuclear powers into direct conflict** with the United States, and once nuclear armed states are at war, there is an **inherent risk of nuclear conflict** through limited nuclear war strategies, nuclear brinkmanship, or simple accident or inadvertent escalation.

This framing of the problem leads to a different set of policy implications. The concern is not simply technologies that threaten to undermine nuclear second-strike capabilities directly, but, rather, any technologies that can result in a meaningful shift in the broader balance of power. And the solution is not to preserve second-strike capabilities, but to **preserve prevailing power balances** more broadly.

When it comes to new technology, this means that the United States should seek to **maintain an innovation edge**. Washington should also work with other states, including its nuclear-armed rivals, to develop a new set of arms control and nonproliferation agreements and export controls to deny these newer and potentially destabilizing technologies to potentially hostile states.

These are no easy tasks, but the consequences of Washington **losing the race** for technological superiority to its autocratic challengers just might mean **nuclear Armageddon**.

#### Chinese security rhetoric doesn’t lead to self-fulfilling prophecies.

Stacie E. **Goddard &** Ronald R. **Krebs 15**, Goddard, Jane Bishop Associate Professor of Political Science at Wellesley College; Krebs, Beverly and Richard Fink Professor in the Liberal Arts and Associate Professor of Political Science at the University of Minnesota, “Securitization Forum: The Transatlantic Divide: Why Securitization Has Not Secured a Place in American IR, Why It Should, and How It Can,” Duck of Minerva, 9-18-2015, http://duckofminerva.com/2015/09/securitization-forum-the-transatlantic-divide-why-securitization-has-not-secured-a-place-in-american-ir-why-it-should-and-how-it-can.html

Securitization theory has rightly garnered much attention among European scholars of international relations. Its basic claims are powerful: that security threats are not given, but require active construction; that the boundaries of “security” are malleable; that the declaration that a certain problem lies within the realm of security is itself a productive political act; and that “security” issues hold a trump card, demanding disproportionate resources and silencing alternative perspectives. Securitization thus highlights a familiar, even ubiquitous, political process that had received little attention in the international relations or comparative foreign policy literatures. It gave scholars a theoretical language, if not quite a set of coherent theoretical tools, with which to make sense of how a diverse set of issues, from migration to narcotics flows to global climate change, sometimes came to be treated as matters of national and global security and thereby—and this is where securitization’s critical edge came to the fore—impeded reasoned political debate. No surprise that, as Jarrod and Eric observe, securitization has been the focus of so many articles in the EJIR—and even more in such journals as the Review of International Studies and Security Dialogue. But there are (good) substantive and (not so good) sociological reasons that securitization has failed to gain traction in North America. First, and most important, securitization describes a process but leaves us well short of (a) a fully specified causal theory that (b) takes proper account of the politics of rhetorical contestation. According to the foundational theorists of the Copenhagen School, actors, usually elites, transform the social order from one of normal, everyday politics into a Schmittian world of crisis by identifying a dire threat to the political community. They conceive of this “securitizing move” in linguistic terms, as a speech act. As Ole Waever (1995: 55) argues, “By saying it [security], something is done (as in betting, a promise, naming a ship). . . . [T]he word ‘security’ is the act . . .” [emphasis added]. Securitization is a powerful discursive process that constitutes social reality. Countless articles and books have traced this process, and its consequences, in particular policy domains. Securitization presents itself as a causal account. But its mechanisms remain obscure, as do the conditions under which it operates. Why is speaking security so powerful? How do mere words twist and transform the social order? Does the invocation of security prompt a visceral emotional response? Are speech acts persuasive, by using well-known tropes to convince audiences that they must seek protection? Or does securitization operate through the politics of rhetorical coercion, silencing potential opponents? In securitization accounts, speech acts often seem to be magical incantations that upend normal politics through pathways shrouded in mystery. Equally unclear is why some securitizing moves resonate, while others [are ignored] ~~fall on deaf ears~~. Certainly not all attempts to construct threats succeed, and this is true of both traditional military concerns as well as “new” security issues. Both neoconservatives and structural realists in the United States have long insisted that conflict with China is inevitable, yet China has over the last 25 years been more opportunity than threat in US political discourse—despite these vigorous and persistent securitizing moves. In very recent years, the balance has shifted, and the China threat has started to catch on: linguistic processes alone cannot account for this change. The US military has repeatedly declared that global climate change has profound implications for national security—but that has hardly cast aside climate change deniers, many of whom are ironically foreign policy hawks supposedly deferential to the uniformed military. Authoritative speakers have varied in the efficacy of their securitizing moves. While George W. Bush powerfully framed the events of 9/11 as a global war against American values, Franklin Delano Roosevelt, a more gifted orator, struggled to convince a skeptical public that Germany presented an imminent threat to the United States. After thirty years as an active research program, securitization theory has hardly begun to offer acceptable answers to these questions. Brief references to “facilitating conditions” won’t cut it. You don’t have to subscribe to a covering-law conception of theory to find these questions important or to find securitization’s answers unsatisfying. A large part of the problem, we believe, lies in securitization’s silence on the politics of security. Its foundations in speech act theory have yielded an oddly apolitical theoretical framework. In its seminal formulation, the Copenhagen school emphasized the internal linguistic rules that must be followed for a speech act to be recognized as competent. Yet as Thierry Balzacq argues, by treating securitization as a purely rule-driven process, the Copenhagen school ignores the politics of securitization, reducing “security to a conventional procedure such as marriage or betting in which the ‘felicity circumstances’ (conditions of success) must fully prevail for the act to go through” (2005:172). Absent from this picture are fierce rhetorical battles, where coalitions counter securitizing moves with their own appeals that strike more or less deeply at underlying narratives. Absent as well are the public intellectuals and media, who question and critique securitizing moves sometimes (and not others), sometimes to good effect (and sometimes with little impact). The audience itself—whether the mass public or a narrower elite stratum—is stripped of all agency. Speaking security, even when the performance is competent, does not sweep this politics away. Only by delving into this politics can we shed light on the mysteries of securitization. We see rhetorical politics as constituted less by singular “securitizing moves” than by “contentious conversation”—to use Charles Tilly’s phrase. To this end, we would urge securitization theorists, as we recently have elsewhere, to move towards a “pragmatic” model that rests on four analytical wagers: that actors are both strategic and social; that legitimation works by imparting meaning to political action; that legitimation is laced through with contestation; and that the power of language emerges through contentious dialogue. We are heartened that our ambivalence about securitization—the ways in which we find it by turns appealing and dissatisfying—and our vision for how to move forward have in the last decade been echoed by (mostly) European colleagues. These critics have laid out a research agenda that would, if taken up, produce more satisfying, and more deeply political, theoretical accounts. In our own work, both individual and collective, we have tried to advance that research agenda. So long as securitization theorists resist defining the theory’s scope and mechanisms, and so long as it remains wedded to apolitical underpinnings, we think it unlikely to gain a broad following on this side of the pond. Second, securitization has been held back by another way in which it is apolitical—this time thanks to its Schmittian commitments and political vision. Successful securitization, in seminal accounts, replaces normal patterns of politics with the world of the exception, in which contest has no place. They imagine security as the ultimate trump card. But, in reality, the divide is not nearly so stark. Security does not crowd out all other spending priorities—or states would spend on nothing but defense and “securitized” issues. Nor does simply declaring something a matter of national security guarantee its funding—or global climate change counter-measures, including research on renewable energies, would be well-funded. Nor are security issues somehow aloof from politics: politics has never truly stopped “at the water’s edge.” Securitization considers only the politics of security. Its strangely dichotomous optic cannot see or make sense of the politics within security. In ignoring the politics within security, securitization is of course in good company. Realists of all stripes have paid little attention to domestic political contest, except as a distraction from structural imperatives. But while realism is unquestionably a powerful first-cut, this inattention to the politics within security is also among the reasons so many have found it wanting. As Arnold Wolfers long ago observed, some degree of insecurity is the normal state of affairs. But “some may find the danger to which they are exposed entirely normal and in line with their modest security expectations while others consider it unbearable to live with these same dangers.” And states, he further argues, do not actually maximize security—almost ever. “Even when there has been no question that armaments would mean more security, the cost in taxes, the reduction in social benefits, or the sheer discomfort involved have militated effectively against further effort” (1962:151, 153). A securitization perspective renders all this politics within security inexplicable. And yet, as Wolfers saw half a century ago, it is crucial.

#### That’s because the risk of escalation during a crisis is real and balancing is key

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You’ve probably heard that China’s military has developed a “carrier-killer” ballistic missile to threaten one of America’s premier power-projection tools, its unmatched fleet of aircraft carriers. Or perhaps you’ve read about China’s deployment of its own aircraft carrier to the Taiwan Strait and South China Sea. But heavily defended moving targets like aircraft carriers would be a challenge to hit in open ocean, and were China’s own aircraft carrier (or even two or three like it) to venture into open water in anger, the U.S. submarine force would make short work of it. In reality, the greatest military threat to U.S. vital interests in Asia may be one that has received somewhat less attention: the growing capability of China’s missile forces to strike U.S. bases. This is a time of increasing tension, with China’s news organizations openly threatening war. U.S. leaders and policymakers should understand that a preemptive Chinese missile strike against the forward bases that underpin U.S. military power in the Western Pacific is a very real possibility, particularly if China believes its claimed core strategic interests are threatened in the course of a crisis and perceives that its attempts at deterrence have failed. Such a preemptive strike appears consistent with available information about China’s missile force doctrine, and the satellite imagery shown below points to what may be real-world efforts to practice its execution. The People’s Liberation Army Rocket Force: Precision Strike with Chinese Characteristics The PLA Rocket Force originally focused on nuclear deterrence. Since the Cold War, the force has increasingly focused on the employment of precision-guided conventional ballistic and land attack cruise missiles. The command now consists of about 100,000 personnel and was elevated in December 2015 to a status co-equal to that of China’s other military services. In terms of specific missions, Michael S. Chase of the U.S. Naval War College wrote in 2014 that PLA Rocket Force doctrine calls for a range of deterrence, compellence, and coercive operations. In the event that deterrence fails, the missions of a conventional missile strike campaign could include “launching firepower strikes against important targets in the enemy’s campaign and strategic deep areas.” Potential targets of such strikes could include command centers, communications hubs, radar stations, guided missile positions, air force and naval facilities, transport and logistical facilities, fuel depots, electrical power centers, and aircraft carrier strike groups. Chase also stated that, “In all, Chinese military writings on conventional missile campaigns stress the importance of surprise and suggest a preference for preemptive strikes.” And while most Sinologists discount the idea of a true bolt-from-the-blue attack in a crisis without first giving an adversary a chance to back down, preemptive missile strikes to initiate active hostilities could be consistent with China’s claimed overall military strategy of “active defense.” As a 2007 RAND study of China’s anti-access strategies explained, “This paradox is explained by defining the enemy’s first strike as ‘any military activities conducted by the enemy aimed at breaking up China territorially and violating its sovereignty’…and thereby rendered the equivalent of a ‘strategic first shot.’” China analyst Dean Cheng stated similarly in 2015, “From Mao to now, the concept of the active defense has emphasized assuming the strategic defensive, while securing the operational and tactical initiative, including preemptive actions at those levels if necessary.” Thus, China could consider a preemptive missile strike as a defensive “counter-attack” to a threat against China’s sovereignty (e.g., over Taiwan or the South China Sea) solely in the political or strategic realm. If such a strike still seems unlikely, consider that U.S. military and civilian leaders may have a blind spot regarding the capabilities of the PLA Rocket Force. The bulk of the PLA Rocket Force — the conventionally armed precision-strike units — have no real counterpart in the U.S. military. American long-range ballistic missiles are all nuclear-tipped and therefore focused on nuclear deterrence, and the Army’s short-range tactical ballistic missiles are designed for battlefield use. Also, per the Intermediate Nuclear Forces Treaty with Russia, the United States fields no medium- or intermediate-range ballistic missiles of any kind, nor any ground-launched land-attack cruise missiles (LACMs). When Americans think of preemptive strike, they likely think of weapons launched by air or sea-based platforms, discounting the viability of a different paradigm: ground-based precision-strike missiles used for the same mission. Coming of Age A 2015 RAND study said that by 2017 (i.e., now) China could field about 1,200 conventionally armed short-range ballistic missiles (600-800 km range), 108 to 274 medium-range ballistic missiles (1000 to 1500+ km), an unknown number of conventional intermediate-range ballistic missiles (5,000 km), and 450-1,250 land attack cruise missiles (1500+ km). RAND also estimated that improvements in the accuracy of China’s ballistic missiles may allow them to strike fixed targets in a matter of minutes with an accuracy of a few meters. RAND assesses that key U.S. facilities throughout Japan could already be within range of thousands of difficult-to-defeat advanced ballistic and cruise missiles. Even U.S. bases on the island of Guam could be within range of a smaller number of missiles (See Figure 1). [ FIGURE 1 OMITTED ] Fig. 1: PLA Rocket Force Missile ranges vs. U.S. bases in Asia. In recent years, the PLA Rocket Force appears to have been making real the specific capabilities necessary to support execution of the preemptive strike discussed above. As examples, a 2009 RAND study of open-source literature suggested that flechette sub-munitions would likely be used against missile launchers, parked aircraft, fuel tanks, vehicles, air defense weapons, and ships in port. Penetrating munitions would be used against airfield runways, aircraft shelters, and semi-underground fuel tanks. In terms of sequencing, the study suggested that an initial wave of ballistic missiles would neutralize air defenses and command centers and crater the runways of military air bases, trapping aircraft on the ground. These initial paralyzing ballistic missile salvos could then be followed by waves of cruise missiles and Chinese aircraft targeting hardened aircraft shelters, aircraft parked in the open, and fuel handling and maintenance facilities. These capabilities may already have been tested at a ballistic missile impact test site (see Figure 2) located on the edge of the Gobi Desert in western China. Commercial satellite images seem to show a range of test targets representing just the sort of objectives discussed in the doctrine above, including groups of vehicles (perhaps representing mobile air and missile defense batteries — see Figure 3), aircraft targets parked in the open (Figure 4), fuel depots (Figure 5), runway cratering submunition tests (Figure 6), electrical power facilities (Figure 7), and the delivery of penetrating munitions to hardened shelters and bunkers (Figure 8). Of note, the 2007 RAND study mentioned above stated that submunitions are generally not capable of penetrating the hardened shelters use to house fighter aircraft at many air bases, that China’s ballistic missiles lack the accuracy to ensure a high percentage of direct hits using unitary warheads, and thus, “fighter aircraft in hardened shelters would be relatively safe from Chinese ballistic missile attack.” This clearly appears to no longer be the case, and the demonstrated ability to precisely deliver penetrating warheads to facilities such as command centers in a matter of minutes could also provide a key capability to destroy them, with their command staffs, in the initial waves of an attack. [ FIGURE 2 OMITTED ] Fig. 2: Possible PLA Rocket Force ballistic missile impact range in Western China. [ FIGURE 3 OMITTED ] Fig. 3: Left side – Possible vehicle targets with sub-munition impact pattern, imagery dated Dec. 2013. Right side – U.S. Patriot air and missile defense battery, Kadena Air Base, Okinawa, Japan. Scale of sub-munition pattern overlaid for comparison. [ FIGURE 4 OMITTED ] Fig. 4: Possible parked aircraft target, imagery dated August 2013. Upper left aircraft shaped target, imagery dated May 2012. Lower right – F-22 Fighter Parking Area, Kadena Air Base, Okinawa, Japan. [ FIGURE 5 OMITTED ] Fig. 5: Possible test targets simulating above-ground fuel tanks, imagery dated September 2012. Compared to actual fuel tanks in Japan, similar scale. [ FIGURE 6 OMITTED ] Fig. 6: Possible runway cratering munition testing, imagery dated Sept. 2012. [ FIGURE 7 OMITTED ] Fig. 7: Possible mock electronic substation target, imagery dated July 2013. Note no electrical lines running to or from the target in its very remote location. While no craters are visible, disablement may be planned using other methods, such as dispersal of conductive graphite filaments. [ FIGURE 8 OMITTED ] Fig. 8: Possible hardened aircraft shelter or bunker test targets, imagery dated Oct. 2016. Penetrator sub-munition impacts visible. Lower right: Misawa Air Base, Japan, similar scale. China has not been shy about displaying the advancing capabilities of the PLA Rocket Force. Beijing openly displayed some of its latest missiles (such as DF-26 “Guam-killer” missile) in its 70th anniversary parade in 2015 and painted the missiles’ identification on their sides in western characters, in case anyone missed the point. The PLA Rocket Force also put out a recruiting music video and other TV footage showing the employment of multiple coordinated missile launches, as well as the use of submunitions. Pearl Harbor 2.0? In 2010, Toshi Yoshihara of the U.S. Naval War College wrote that authoritative PLA publications indicated that China’s missile forces might attempt a preemptive strike to knock out the U.S. Navy in Asia by specifically targeting vulnerable carriers and warships in port. Yoshihara noted in particular that, “Perhaps no other place captures the Chinese imagination as much as Yokosuka,” the major U.S. naval base near Tokyo home to the U.S. Navy’s sole permanently forward-deployed aircraft carrier, USS Ronald Reagan (CVN 76), as well as other ships and vital support facilities (see Figure 9). In 2012, Dr. Yoshihara again stated that: [T]he Imperial Japanese Navy’s surprise attack on Pearl Harbor remains a popular, if somewhat tired, metaphor for the dangers of unpreparedness and overexposure to risk…But the real possibility that U.S. bases in the Western Pacific could once again be vulnerable…has occasioned little publicity or debate. [ FIGURE 9 OMITTED ] Fig. 9: Home of U.S. 7th Fleet, Yokosuka, Japan. Evidence that China may have been practicing to strike ships in port with ballistic missiles would lend credence to Yoshihara’s concerns. And such evidence exists: images taken in 2013 (see Figure 10) seem to show China testing its ability to do so. [ FIGURE 10 OMITTED ] Fig. 10: Possible moored ship and naval facility targets, imagery dated August 2013. Compared for scale with actual U.S. destroyer. Specifically, the PLA Rocket Force appears to have been practicing on several ship targets of a similar size to U.S. Arleigh Burke-class destroyers moored in a mock port that is a near-mirror image of the actual inner harbor at the U.S. naval base in Yokosuka (see Figure 11). Note what looks like an impact crater located near the center of the three ship targets, close enough to have potentially damaged all three ships with submunitions. The display of these targets may itself constitute signaling to the United States and its allies as a long-term deterrent effort. All the same, it bears considering that the only way that China could realistically expect to catch multiple U.S. ships in port as shown above would be through a surprise attack. Otherwise, with clear signs of imminent hostilities, the United States would likely have already sent its fleet to sea. Some skeptics might say that catching the U.S. flat-footed would be unlikely, but history teaches us not to discount the possibility of successful surprise attacks. [ FIGURE 11 OMITTED ] Fig. 11: Possible naval ship and harbor targets, compared to inner harbor at U.S. naval base at Yokosuka, Japan. The Need for Enhanced Deterrent Measures U.S. and allied efforts are underway to improve defensive areas such as base hardening and force dispersal, as well as to conduct advanced research into ballistic missile defenses such as high-velocity projectiles, rail guns, and lasers. My colleague Elbridge Colby has written with Jonathan Solomon extensively about conventional deterrence and the specific capabilities that the United States can develop in the next few years that will be critical to fielding a force “that can prevail in regional wars while still performing peacetime missions at a reasonable level.” The possibility that a threat of preemptive attack from the PLA Rocket Force already exists underscores an urgent need to take further action now.

#### China rise ushers in extreme ethno-nationalism

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Gray, May/June. “China's Race Problem: How Beijing Represses Minorities.” Foreign Affairs , MAY/JUNE 2015, Vol. 94, No. 3, pp. 39-46, EBSCO.

For all the tremendous change China has experienced in recent decades-phenomenal economic growth, improved living standards, and an ascent to great-power status-the country has made little progress when it comes to the treatment of its ethnic minorities, most of whom live in China's sparsely populated frontier regions. This is by no means a new problem. Indeed, one of those regions, Tibet, represents one of the "three Ts"-taboo topics that the Chinese government has long forbidden its citizens to discuss openly. (The other two are Taiwan and the Tiananmen Square uprising of 1989.)

But analyses of China's troubles in Tibet and other areas that are home to large numbers of ethnic minorities often miss a crucial factor. Many observers, especially those outside China, see Beijing's repressive policies toward such places primarily as an example of the central government's authoritarian response to dissent. Framing the situation that way, however, misses the fact that Beijing's hard-line policies are not merely a reflection of the central state's desire to cement its authority over distant territories but also an expression of deep-seated ethnic prejudices and racism at the core of contemporary Chinese society. In that sense, China's difficulties in Tibet and other regions are symptoms of a deeper disease, a social pathology that is hardly ever discussed in China and rarely mentioned even in the West.

When placed next to the challenge of maintaining strong economic growth, fighting endemic corruption, and managing tensions in the South China Sea, China's struggle with the legacy and present-day reality of ethnic and racial prejudice might seem unimportant, a minor concern in the context of the country's rise. In fact, Beijing's inability (or unwillingness) to confront this problem poses a long-term threat to the central state. The existence of deep and broad hostility and discrimination toward Tibetans and other non-Han Chinese citizens will prevent China from easing the intense unrest that roils many areas of the country. And as China grows more prosperous and powerful, the enforced exclusion of the country's ethnic minorities will undermine Beijing's efforts to foster a "harmonious society" and present China as a model to the rest of the world.

IT TAKES A NATION OF BILLIONS TO HOLD US BACK

Estimates vary, but close to 120 million Chinese citizens do not belong to the majority Han ethnic group. Ethnic minorities such as Kazakhs, Koreans, Mongols, Tibetans, Uighurs, and other groups represent only eight percent of China's population. But their existence belies a commonplace notion of China as a homogeneous society. It's also worth noting that, taken together, the regions of China that are dominated by non-Han people constitute roughly half of China's territory and that if non-Han Chinese citizens formed their own country, it would be the 11th largest in the world, just behind Mexico and just ahead of the Philippines.

Although Tibetans represent only about five percent of China's non-Han citizens, their struggle attracts significant international attention and is in many ways an effective stand-in for the experience of the other minority groups. Tibetans have long been treated as second-class citizens, deprived of basic opportunities, rights, and legal protections that Han Chinese enjoy (albeit in a country where the rule of law is inconsistent at best). The central government consistently denies Tibetans the high degree of autonomy promised to them by the Chinese constitution and by Chinese law. The state is supposed to protect minority groups' cultural traditions and encourage forms of affirmative action to give minorities a leg up in university admissions and the job market. But such protections and benefits are rarely honored. The state's approach toward the Tibetan language well illustrates this pattern: although the government putatively seeks to preserve and respect the Tibetan language, in practice Beijing has sought to marginalize it by insisting that all postprimary education take place in Chinese and by discouraging the use of Tibetan in business and government.

More overt forms of discrimination exist as well, including ethnic profiling. Security and law enforcement personnel frequently single out traveling Tibetans for extra attention and questioning, especially since a wave of protests against Beijing's policies-some of which turned violent-swept Tibet in 2008. Hotels in Chinese cities routinely deny Tibetans accommodations-even those who can "pass" as Han, since their identity cards designate them as Tibetan. Worse, since 2008, the state has placed new restrictions on Tibetans' civil rights, forbidding them to establish associations devoted to issues such as the environment and education-something Han Chinese are allowed to do.

Deprivations of that kind are part of a broader, more systemic inequality that characterizes life for Tibetans in China. Andrew Fischer, an expert on Tibet's economy, has used official Chinese government statistics to demonstrate that Tibetans are much less likely to get good jobs than their Han counterparts due to the lack of educational opportunities available to them. Even in Tibetan-majority areas, where Tibetans should enjoy some advantage, Tibetans earn lower incomes relative to Han Chinese.

It is hard to know exactly what role racism or ethnic prejudice plays in fostering these inequalities. In part, that is because it is difficult to generalize about the views of Han Chinese toward Tibetans and other minorities; just like in the West, public opinion on identity in China is shaped by the ambiguity and imprecision of concepts such as ethnicity and race. Still, it is fair to say that most Han Chinese see Tibetans and other minorities as ethnically different from themselves and perhaps even racially distinct as well.

That was not always the case. In the early twentieth century, Chinese intellectuals and officials talked about Tibetans and Chinese as all belonging to "the yellow race." By the 1950s, however, such ideas had gone out of fashion, and Mao Zedong's government launched a project to categorize the country's myriad self-identifying ethnic groups with the aim of reducing the number of officially recognized minorities- the fewer groups there were, the easier they would be to manage, the government hoped. This had the effect of creating clearer lines between the various groups and also encouraged a paternalistic prejudice toward minorities. Han elites came to see Tibetans and other non-Han people as at best junior partners in the project of Chinese nation building. In the future, most Han elites assumed, such groups would be subsumed by the dominant culture and would cease to exist in any meaningful way; this view was partly the result of Maoist tenets that saw class consciousness as a more powerful force than ethnic solidarity.

#### The key to stability is convincing them that the US is willing to run the risk of escalation. Otherwise, they will be provocative to extract concessions. Accommodation only empowers hardliners because it convinces them the strategy is working

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Oriana Skylar Mastro, assistant professor at the Edmund A. Walsh School of Foreign Service, Georgetown University, Why Chinese Assertiveness is Here to Stay, The Washington Quarterly 37:4, pp. 151–170, <http://dx.doi.org/10.1080/0163660X.2014.1002161>

The U.S. mindset needs to shift to accept greater risk without being reckless. Military power alone does not guarantee a credible deterrent. U.S. efforts to bolster its military presence in the Asia–Pacific—a central pillar of the rebalancing strategy—counter the geographic, kinetic and political pillars of China’s A2/AD strategy. For example, the United States is forward-deploying more assets in the region, such as the Marine Air Ground Task Force Detachment already deployed to Australia as well as the stated goal of positioning 60 percent of all U.S. warships to the Asia–Pacific by 2020. This addresses the geographic pillar. Attempts to address the kinetic pillar include new operational concepts such as Air-Sea Battle, which “relies on highly integrated and tightly coordinated operations across war-fighting domains” in order “to disrupt and destroy enemy A2-AD networks and their defensive and offensive guided weapons systems in order to enable US freedom of action to conduct concurrent and follow-on operations.”73 Bolstering U.S. alliances with Japan, South Korea, Australia, the Philippines, and Thailand, as well as partnerships with Indonesia, Malaysia, India, Singapore, Vietnam, and New Zealand are critical components to U.S. efforts to ensure political access and support in the region. These efforts are commendable—the United States rightly works to preserve its military superiority and retain its ability to project power in the region. During the Cold War, when the greatest pacing threats were land conflicts, forward deploying U.S. forces in Europe and Asia were sufficient to demonstrate the credibility of the U.S. commitment to peace in those regions. But China is currently testing the waters not because its leaders are uncertain about the balance of power, but because they are probing the balance of resolve. This means that staying ahead in terms of military might is insufficient in contemporary East Asia. China’s strategists are betting that the side with the strongest military does not necessarily win the war—the foundation of the deterrent pillar of its A2/AD strategy. Indeed, China’s experience in fighting the Korean War proves that a country willing to sacrifice blood and treasure can overcome a technologically superior opponent. The belief that balance of resolve drives outcomes more so than the balance of power is the foundation of China’s new, more assertive strategy; but U.S. responses to date have failed to account for it. Canned demonstrations of U.S. power fail to address the fundamental uncertainty concerning U.S. willingness, not ability, to fight. The U.S. focus on de-escalation in all situations only exacerbates this issue. The Cold War experience solidified the Western narrative stemming from World War I that inadvertent escalation causes major war, and therefore crisis management is the key to maintaining peace.74 This has created a situation in which the main U.S. goal has been de-escalation in each crisis or incident with Beijing. But Chinese leaders do not share this mindset—they believe leaders deliberately control the escalation process and therefore wars happen because leaders decide at a given juncture that the best option is to fight.75 China is masterful at chipping away at U.S. credibility through advancing militarization and coercive diplomacy. It often uses limited military action to credibly signal its willingness to escalate if its demands are not met. Strategist Thomas Schelling theoretically captured this approach when he wrote it is “the sheer inability to predict the consequences of our actions and to keep things under control … that can intimidate the enemy.”76 Because China introduces risk for exactly this reason, the U.S. focus on deescalation through crisis management is unlikely to produce any change in Chinese behavior—if anything it will only encourage greater provocations. Beijing has identified the U.S. fear of inadvertent escalation, and is exploiting it to compel the United States to give in to its demands and preferences. In this way, the U.S. focus on de-escalation may actually be the source of instability by rewarding and encouraging further Chinese provocations. To signal to China that the United States will not opt out of a conflict, Washington must signal willingness to escalate to higher levels of conflict when China is directly and purposely testing U.S. resolve. This may include reducing channels of communication during a conflict, or involving additional regional actors, to credibly demonstrate that China will not be able to use asymmetry of resolve to its advantage. The current mindset—that crisis management is the answer in all scenarios— will be difficult to dislodge, given the tendency among U.S. military ranks to focus on worst-case “great battle” scenarios. While realistic in Cold War operational planning, decision makers should consider instead the less violent and prolonged engagements that characterize Chinese coercive diplomacy when evaluating risk and reward, such as the 1962 Sino–Indian War or the 1974 Battle of the Paracel Islands. The idea that any conflict with China would escalate to a major war, destroy the global economy, and perhaps even escalate to a nuclear exchange has no foundation in Chinese thinking, and causes the United States to concede in even the smallest encounters. While the Chinese leadership has proven to be more risk-acceptant than the United States (or perhaps more accurately, to assess the risks to be less than those perceived by U.S. strategists), Xi still wants to avoid an armed conflict at this stage. In his November 2014 keynote address at the Central Foreign Affairs Work Conference, he noted that China remains in a period of strategic opportunity in which efforts should be made to maintain the benign strategic environment so as to focus on internal development.77 Ultimately, the U.S. regional objective must be peace and stability at an acceptable cost. Given this, it is critical to understand the four components of China’s A2/AD strategy, the strategic foundation for China’s recent assertiveness, and how best to maintain the U.S. position as a Pacific power. In addition to regularly attending meetings in the region and developing new technology, new platforms, and new operational concepts designed to defeat China’s A2/AD strategy, the United States needs to break free of its Cold Warbased paradigm paralysis and rethink conceptions of limited war, escalation, and risk. Scolding China and imposing symbolic costs for each maritime incident is unlikely to inspire the corrective change U.S. thinkers are hoping for. The United States needs to fundamentally change its approach by accepting higher risk and allowing for the possibility of escalation—both vertically in force as well as horizontally to include other countries. This admittedly is a difficult balance, especially given the need to avoid emboldening U.S. allies to take actions that run contrary to U.S. interests. But only by mastering these two balancing acts—focusing on balancing resolve, rather than forces, and prioritizing stability over crisis management—will the United States be able to maintain peace and stability in East Asia without sacrificing U.S. or allied interests

**Empirical evidence shows competition policy is preferable.**

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Ruben Maximiano and Cristina Volpin, December 2 2020, “The Role of Competition Policy in Promoting Economic Recovery,” OECD, https://one.oecd.org/document/DAF/COMP(2020)6/en/pdf

A significant array of empirical evidence shows that competition delivers many benefits at both macro and micro-economic levels. At the macro-economic level **competition promotes the optimal use of scarce economic resources, drives economic growth, boosts firms’ productivity and production levels, multiplies business opportunities and can help reduce inequality and create more and better jobs** (OECD, 2014[34]). At the micro level, **competition leads to better prices, greater choice and higher quality of goods and services**. Competition also accelerates the adoption of new technologies and encourages innovation. This works as a virtuous circle, since a competitive and innovative firms will spur its competitors to compete and innovate. It is this mechanism that then leads to the macro economic benefits boost of growth, benefits that accumulate over time, increasing prosperity in the long run. When the variety of innovation is not protected, consumers are more exposed and more severely affected by demand or supply shocks. This is particularly relevant in a pandemic and post-pandemic world. Using the example of the US market for medical ventilators during the Covid-19 pandemic, Scott Morton (2020[35]) underlines the importance of competition as a key driver of quality, choice and innovation and, in particular, in preserving the variety of innovation. **Competition can help ensure more stable distribution of essential goods**. Even when disruption occurs, in competitive supply chains, these may be corrected by competitors’ entry. Moss and Alexander (2020[36]) have argued that competition can help ensure that food systems (including agricultural inputs, processing, manufacturing, and distribution) are more resilient. The authors state that, while shocks such as extreme weather conditions, diseases and conflict regularly affect food supply chains, those economies where competition is vigorous are less likely to suffer disruptions.

**The aff solves—it enables tailored remedies that promote competition but maintain efficiency**

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(Herbert, “Antitrust and Platform Monopoly,” 130 Yale L.J. 1952)

More Creative Alternatives

Frequently, **neither** simple **injunctions** nor **simple breakups** will be **good solutions for platform monopoly**. Injunctions may be inadequate to restore competition, and breakups may **impair efficient operation** and **harm consumers** in the process.

The case for a breakup is strongest when noncompetitive performance or conduct seems to be inherent in a firm’s current structure. Even then, however, there is no guarantee that the firm, once dismantled, will perform any better than before. For example, how do we break up Facebook without harming the constituencies that it serves?

The approaches discussed briefly in this Section **do not require the breakup of assets** or the **spinoff of divisions** or subsidiaries other than some that have been acquired by merger. Rather, they alter the nature of ownership, managerial **decision making**, **contracts**, intellectual-property **licenses**, or information management. Instead of **attempting to force greater competition** between a dominant platform and its rivals, we might do better to **leave the firm intact** but **encourage more competition within it**. Alternatively, we might increase interoperability by requiring more extensive sharing of information or other inputs. While the current antitrust statutes grant the courts equitable power sufficient to accomplish these remedies,299 the proposals are novel and could provoke resistance.

These remedies can be applied to entities other than structural monopolies, and for offenses under both section 1 and **section 2 of the Sherman Act**. While less intrusive than asset breakups, however, they can be more intrusive than simple conduct injunctions. As a result, they should be limited to situations where **prohibitory injunctions alone are unlikely to be adequate**. **Occasional uses of unlawful** exclusive **dealing**, most-favored-nation agreements,300 or other anticompetitive contract practices **deserve an injunction**, but ordinarily **would not merit a breakup** of the entire firm or fundamental alteration of its management structure.

The traditional way that antitrust law applies structural relief is to break up firms’ various physical assets, through such devices as forcing selloffs (divestiture) of plants, products, or subsidiaries.301 To the extent these breakups interfere with a firm’s production and distribution, **they can produce harmful results** such as increased costs or loss of coordination. This is particularly true of integrated production units, such as single digital platforms. The D.C. Circuit noted this concern in Microsoft when it refused the government’s request for a breakup.302

a. Enabling Competition Within the Platform

One alternative to divestiture is to leave a platform’s physical assets and range of participants intact but change the structure of ownership or management so as to make it more competitive internally. A platform or other organization **can itself be a “market”** within which competition can occur. In that case, antitrust law can be applied to its internal decisions, **improving competition** **without** limiting the **extent of scale economies or beneficial network effects.**

Ordinarily, agreements among subsidiaries or other agents within a firm are counted as unilateral and so are attributed to the firm itself.303 That rule is a direct consequence of the separation of ownership and control. The all-important premise, however, is that the firm’s central management is the only relevant economic decisionmaker. When that is not the case, even agreements among the various constituents within the firm can be treated as cartels.

There is plenty of precedent on this issue. The history of antitrust law is replete with examples of incorporated firms that are owned or managed by distinct and often competing entities. The courts have treated these firms as cartels or joint ventures, even for practices that, from a corporate law perspective, appeared to be those of a single firm. If properly managed, the result can be to force entities within the same incorporated organization to behave competitively vis-à-vis one another.

Firms whose ownership is reorganized in this fashion **can still be very large** and **retain** most of the **attributes of large firms**. On the one hand, this will **satisfy** those concerned that the breakup of large firms can **result in the loss of economies of scale or scope**, or of other synergies that generally lead to high output and lower prices. **On the other hand,** it will not satisfy those who believe that “big is bad” for its own sake.304

Joint management of unified productive assets has a storied history that goes back to the Middle Ages. Farmers, ranchers, and fishermen produced cattle, sheep, and fish on various “commons,” or facilities that were shared among a large number of owners and subjected to management rules.305 Many of these operated on a mixed model that involved individual production for stationary products such as crops, but a commons for grazing cattle or other livestock. For mobile products such as cattle or fish, the costs of shared management were lower than the costs of creating or maintaining boundaries. That was not the case for radishes or wheat. So rather than cutting a large pasture or bay into 100 fenced-off plots, participating property owners operated it as a single economic unit, substituting management costs for fencing costs. Just as for any firm, size and shape are determined by comparing the costs and payoffs of alternative forms of organization.306

So while a commons can be a very large firm, it can be operated by a collaboration of competing entities rather than a single one. Output reductions and price setting by a single firm are almost always out of reach of the federal antitrust laws. On the other hand, if a market is operated by a joint venture of

active business participants, their pricing is subject to the laws against collusion. Their exclusions also operate under the more aggressive standards that antitrust applies to concerted, as opposed to unilateral, refusals to deal.307 The fact that this joint venture is a corporation organized under state law, as many ventures are, does not make any difference. It is still a collaboration as far as antitrust law is concerned.

The theory of the firm precludes claims of an antitrust conspiracy between a corporation and its various subsidiaries, officers, shareholders, or employees. This preclusion is an essential corollary to the proposition that a corporation is a single entity for most legal purposes and not simply a cartel of its shareholders or other constituent parts. This is how corporate law preserves the boundary between firms and markets.308

But important exceptions exist. While a corporation is a single entity for most antitrust purposes, if it is operated by its shareholders for the benefit of their own separate businesses, its conduct is reachable under section 1 of the Sherman Act. A cartel is still a cartel even if it organizes itself into a corporation.

The classic antitrust example of such a collaborative structure is in the 1918 Chicago Board of Trade case, which first articulated the modern rule of reason for antitrust cases.309 As Justice Holmes had described the Board thirteen years previously, 310 it was an Illinois state-chartered corporation whose 1600 members were themselves traders for their own individual accounts, and with individual exclusive rights to do business on the Board’s trading floor.311 The “call rule,” which prevented collaborative price making among the members except during exchange hours, could not have been challenged under the antitrust laws as unilateral conduct. A single firm may set any nonpredatory price it wishes. Further, all of the relevant participants were inside the firm. Nevertheless, they were regarded as independent actors for the purpose of trading among themselves.

Thus the United States challenged the call rule as price fixing among competitors. 312 Not only is the substantive law against such collaborative activity more aggressive than that against unilateral actions, but the remedial problems are less formidable. If a firm acting unilaterally should set an unlawful price, the court must order it to charge a different price, placing it in the awkward position of a utility regulator. By contrast, price fixing by multiple independent actors operating in concert is remedied by a simple order against price fixing, requiring each participant to set its price individually without dictating what the price must be. The Supreme Court ultimately found the Chicago Board’s call rule to be lawful. If it had not, however, the remedy would have been an injunction against enforcement of the rule, leaving the members free to set their own prices. In fact, the United States’ requested relief was precisely that.313

The same thing applies to refusals to deal. If a firm is acting unilaterally, its refusal to deal is governed by a strict standard under which liability is unlikely, particularly if there has not been an established history of dealing.314 Further, in many circumstances a court can enforce a dealing order only by setting the price and other terms. By contrast, if the entity that refuses to deal is operated by a group of active business participants, its collective refusal to deal is governed by section 1 of the Sherman Act. A court usually need do no more than issue an injunction against the agreement not to deal. This is true even if the actors have incorporated themselves into a single business entity, as in the Associated Press case, which involved a New York corporation whose members were 1200 newspapers. 315 The government charged the Association with “combining cooperatively” to prohibit news sales to nonmembers or making it more difficult for a newspaper to enter competition with an existing newspaper.316 The Court upheld an injunction against the restrictive rules under the Sherman Act.317

The modern business world provides many analogies to this structural situation. For example, each of the NCAA’s 1200 member schools operates as a single entity in the management of education, student housing and discipline, and financing of its own operations, including athletic departments. By contrast, the rules for recruiting and maintaining athletic teams, their compensation, as well as the scheduling, operation, and playing rules of games, are controlled through rulemaking by the collective group.318 While the schools compete with one another in recruiting athletes and coaches, in obtaining both live and television audiences, and in the licensing of intellectual property, all of these things fall within NCAA rulemaking and are reachable by antitrust law. Specifically, decisions to restrict the number of televised games;319 to limit the compensation of coaches320 or players;321 or to limit licensing of students’ names, images, and likenesses322 all fall within section 1 of the Sherman Act. When a violation is found, the antitrust remedy is an injunction permitting each team to determine its choices individually.

The same analysis drove the American Needle litigation, a refusal-to-deal case that involved the National Football League (NFL).323 The NFL is an unincorporated association controlled by thirty-two individual football teams, each of which is separately owned. NFL Properties (NFLP) is a separate, incorporated LLC in New York, controlled by the NFL. The individual teams are members, and they also collectively control the licensing of the teams’ substantial and individually owned intellectual-property rights. In this case, the team members voted to authorize NFLP to grant an exclusive license to Reebok to sell NFLlogoed headwear (i.e., helmets and caps) for all thirty-two teams.324 The plaintiff, American Needle, was a competing manufacturer that the agreement excluded.325

The issue for the Supreme Court was whether NFLP’s grant of an exclusive license should be addressed as a “unilateral” act of NFLP or as a concerted act by the thirty-two teams acting together, and the Court unanimously decided the latter.326 As a matter of corporate law, the refusal to deal appeared to be unilateral. NFLP, the licensing party, was an incorporated single entity. The lower court had relied on earlier Seventh Circuit decisions holding that professional sports leagues should be treated as single entities under these circumstances.327

The Supreme Court’s decision to the contrary was consistent with its earlier cases Sealy328 and Topco.329 In both of those cases, the Court held that even if an entity is incorporated, it can be addressed as a collaboration of its competing and actively participating shareholders. In Sealy, each member was a shareholder, and collectively the members owned all of Sealy’s stock.330 In Topco, each of the twenty-five members owned an equal share of the common stock, which had voting rights. They also owned all of the preferred stock, which was nonvoting, in proportion to their sales.331

Agreements among the active memb+ers or shareholders on incorporated real-estate boards are treated in the same way. Acting as a single entity, the board organizes the listing of properties for sale, formulates listing rules, promulgates standardized listing forms and sales agreements, and controls much of the conduct of individual brokers. Acting individually, the shareholder-brokers show properties to clients and obtain commissions from sales. Each real-estate office acts as not only a shareholder or partner in the overall organization, but also a competitor for individual real-estate sales.

Without discussing single-entity status, in 1950 the Supreme Court held that price fixing among real-estate agents who were members of an incorporated board was an unlawful conspiracy.332 A leading subsequent decision involved Realty Multi-List, a Georgia corporation organized and owned by individual real-estate brokers.333 Under the corporation’s arrangement, one shareholder member could show properties listed by a different shareholder member.334 The Fifth Circuit concluded that both the agreements among the members fixing commission rates and setting exclusionary and disciplinary rules for brokers who deviated from these rates were unlawful under section 1 of the Sherman Act.335

In the 2000s, the government and private plaintiffs sued several multiplelisting services, challenging their decisions to exclude real-estate sellers.336 The Fourth Circuit eventually applied American Needle, rejecting the contention that concerted action was lacking because the parties making the decision were acting as “agents of a single corporation.”337 Several other decisions have arrived at similar results reaching both price fixing and concerted exclusion.338

Hospital-staff-privileges boards also provide an analogy. Hospitals regularly use such boards to decide which physicians can be authorized to practice at the hospital. If physician-board members with independent practices deny staff privileges to someone, they may be treated as a conspiracy rather than a single actor.339

Even an incorporated natural monopoly can be subject to section 1 of the Sherman Act if it is controlled by its shareholders for their separate business interests. That issue arose in the 1912 Terminal Railroad decision.340 The railroadbridge infrastructure across the Mississippi was very likely a natural monopoly, given it operated as a bottleneck through which all traffic across the river had to pass.341 However, the facility was incorporated, and its shareholders were a group of thirty-eight firms and natural persons organized by railroad financier Jay Gould.342 The venture constituted a single corporation under Missouri law, but it was actively managed by its shareholder participants, all of whom had separate businesses. They were mainly individual railroads, a ferry company, bridges, a “system of terminals,” and several individuals.343 The venture thus controlled an extensive collection of railroad transportation, transfer, and storage facilities at a point at which all east-west traffic in that part of the country had to cross the Mississippi River.344

The Court’s order is both interesting and pertinent to platforms. It rejected the government’s request for dissolution. It noted that dissolving the corporation would do nothing to eliminate the bottleneck.345 Rather, it ordered the district court to fashion a “plan of reorganization” that permitted all shippers, whether or not they were members of the organization, to have access on fair and reasonable terms, with the goal of “plac[ing] every such company upon as nearly an equal plane as may be with respect to expenses and charges as that occupied by the proprietary companies.”346 Dissolution would be mandated only if the parties failed to agree on these terms.347

The *Terminal Railroad* decree suggests a way to remedy anticompetitive behavior by large digital platforms representing several sellers **without sacrificing operational efficiencies**. Rather than requiring divestiture of productive assets, which almost always leads to higher prices, we could restructure ownership and management. A large firm such as Amazon can attain economies of scale and scope that rivals cannot match. Further, **Amazon benefits consumers**, most suppliers, and labor, by selling its own house brands and the brands of third-party merchants on the same website. This is how a seller of house brands can break down the power of large name-brand sellers.348

The problem is not that Amazon sells too much, but rather that Amazon’s ownership and management make it **profitable for Amazon to discriminate** in favor of its own products and against those of third-party sellers, or to enter other anticompetitive agreements with independent sellers. Breaking up Amazon or forcing a physical separation of own-product and third-party sales would mean giving up a great deal of brand rivalry that benefits consumers.

Suppose a court required Amazon to turn important commercial decisions over to a board of active Amazon participants who made their own sales on the platform, purchased from Amazon, or dealt with it for ancillary services. Acting collaboratively, they could control product selection, distribution and customer agreements, advertising, internal product development, and pricing of Amazon’s own products. Their decisions would be subject to antitrust scrutiny under section 1 of the Sherman Act.

Such an approach could be particularly useful in situations involving **refusals to deal**. To illustrate, an important focus of the EU’s November 2020 Statement of Objections Against Amazon is on claims that Amazon “artificially favour[s] its own retail offers” in product areas where it sells both its own and third-party merchandise.349 Under current United States antitrust law, a firm acting unilaterally would not be prevented from discriminating between its own and thirdparty sales. That was the very issue in Trinko—namely, that monopolist Verizon discriminated against third-party carriers and favored its own.350

If decision making in this area were entrusted to a board of active sellers, including both Amazon itself and third parties, the section 1 standard would reach the conduct. Justice Scalia’s Trinko opinion, citing Terminal Railroad, observed that the Supreme Court had imposed nondiscrimination obligations under similar circumstances, but only when the government was attacking concerted rather than unilateral conduct.351 Further, when such conduct is concerted, it is “amenable to a remedy that does not require judicial estimation of free-market forces: simply **requiring** that the outsider be **granted nondiscriminatory admission** to the club.”352 The number and diversity of participants could vary, but they should be sufficiently numerous and diverse to make anticompetitive collusion unlikely. That could include individual merchants who sell on Amazon, principal shareholders, and perhaps customers and others. The Board should be subject to rules setting objective standards for product selection.

Numerosity should not interfere with effective operation. The Chicago Board of Trade had 1800 trading members and decisionmakers in 1918, when organizational rules and procedures were still being managed with pencil and paper.353 The NCAA has more than 1200 member schools,354 and the Associated Press had more than 1200 member newspapers in 1945.355 The Terminal Railroad Association had 38 shareholder members, but the decree contemplated nondiscriminatory sharing with any non-shareholder who wished to participate. 356 One large real-estate board, the Chicago Association of Realtors, has

over 15,500 members.357

The designated decisionmakers need not be Amazon shareholders, as long as they have independent business interests and operate on Amazon. In fact, the details of state corporate law or organization would not ordinarily affect the federal antitrust issue. For example, in some of these cases—such as Terminal Railroad, 358 Sealy,359 and Topco360—the relevant decisionmakers owned shares in the corporation. In American Needle, the organization in question was NFL Properties, an LLC,361 which does not have shareholders but rather owner-members similar to a partnership. Similarly, in Associated Press, the Court probed a cooperative association incorporated under the Membership Corporation Laws of New York.362

Whether the court applies the per se rule or the rule of reason in such cases would depend on the offense. In NCAA, the Supreme Court concluded that the rule of reason should apply to all restraints undertaken by the association because cooperation was necessary to the creation of the product: intercollegiate sports.363 That is not the case with product sales on Amazon. Rather, the traditional distinction between naked and ancillary restraints would work well. Price fixing or unjustified limitations on output would be strongly suspect.364 On the other hand, rules establishing uniform practices governing distribution and resolution of customer complaints could certainly be reasonable and thus lawful. Concerted refusals to deal can cover a range of practices from naked boycotts motivated by price (per se unlawful)365 to reasonable standard setting (rule of reason),366 and should be addressed accordingly.

Such an approach **would notably not aim at size *per se*.** An Amazon with competitively restructured management could be **just as large as it is now**. Indeed, **it could be even larger**. Cartels and monopolies function by **restricting output**, and facilitating internal competition could serve to increase it. Amazon would likely **retain the efficiencies that flow from its size and scope**. We would have effectively **turned the internal workings of its platform into a market**. It still might be in a position to undersell other businesses or to exclude products that its members and rules disapprove. **If it did so in an anticompetitive manner,** however, section 1 of **the Sherman Act could be applied**.

**1AC---Plan**

Plan---

**The United States federal government should increase prohibitions on those anticompetitive business practices which cause net-harm on one side of platforms.**

**1AC---Conduct**

Advantage 2 is Conduct---

**The full scope of *Amex* is unclear—companies will exploit it to misuse their platforms—that’s effectively impossible to police**

**Khan**, JD, FTC Chair, former director of legal policy with the Open Markets Institute, former professor at Columbia Law, **‘18**

(Lina, “The Supreme Court just quietly gutted antitrust law,” July 3, <https://www.vox.com/the-big-idea/2018/7/3/17530320/antitrust-american-express-amazon-uber-tech-monopoly-monopsony>)

Antitrust laws have never permitted monopolistic firms to wield their market power against one set of customers so long as they benefit another set of players. Yet this kind of “balancing” is exactly what the Second Circuit ratified. Consider: Under the logic the appeals court used, an anticompetitive scheme by Uber to suppress driver income would not be considered illegal unless those bringing the suit showed that riders were also harmed.

What’s more, the court said, plaintiffs have to **meet this new burden** at the **very earliest stage of litigation.**

Last Monday, a 5-4 majority on the Supreme Court upheld that approach. Not only does the decision show stunning disregard for core elements of antitrust law, it carelessly mangles long-accepted legal rules along the way to establishing its position. Perhaps most strikingly, it overrides or ignores facts established by the district court.

For example, the Supreme Court states that AmEx’s increased merchant fees reflect “increases in the value of its services,” even though the lower court expressly found that AmEx’s price hikes exceeded the value of the cardholder rewards.

**In practice**, the Court has **shielded from effective antitrust scrutiny a huge swath of firms** that provide services on more than one side of a transaction — and, in today’s digital economy, **there are many** (as Justice Stephen Breyer noted in a dissent he read from the bench to emphasize his concerns).

Worse yet, **the Court left unclear what kinds of businesses actually qualify for this new rule**. As the Open Markets Institute, for which I work, explained in an amicus brief, deciding an antitrust case using the amorphous concept of a “two-sided” market **will incentivize all sorts of companies to seek protection under this bad new theory**.

What kinds of companies **might have more freedom** to exert pressure on customers, as a result of this decision? Not newspapers, the Court said: Readers are “largely indifferent” to the number of advertisements on newspaper pages, even though advertisers are looking to reach readers. So someone suing a newspaper on antitrust grounds (say, for prohibiting advertisers from doing business with other newspapers) would not have to prove that a newspaper’s conduct harmed both readers and advertisers.

On the surface, the Court’s language suggests that the special rule **would apply to Amazon’s marketplace** for third-party merchants, to eBay, and to Uber — but not to Google search or Facebook. Indeed, the Justice Department’s antitrust division chief, Makan Delrahim, has also come to this conclusion about the scope of the decision. But the Court’s opinion **hardly delivers a clear and workable standard for judges to go by**.

One can imagine the **reams of studies Google would commission** to show that targeting users with advertising **did indeed amount to a “transaction**” with users that users highly valued — a showing that, if successful, **would likely qualify it for the shield of the special rule**. If so, Google might be able to **impose exclusionary contracts** on advertisers and **significantly boost the prices it charges** them. Amazon, meanwhile, can continue to **squeeze the suppliers** and retailers reliant on its platform with **little worry** about being charged with the abuse of monopsony power.

Federal judges generally lack the expertise needed to **independently assess the hyper-complex economic studies that this new rule will spur**. Rather than focusing on the conduct between a company and one set of its customers, **the new rule requires a much more involved showing.**

***Amex* undermines enforcement against nascent acquisitions**

**Salop**, Professor of Economics & Law, Georgetown University Law Center and Senior Consultant, Charles River Associates, **‘21**

(Steven, “Dominant Digital Platforms: Is Antitrust Up to the Task?” yalelawjournal.org/pdf/SalopEssay\_rnon2ejq.pdf)

This most recent agency loss involved an **acquisition by a dominant digital platform.** Sabre is a **digital platform** that permits airlines to post schedules, fares and seat availability and allows travel agents to access this information, make travel bookings and pay for them. Sabre proposed to acquire Farelogix, which provides technology to airlines. This technology allows an airline to disintermediate Sabre by allowing the airline to **connect directly to travel agencies** and provide travel agencies with information and ticket-booking services itself. Thus, this acquisition **was analytically like a vertical merger**, where Farelogix **sells a critical input** (i.e., its technology) to airlines, which they use to compete with Sabre for the business of travel agents. The competitive concern is that Sabre would **foreclose airlines’ ability to acquire the Farelogix technology input.**

Perhaps attempting to exploit the horizontal-merger structural presumption and avoid the difficulties they faced in AT&T/Time Warner, the DOJ did not litigate the case as a vertical merger. Instead, the complaint alleged that Sabre and Farelogix competed in the provision of booking services for airline tickets sold through travel agencies. This competition is indirect, resulting from Farelogix working with the individual airlines to disintermediate Sabre. However, the trial court did not miss the point. It observed that “Sabre and Farelogix view each other as competitors” and found that “the record reflects competition between Sabre’s and Farelogix’s direct connection solutions for airlines.”94

Having concluded that competition was reduced by the merger, the trial court **nonetheless rejected the DOJ’s complaint** on the grounds that Farelogix and Sabre **do not compete in the two-sided platform market**.95 While Sabre provides services to customers on both sides (i.e., to both airlines and travel agencies), Farelogix provides services to **only one side** (i.e., to airlines, but not to travel agencies). The travel agency services are provided by the airlines themselves, using the Farelogix technology.

This approach was both defective and unnecessary because Sabre competed with the combination of Farelogix and the airlines.96 Yet the court thought that **American Express compelled the opposite result**, despite its own fact-finding and the vertical nature of the transaction. If other U.S. courts similarly follow this same defective approach, the result will be **underdeterrence of anticompetitive acquisitions by digital platforms**.97 Indeed, this approach would lead to **ludicrous results**. Under this reasoning, Microsoft could have **legally ended the competitive threat from Netscape** and Java simply **by acquiring them instead of trying to destroy them.**

**Exclusionary practices suppress innovation---sole big tech innovation has reached its ceiling**

**Allensworth**, Professor of Law at Vanderbilt Law School, **‘21**

(Rebecca, “Antitrust’s High-Tech Exceptionalism,” 130 Yale L.J. 588)

E. Whither Innovation?

As a theoretical matter, big tech’s refusals to deal and predatory copying **suppress innovation**. A retailer with a new idea for a household product will be **less inclined to invest** in producing it if he knows Amazon can **appropriate the returns**. A developer with a better “app for that” will be less likely to bring it to market if she believes Apple or Facebook might someday **remove it from their platforms.** And if a rival search company cannot hope to keep its data private from Google, it will not invest in building a better search engine to try to take on the giant.

Whether big tech stifles innovation as an empirical matter is less clear, but there is anecdotal evidence that it does. During a recent hearing following the House Judiciary Committee’s investigation into competition abuses among high-tech firms, Representative Cicilline read a quote that he said was typical of the entrepreneurs he interviewed: “If someone came to me with an idea for a website or a web service today, I’d tell them to run. Run as far away from the web as possible.”111 **Venture capital,** while booming overall,112 **is shy about funding projects that might compete with Big Tech**. The best-case scenario for a start-up is acquisition by one of the big four—a lucrative payday, for sure, but nothing compared to what could come from **actually toppling a dominant firm**. This puts a **ceiling on the upside**, and with the **ever-present risk of failure**, **it likely leads to under-investment in new ideas**. As one funder put it, **“[w]e don’t touch anything that comes too close to Facebook, Google or Amazon**.”113

CONCLUSION: “ANTITRUST IS GREEDY”

The promise that we saw in high tech during its first boom—that it would change the way we work, communicate, shop, and play—**has largely been realized**. Few can argue with the efficiencies that digital communication and commerce have brought to our lives and markets. But, as Professor Herbert Hovenkamp has said, **“antitrust is greedy.”**114 It wants not only efficiency in end products, but efficiency in the competitive process that brings them about. During the dot-com era, American antitrust institutions became enthralled with the idea that encouraging the development of dynamic, innovative products required **compromising our commitment to dynamic**, innovative markets. That compromise contributed—in a way that is often overlooked—to the current competition crisis in big tech.

**Platform misuse enables a host of bad practices—undermines cyber security**

**Stucke** is a co-founder of The Konkurrenz Group and a law professor at the University of Tennessee, **‘18**

(Maurice, “Here Are All the Reasons It’s a Bad Idea to Let a Few Tech Companies Monopolize Our Data,” <https://hbr.org/2018/03/here-are-all-the-reasons-its-a-bad-idea-to-let-a-few-tech-companies-monopolize-our-data>)

So, the divergence in antitrust enforcement may reflect differences over these data-opolies’ **perceived harms.** Ordinarily the harm from monopolies are higher prices, less output, or reduced quality. It superficially appears that data-opolies pose little, if any risk, of these harms. Unlike some pharmaceuticals, data-opolies do not charge consumers exorbitant prices. Most of Google’s and Facebook’s consumer products are ostensibly “free.” The data-opolies’ scale can also mean higher quality products. The more people use a particular search engine, the more the search engine’s algorithm can learn users’ preferences, the more relevant the search results will likely be, which in turn will likely attract others to the search engine, and the **positive feedback continues**.

As Robert Bork argued, there “is no coherent case for monopolization because a search engine, like Google, is free to consumers and they can switch to an alternative search engine with a click.”

How Data-opolies Harm

But higher prices are not the only way for powerful companies to **harm their consumers** or the rest of society. Upon closer examination, data-opolies can **pose at least eight potential harms.**

**Lower-quality products** with **less privacy**. Companies, antitrust authorities increasingly recognize, can **compete on privacy and protecting data**. But **without competition**, data-opolies **face less pressure**. They can depress privacy protection below competitive levels and **collect** personal data **above competitive levels**. The collection of too much personal data can be the equivalent of charging an excessive price.

Data-opolies can also fail to disclose what data they collect and how they will use the data. They face little competitive pressure to change their opaque privacy policies. Even if a data-opoly improves its privacy statement, so what? The current notice-and-consent regime is meaningless when there are **no viable competitive alternatives** and the **bargaining power is so unequal.**

Surveillance and security risks. In a monopolized market, personal data is concentrated in a few firms. Consumers have limited outside options that offer better privacy protection. This raises additional risks, including:

Government capture. The fewer the number of firms controlling the personal data, the greater the potential risk that a government will “capture” the firm. Companies need things from government; governments often want access to data. When there are only a few firms, this can increase the likelihood of companies secretly cooperating with the government to provide access to data. China, for example, relies on its data-opolies to better monitor its population.

Covert surveillance. Even if the government cannot capture a data-opoly, its rich data-trove increases a government’s incentive to circumvent the data-opoly’s privacy protections to tap into the personal data. Even if the government can’t strike a deal to access the data directly, it may be able to do so covertly.

Implications of a data policy violation/**security breach**. Data-opolies have greater incentives to prevent a breach than do typical firms. But with more personal data concentrated in fewer companies, **hackers**, **marketers**, political **consultants**, among others, have even greater incentives to find ways to **circumvent or breach the dominant firm’s security measures**. The concentration of data means that if one of them is breached, the harm done could be **orders of magnitude greater** than with a normal company. While consumers may be outraged, a dominant firm has less reason to **worry of consumers’ switching to rivals.**

#### Monopolization leads to monoculture, which increases the risk of massive systemic failure---competition solves.

Duan 20 – Director of Technology and Innovation Policy, R Street Institute, Washington, D.C.

Charles Duan, “Of Monopolies and Monocultures: The Intersection of Patents and National Security,” Santa Clara High Technology Law Journal, Vol. 36, Issue 4, Article 5, May 2020, https://digitalcommons.law.scu.edu/cgi/viewcontent.cgi?article=1655&context=chtlj

B. Vulnerabilities of “Monocultures”

A second reason why monopoly undermines cybersecurity is that monopoly leads to a “monoculture” of single-vendor products, opening the door to massive systemic failure in the case of a cyberattack. Computer researchers developed the theory of software monocultures in the early 2000s, in response to the regular phenomenon of computer viruses and other attacks spreading rapidly by exploiting flaws in the dominant operating system at the time, Microsoft Windows.165 Where a computer system such as Windows has a commanding share of users, a virus that exploits a flaw in that system can quickly spread to infect a whole interconnected ecosystem. An operating system monopoly thus enables fast and easy spread of cyberattacks, and better cybersecurity would be achieved through greater diversity in online systems.166 As one research group posited, “a network architecture that supports a collection of heterogeneous network elements for the same functional capability offers a greater possibility of surviving security attacks as compared to homogeneous networks.”167

There has been considerable study of the theory that computer monocultures are naturally more vulnerable to attacks.168 In one study, computer science researchers reviewed a catalog of 6,340 software vulnerabilities recorded in 2007, to compare whether comparable software would share the same flaws.169 Of the 2,627 vulnerabilities applicable to application software (as opposed to operating systems, web scripts, and other software components), only 29 (1.1%) applied to substitute products from different vendors but providing the same functionality.170 By contrast, different versions of a single software product were found to share vulnerabilities 84.7% of the time.171 Thus, software monocultures share exploitable flaws even when there is some variation in versions across the monoculture; by contrast, diversity in software is almost guaranteed to prevent a single flaw from affecting all users.

In the case of 5G and wireless mobile communications, a monoculture is an especially concerning possibility. To the extent that systems such as smart city sensors or communication networks are widely deployed in a monoculture fashion, a widespread attack could have devastating consequences, potentially blacking out a region and affecting essential services such as 911.172 A monoculture that is vulnerable to so-called “rootkits” or “backdoors”—maliciously installed software that enable bad actors to commandeer systems—could also enable mass surveillance or spying by private hackers or foreign governments.173 The presence of systems from multiple vendors would mitigate these possibilities.

The monoculture theory is not without critics, but a review of those criticisms shows them to be inapplicable to contemporary communication technologies. Some critics suggest that software diversity imposes unwarranted costs on firms who must forego economies of scale and devise seemingly duplicative yet different setups of computer systems.174 But those concerns largely focus on the situation where a single firm produces and manages heterogeneous systems, concerns that are avoided where heterogeneity arises naturally through competition between two unrelated firms. Critics also argue that technological measures can create “artificial diversity” through automated randomization of software code, so software engineers can purportedly solve monoculture issues and device users need not worry about the issue.175 But even these critics acknowledge that artificial diversity techniques are often insufficient because they must make assumptions about what aspects of the technology are most vulnerable to attack, and they concede that artificial diversity cannot stop attacks involving operation of legitimate software functions in undesirable ways (sending spam emails or deleting document files, for example).176

It is widely recognized that a monoculture is unavoidable in at least one respect: Most connected devices will need to conform to technical standards.177 5G, for example, is a technical standard developed by a private industry consortium called 3GPP.178 A flaw in any such standard would render all mobile devices implementing the standard vulnerable to an identical attack.179 Avoiding these sorts of systemic flaws in standards requires rigorous development, analysis, and testing of the standard in the development process, which in turn requires ensuring that as many firms as possible, especially firms that share basic American values, are involved in the development of those standards.180 Thus, the necessary standardization of information and communication technologies is perhaps the most important reason why a competitive communication technology market is essential to cybersecurity and national security.

#### Concentration creates uniqueness.

Mike Elgan, Security Intelligence, Why Security Pros Can’t Ignore Big Data Monopolies, April 15, 2021, <https://securityintelligence.com/articles/security-pros-cant-ignore-big-data-monopolies/>

The rise of the cloud didn’t free us from concerns over who stores our data. Where matters, and major cloud providers and big data monopolies host a huge percentage of the world’s data. Thousands of organizations that store and manage personal, business and government data use big-name cloud providers. Smartphone platform companies house and process terabytes of the data that flows through mobile networks. Social networks house and control the data on billions of people worldwide — certainly the personal data of effectively all employees in your company.

And, that creates challenges, too. For example, cyber criminals and state-sponsored threat actors find data held in a central hub a tempting target. It’s time for a wider conversation among security specialists and industry leaders about how to better protect this data. Let’s take a look at the risks and challenges of a big data monopoly.

What’s the Problem With a Big Data Monopoly?

There are many problems with a big tech monopoly from a security perspective. The companies that hold data monopolies are ripe targets for attackers. Many holders of this big data do have thorough security, since they know they’re targets, too. It’s tempting to relax about data on these platforms.

But it’s also true that cyber criminals, state-sponsored threat actors, blackmailers and others all have a giant incentive to go after the monopolies, because that’s where the most data is.

**Platform monopoly ensures any breach cascades, collapses society**

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1. Risk of data breaches. A security breach of any of the digital monopolies could result in **Exabytes of users’ most vulnerable information** being publicly exposed (7). Besides the risk of irreparable damage to people’s reputation, private lives, and identity (as in, e.g., the “Ashley Madison” case (8)), such a breach could result in **unprecedented damage to our econom**y (as in, e.g., the “Sony Pictures” case (9)) and our **political standing** (as in, e.g., “Wikileaks Cablegate” (10)). Importantly, a security **collapse of that nature** might only be the start of a **series of follow-up breaches**. A hack of Google’s Gmail, for example, could allow the perpetrators to obtain a **user’s bank account password** through the “forgot password” functionality, and **ultimately lead to a collapse of businesses and industries (e.g. banking, taxation, weapon silos, etc.**). Compared to what was deemed a “too big to fail” state when a handful of banks collapsed in 2008, such a crisis could be **unparalleled**. Although the digital monopolies employ talented security teams to prevent such hacks, the public has no guarantee that a **skillfully deployed attack** (e.g., by another nation-state, powerful underground organization, or simply a disgruntled employee) **would not be successful**. **Even with the best efforts of the digital monopolies**—which often heavily depend on the priorities of high-ranking leaders in the organization—societies should hence operate under the assumption that the data held by the digital monopolies could be **leaked at any point in time.**

#### Critical infrastructure attacks go nuclear.

Sagan and Weiner ’21 – Stanford Professors [Scott D.; Caroline S.G. Monroe professor of political science and senior fellow at the Center for International Security and the Freeman Spogli Institute at Stanford University; Allen S.; senior lecturer in law and director of the program in international and comparative law at Stanford Law School; 7-9-2021; "The U.S. says it can answer cyberattacks with nuclear weapons. That’s lunacy."; The Washington Post; https://www.washingtonpost.com/outlook/2021/07/09/cyberattack-ransomware-nuclear-war/; accessed 8-15-2021]

Over the July 4 weekend, the Russian-based cybercriminal organization REvil claimed credit for hacking into as many as 1,500 companies in what has been called the largest ransomware attack to date. In May, another cybercriminal group, DarkSide, also apparently located mainly in Russia, shut down most of the operations of Colonial Pipeline, which supplies nearly half the diesel, gasoline and other fuels used on the East Coast — setting off a round of panic buying that ended only when the company handed over a ransom. These incidents were bad enough. But imagine a much worse cyberattack, one that not only disabled pipelines but turned off the power at hundreds of U.S. hospitals, wreaked havoc on air-traffic-control systems and shut down the electrical grid in major cities in the dead of winter. The grisly cost might be counted not just in lost dollars but in the deaths of many thousands of people.

Under current U.S. nuclear doctrine, developed during the Trump administration, the president would be given the military option to launch nuclear weapons at Russia, China or North Korea if that country was determined to be behind such an attack.

That’s because in 2018, the Trump administration expanded the role of nuclear weapons by declaring for the first time that the United States would consider nuclear retaliation in the case of “significant non-nuclear strategic attacks,” including “attacks on the U.S., allied, or partner civilian population or infrastructure.” The same principle could also be used to justify a nuclear response to a devastating biological weapons strike.

But our analysis suggests that using nuclear weapons in response to biological or cyberattacks would be illegal under international law in virtually all circumstances. Threatening an illegal nuclear response weakens deterrence because the threat lacks inherent credibility. Perversely, this policy could also wind up committing a president to a nuclear attack if deterrence fails. While the American public would indeed be likely to want vengeance after a destructive enemy assault, the law of armed conflict requires that some military options be taken off the table. Nuclear retaliation for “significant non-nuclear strategic attacks” is one of them.

The Biden administration is now conducting its own review of the U.S. nuclear posture. The 2018 Trump change is an urgent candidate for reevaluation, but people have generally ignored it up to now. As officials work on this process, they have the chance to take full account of what could be called the “nuclear law revolution” — a growing recognition that international-law restrictions on warfare, and especially those that protect civilians, apply even to nuclear war.

**Removing AmEx’s heightened burdens is best for efficiency**

**Hovenkamp**, Assistant Professor, USC Gould School of Law, **‘19**

(Erik, “Platform Antitrust,” 44 J. Corp. L. 713)

The rule of reason is **very flexible**. It permits a defendant to **rebut a prima facie case** by relying on context-specific considerations-which might relate to a separate but interrelated strand of transactions 177 -suggesting that the restraint is likely to be **procompetitive on the whole**. For example, in NCAA the Supreme Court held that, because sports fans benefit from competitive balance, this could justify a restraint designed to maintain parity among teams, notwithstanding an analogous restraint would be illegal in most other settings. Such cases provide a useful reminder antitrust is already capable of **accounting for special considerations** that **distinguish a particular commercial environment** from more conventional ones.

The Supreme Court was therefore mistaken to conclude that the new economics of platforms demands a **wholesale restructuring of the rule of reason**. 179 First, when a transaction platform imposes a restraint, this must have the same output effect on both sides of the market. As such, by properly accounting for platform economics, **we can look to the platform's dealings** with users on one side and still inquire into the restraint's **overall impact,** given that a procompetitive output increase would have to show up in both user groups. Second, the rule of reason's burden shifting framework always contemplates that a plaintiff's prima facie case **does not necessarily prove an overall anticompetitive effect**. But, where there are countervailing efficiencies suggesting the restraint is procompetitive on balance, **the defendant is in a much better position to cast light on them**. Third, even under the approach advocated here, **the plaintiff ultimately retains the burden** of persuasion as to the balance of pro and anticompetitive effects; the difference is merely that balancing is set aside until after the defendant has established a legitimate efficiency that might warrant such balancing. And, finally, the Supreme Court's decision will force courts to devise a standard for whether a market exhibits a "qualifying" degree of two-sidedness, and disputes over this will needlessly waste time and resources.

**Aff solves—the aff returns to evaluating conduct on a case-by-case basis and creates clear, enforceable guidelines**

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(Kaj, “How tech forces a reckoning with prediction-based antitrust enforcement,” August 31, <https://techlawdecoded.com/how-tech-forces-a-reckoning-with-prediction-based-antitrust-enforcement/>)

Such a framework for monopolization claims could also draw from case law experience with “unreasonable restraints of trade”, which are collusive agreements among competitors that are subject to another subset of the antitrust laws. Certain such agreements are treated as so pernicious as to render them strictly “per se” illegal (unlawful without any regard for their actual competitive effects), and others as so benign as to subject them to a highly permissive **“rule of reason”** (usually lawful under a full-blown competitive effects analysis). **But a “truncated” rule of reason** **lying in a Goldilocks middle** between these two extremes causes certain agreements to be presumed unlawful without delving into its actual competitive effects, while still allowing the parties to the agreement to rebut that presumption with adequate proof. This framework could be roughly imported into a presumption-based structuralist approach **to monopolization cases**.

One major hurdle for monopolization cases under the new framework would be in determining whether, in a particular case, the monopolist has engaged in a preset category of problematic conduct. This would not always be obvious (a lesson learned from courts grappling with when to apply the truncated rule of reason in restraints of trade cases). But in keeping with the goal of a simple, formulaic approach that avoids slipping into the competitive effects quagmire, an objective screen could be used. This screen would look at certain nonpredictive indicators—market conditions or circumstances present and not present—which would function as a checklist or be summed up to formulaically determine whether the monopolist’s conduct falls within the pre-determined list of presumptively unlawful activities.

Fine-tuning the proper aims of a nonpredictive antitrust

Although the proposed frameworks for monopolization and merger cases differ in some ways, both rely on an objectively-determined presumption of unlawfulness on the front-end which pushes any Economism-based, predictive analysis of actual competitive effects to the back-end, where the opposing party faces a high evidentiary burden for rebuttal.

This approach, while seeking to minimize the role of subjective judgment in antitrust decisions, does not eliminate it, which means still having to grapple with the issue of what the proper aim of antitrust ought to be. In either the merger or monopolization context, the presumption (whether facing the party bringing the case or the one defending it) can be rebutted with sufficient proof regarding actual competitive effects. Naturally, a question therefore arises about what types of effects are fair game for argument.

As discussed above, the current consumer welfare approach which focuses entirely on prices and output ignores various harmful effects from the concentration of economic power that would seem otherwise within the reach of antitrust laws. But how much broader ought the goals of antitrust be under the new proposed enforcement frameworks? Harm to competitors (exclusion), laborers (wage suppression), and suppliers (price squeezes) might be the low hanging fruit for inclusion in a broader welfare standard. The same might be said of loss of redundancies in the supply chain, or consolidation of control over user data. Harm to the environment and concentration of political power may be tougher to incorporate. While hate speech and the polarization of public discourse would almost certainly fall outside of the proper purview of antitrust.

Wherever the line is ultimately drawn by policymakers, it need not be inclusive to an extreme. After all, broader societal concerns about concentration of private markets can be left to the protection of a very strong presumption on the front-end of the new enforcement framework. But other than to say that it is intended to be the rare case where a competitive effects analysis is performed on the back-end, it must be acknowledged that more work would need to be done to figure out its proper boundaries.

Questions surrounding how to define the proper aims of antitrust would also seep into the judgment calls that need to be made about what triggers the presumptions of illegality on the front-end. That is because the threshold levels of concentration and additional objective factors triggering the structural presumption in merger cases, as well as the categories of conduct deemed presumptively unlawful in monopolization cases, would be determined according to their tendencies to result in market conditions conducive to bad competitive outcomes. But what is a “competitive outcome” is in the eye of the beholder, and so difficult questions would arise in formulating the front-end presumptions in both merger and monopolization cases.

Difficult as that task may be, there is much benefit to working out those difficulties at a policy level. Those who in the last half-century have—through their influence over academia, the courts, and government officials—reined in merger and monopolization enforcement by shifting its focus to price-output effects have done so with little say from lawmakers. A reset of the antitrust enforcement framework would be an opportune moment to refocus competition policy on the broader detrimental effects of allowing markets to persist in conditions of concentrated economic power.

Where the lines are drawn would have a huge impact on the reach of antitrust laws under the new enforcement regime. The debate would be especially fraught and consequential in the digital context, where existing enforcement of the merger and monopolization laws has been particularly controversial and prone to disappointing results (the latter discussed here and here in the context of investigations of Google). Difficult cuts would have to be made, and the results would ultimately reflect not only ideology about the proper role of antitrust, but also pragmatic factors such as the likelihood and ability of other regulations to fill the gaps (covered here).

Nonpredictive antitrust enforcement in practice

The formulaic, nonpredictive approaches outlined above are guided by a simple principle: that antitrust enforcement ought to be put on a sounder intellectual footing that acknowledges the limits of the human mind in making predictions amidst complexity.

The practical effects of the proposed changes would be to **improve clarity and certainty for everyone involved**—**companies, government agencies, courts**—**in distinguishing lawful from unlawful market activities**. They would also **ease the burden for bringing such cases**, and in the process free up resources for more enforcement of the antitrust laws. At the same time, some of the changes—such as adding new objective factors to the structural presumption in merger cases, employing a clear-cut list of presumptively unlawful monopolistic conduct, and subjecting enforcers to reverse presumptions of lawfulness—would probably tip the balance the other way, scaling back certain types of enforcement.

Still, it seems self-evident that the net result of the proposed changes would be more active enforcement of the merger and monopolization laws. The specific make-up of the resulting cases—which types would increase versus decrease, which industries or players would see the biggest changes, etc.—is less clear. But the aim in reforming competition policy should be more accurate enforcement, targeting the right mergers and monopolistic conduct, for its own sake. Then let the chips fall where they may.

As for the day-to-day enforcement of the antitrust laws, the major implications could be summarized as follows.

First, there would be the **lowering of the barrier** currently put in front of enforcers and courts that requires the lawfulness of market activities to be **determined by performing the difficult task of predicting and conjecturing** about **actual competitive effects**.

Second, the simple, formulaic framework put in its place would de-emphasize the role of predictions in the decision-making process, **streamlining antitrust enforcement for those activities w**hich are **empirically known** to perpetuate the structural market conditions associated with bad competitive outcomes.

Third, at the same time, **it would leave some wiggle room for nuanced expert judgments** to soften the blunt force of a trial-by-formula in those rare instances when unique circumstances justify diving back into the lion’s den of analyzing actual competitive effects.

Fourth, **by relying on objective criteria** about market structure or conduct instead of subjective judgments about market effects, the new framework would empower antitrust to reach various other important kinds of harm—beyond just price and output effects—that can flow from the concentration of economic power. That is, by targeting the roots of harmful concentration instead of just cutting off a few branches that have grown out of its trunk, antitrust would protect various interests in society other than just the consumer who wants to buy more for less.

## Case

### 2AC – China Epistemology

#### Engagement has overwhelmingly failed.

Ely Ratner 18. Executive Vice President and Director of Studies at the Center for a New American Security, 12/18/18, “Engagement has failed to make China liberal”, https://www.inkstonenews.com/opinion/ely-ratner-engagement-has-failed-make-china-liberal/article/2178660

America’s policy of engagement isn’t working any more. We need a different strategy toward China from the one we have pursued for the last 30 years. The old policy of engagement was undergirded by the belief that China would gradually become more liberal, more open and more integrated with the existing international system. But unfortunately, however, the gap between these aspirations and China’s actual evolution has only grown wider. Over the last decade, in particular, we have seen new expressions of Chinese illiberalism, authoritarianism and revisionism that run directly counter to US interests. They’re occurring in every dimension in international politics, ideology, military and economy. The US used to regard China as a partner. It sought to stabilize the relationship on several fronts. There were some gains on transnational issues, but overall, the mode of engagement wasn’t working. Beijing rejected nearly every attempt by the United States to resolve important areas of dispute. On economics, China dragged its feet for almost a decade on a bilateral investment treaty that would have addressed a number of the issues at the root of today’s trade war. On economic reforms, Xi Jinping never delivered his promise to open up markets for US businesses. The US and China reached an agreement in 2015 on cybersecurity, but after a short period, China resumed intensive and illegal cyber espionage. On the South China Sea, Xi Jinping famously lied in the White House Rose Garden next to President Obama, saying China had no intention to militarize the disputed waters. On political issues and human rights issues, of course, Xi’s record has been absolutely abysmal. China is currently in the process of exporting its illiberalism and surveillance state to developing countries around the world. And of course, we know there are incredible human rights violations occurring in Xinjiang now. On issue after issue after issue, the US policy of engagement did little to curb any of these behaviors and was instead creating a permissive environment for Chinese assertiveness and Chinese revisionism. Beijing pocketed concessions and gains, and pushed harder rather than seeking to meet the US halfway. We are already seeing the roots of this kind of China-led sphere of influence taking order in parts of Asia and parts of the developing world. And the result of that for the United States is weaker alliances, fewer security partners and a military forced to operate at greater distances. Chinese influence could also lead to US firms losing advantages, trading blocs and regional institutions bowing to Chinese coercion, and a steady decline in democracy and in individual freedoms around the world. The net result of all this, if it is allowed to continue, will be a less secure and less prosperous United States that would be less able to exert power in the world. I firmly believe that the US, with its allies and partners, can prevent China from establishing an illiberal order. And we can do so without provoking armed conflict. The only reason China has been making the kind of advances we’ve seen over the last several years is because the US has not been competing at all. I’m not arguing that the China policy was a total or utter failure, and that nothing good came from US engagement. There were huge economic benefits. We managed a very complicated situation with Taiwan and there was important cooperation on issues like climate change and non-proliferation of nuclear weapons. But in general, the policy of engagement predicated on convergence and integration is no longer valid, in theory or in practice. The China challenge of today is not the China challenge for which the policy of engagement was designed, and we need a new approach.

#### A – Claims that China’s rise will be peaceful buy into the precise rhetorical traps that enable violence – tropes of “soft power” and “harmonization” legitimize violent hierarchical expansion

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Linus, with Astrid H. M. Nordin, International Studies Review (2020) 22, 507–525. https://watermark.silverchair.com/viz023.pdf?token=AQECAHi208BE49Ooan9kkhW\_Ercy7Dm3ZL\_9Cf3qfKAc485ysgAAAp0wggKZBgkqhkiG9w0BBwagggKKMIIChgIBADCCAn8GCSqGSIb3DQEHATAeBglghkgBZQMEAS4wEQQMGd0SwMLngLZCIDJuAgEQgIICUHEiXM7IxbN8RR3msRM65fTfA8GZ3rN9LUsR4-F2f\_-Kja0KtVKojOPojOI7HWWgZX5gNtMbGe-rFPeXuRn79jnZ\_pcC59VxNeC6OBrvISJGqNws2L-J8mFL30ObDqRExoy4IQM2PQ8s0\_GUOSWjUXm5sXwb1ulj7287Q8e8tJUsBB0VrxdNTn4jifzzEodBfGuzt1zgI6iehQ5CelUoCve51rG8HuO-i7BaLS5XiJvFTIoAmUYAqVEhTXDko6BKsLOPMUyd5HQcxC-2Sd3xCNY-PQTdX4Xj1axYGIETDE65RPL6syl6oPXqOUDhO-gvrZC4H7zALH4Y1L2CKNGfTcj1Y4Y\_4VfOV1E-GmCJ3QC\_pFpI5hXiRqt6bih1X8lNSGQ2Gkdjgw5dFKXviehBbB3EeKtaPkbU25P2JSCp5FseU7d-UlgeCMr7ga0gaz5U\_Y-3sOEytDM7g-IwgZCoba0fClanu4Xhs7aSdvO1R3sk0hnRN6iVklfG7NokT3huDaTykID3C2bk4dkEaFd9565GMnA-gw7AtPOKu0aRKOJpcxoy4E6EqXs4wayQp5O9q-6JEBZZUNp53OMLsDo7u\_Unxg5ZqZifGUxds8RdiSsmq6IPVOxZWFmrPLsVZsXF8AzJ4zu6d1EVTFNZpHmbzFdKJjFqMvbfkpuZnPH3hecVlOY4Fwlg93W\_Qx3oiNdA4rGrixq2KA7yG0nciChNxFeOtXI6esYFIuOOl7N-Yd3wLS4zGeabCJs3gXbwyAmWoV2wvqRREtfzvqJmOuZAk7Y

Worries abound in policy circles and academia that China’s rise will generate con- flict and war (Friedberg 1993; Allison 2017). Chinese political leaders and schol- ars, however, insist that the rise will be harmonious and peaceful, despite China’s accumulation of economic and military capabilities in recent years. They claim that where other great powers, past and present, have engaged in coercion, vio- lence, and belligerent imperialism, China’s long tradition of thinking about har- mony makes it uniquely able and disposed to exercise soft power in world politics (Ba 2010; Xi 2014a, 2014b, 2014c). Such claims are themselves made in attempts to attract domestic and international audiences, and the concept of harmony has loomed large in Chinese soft power campaigns for some time (Li M. 2008; Hunter 2009; Heng 2010; Nordin 2012, 2016; Callahan 2015). Ding (2010, 255) explains: “when a rising power tries to develop its soft power resources and wield its soft power, its revisionist policy orientation will greatly decrease.” By portraying itself as harmonious, Chinese leaders thus seek to convey China’s overall benignity to the world and to attract domestic and international audiences. Since these attempts to exercise soft power juxtapose harmony with forms of violence in a very similar way to how soft power itself is differentiated from hard power, a politics premised on harmony might even be considered soft power par excellence. Do these Chinese visions of harmony really epitomize the exercise of an essentially different kind of power that is indeed “soft”? Can they help to prevent the regional conflicts that some believe are imminent?

The aim of this article is to analyze the dangers and possibilities of soft power as a concept and practice through the lens of harmony. China’s harmony discourse clearly operates in line with how international relations (IR) scholars have con- ceptualized soft power. Paradoxically, however, this means “it isn’t so soft” (Bially Mattern 2005). To begin, the self to which audiences are to be attracted is produced by discursively differentiating flawed and unattractive others (Callahan 2015). This dichotomization of good and bad, moreover, tends to set a “rhetorical trap” that forces domestic and international audiences to empathize and identify with the self or risk being lumped together with the other (Bially Mattern 2005, 586). Along these lines, the Chinese harmony discourse differentiates harmonious China from allegedly disharmonious Western powers and japan.l The latter are represented as the hard power-prone imperialists that the Chinese government blames for its “100 years of national humiliation.” The desired effect of such dichotomization is to make audiences empathize and identify with the Chinese self and against its West- ern and Japanese others.

The ﬁrst section contributes to the power literature in IR by demonstrating how such an already coercive soft power can legitimize and enable the use of hard power, that is, the coercive use of military instruments of statecraft and physical violence. In short, the exercise of soft power may make it appear reasonable to domestic and international audiences to “harmonize” the allegedly “disharmonious,” as well as those who do not clearly disavow them.

The second section illustrates this point by comparing present-day Chinese soft power campaigns that rely on a harmony discourse with similarly structured dis-courses in the West and japan. It demonstrates that harmony discourses played a deﬁning role in the highly oppressive Western and Japanese systems from which the Chinese government seeks to differentiate its own alleged harmony. Soft power did not ﬁgure as a concept in these Western great powers or in Imperial japan, so unlike present-day China they could not exploit the performative potential of the soft power concept by portraying themselves as such and making explicit links between soft power and harmony. Nonetheless, the concept of soft power can still be used to understand how harmony discourses legitimized and enabled the use of hard power in those settings too.

The third section revisits China to argue that, in its current form, the dominant Chinese harmony discourse gives little reason to hope that the country will be able to exercise soft power with any less violent consequences than other great powers have done in the past or do in the present. Indeed, a harmony discourse is already legitimizing and enabling the violent harmonization of domestic dissenters.

As the promise of soft power increasingly seems to have been blocked, we end the article by arguing that recent attempts in IR to draw on premodern Chinese thinking about harmony might after all help to envisage the exercise of what might be called soft power in world politics. In its Daoist guise, this kind of power is again generated through empathy and identification. This time, however, it is the self who must empathize and identify with the other by recognizing their similarities, albeit without neglecting their particularity or singularity.

Soft Power Legitimizes and Enables Hard Power

Since coining the term soft power in 1990, Joseph S. Nye has proposed many and varied definitions. It is the ability to “get what you want through attraction rather than coercion or payments” (Nye 2004, x); to persuade “others to want what you want” (Nye 1990, 31–32); to “shape the preferences of others” (Nye 2004, 5); and to “win over the hearts and minds” of others (Nye 2011, 20). Soft power thus pinpoints the production and reproduction of peaceful agreement, consent, acquiescence— or, indeed, harmony. However, in most cases, soft power analysis has been subsumed into the dominant tendency in IR to operationalize power as capabilities (cf. Hall 2010). In the case of soft power, this involves a focus on the possession and distri- bution of cultural or otherwise “soft” artifacts that may or may not be attractive to audiences and have foreign policy consequences (e.g., Nye 2004; Lam 2007; Heng 2010). In other cases, soft power has been interpreted as revolving around distinct and essentialized actors in line with the relational power literature (Baldwin 2016). Here, soft power is often understood as A’s capacity to cause effects against the pro- fessed interests of B, using “soft” rather than “hard” means (e.g., Kronig, McAdam, and Weber 2010; Roselle, Miskimmon, and O’Loughlin 2014). However, neither of these literatures succeeds in pinpointing how consent is culturally produced in line with the above definitions.

This article builds on scholarship that seeks to address this issue by transcending the explicitly rationalist epistemology and individualist, causal, and often material- ist ontology that underlies much of the existing soft power literature. This work has also begun to problematize the alleged “softness” of soft power and its juxtaposition with hard power. We summarize the gist of these contributions but take the argu- ment one step further. We contend that soft power, understood in these terms, can legitimize and enable hard power, understood here primarily as the coercive use of military instruments of statecraft and physical violence (Baldwin 2016, 178–88).

To begin, William A. Callahan argues that the positive representations of the self that tend to be associated with a country’s soft power—for example, as “demo- cratic,” “liberal,” or “peaceful”—are necessarily complemented by negative repre- sentations of others as the opposite, namely “undemocratic,” “illiberal,” and “un- peaceful.” Negative othering is thus part of how audiences are attracted to the self (Callahan 2015, 219–20; see also Sun 2012, 19; Hagström 2015). This understanding of soft power is admittedly not the one that made the concept popular. According to Callahan’s argument, however, the self cannot be idealized without differentiat- ing and even ostracizing others. From this perspective, soft power is closely related to the identity literature in and beyond IR. Indeed, understood in these terms, soft power might even be defined as the capacity to produce collective identity through differentiation.

Moreover, Janice Bially Mattern argues that the “attraction” in one of Nye’s def- initions of soft power above is generated through “representational force.” One example is when President George W. Bush “attracted” other states to join US-led military campaigns in the “war on terror” by setting up the option of being “either with us or with the terrorists” (Bially Mattern 2005, 606). In her rendering, soft power is enmeshed in and serves to perpetuate the speaker’s identity, at the same time as it threatens to insert unbearable inconsistencies and contradictions into the identity discourses on which audiences build their purported sense of ontological security unless they are duly “attracted.”

Despite challenging the distinction between attraction and coercion, Bially Mat- tern concludes that the soft power of representational force, “however unappealing, is normatively more appealing than the power politics of war, empire and physi- cal conquest” (Bially Mattern 2005, 611–12). In contrast, we believe that represen- tational force and the dichotomization of self and other are key to legitimizing and thereby enabling the use of hard power. Hence, we argue that soft power, as currently conceptualized and exercised, is even less soft than previous critics have suggested.

We argue that the dichotomization of a good self in opposition to a bad other that epitomizes soft power in this understanding is productive of reality, as in Michel Foucault’s (1977) notion of “productive power.” It happens in such a way that vi- olent action against others and those that do not clearly disavow them can be le- gitimized and enabled. These discursively produced subject positions are thus co- constituted with courses of action (Weldes and Saco 1996). They do not determine particular policies but promote or exclude possibilities and delineate the “range of imaginable conduct” (Doty 1993, 299). Previous research outside of the soft power fold suggests that the narrative and discursive constructions of self and other le- gitimized and enabled wars in, for example, the former Yugoslavia (1991–2001), Chechnya (1999–2001), and Iraq (2003–11) (Krebs and Lobasz 2007; Subotic 2016; Wilhelmsen 2017).

In Bially Mattern’s analysis, a distinct voice exposes its audience to the non-choice of identifying with, for example, the “democratic” self and against the “terrorist” other. Such non-choices may be given their starkest and clearest formulation in ut- terances by specific actors. We do not agree, however, that only individual speakers exercise this kind of power. The audiences for any discourse may be subjected to similar non-choices that compel them to empathize and identify with the self and against the other (Wilhelmsen 2017). The notion that democratic states are morally superior to terrorists, for example, was not Bush’s own invention. His statement was attractive or coercive precisely because it reproduced a common trope that already resonated with most potential audiences (cf. Lee 2011). This argument relies on a shift from an ontology of “things” to a narrative or discursive ontology of “relations” (Nordin and Smith 2018). Because it tends to identify discrete actors as holders of power or as its distinct senders and receivers, much of the previous soft power scholarship misses the fundamental point that actors can be understood ontologi- cally as in a process of becoming through narratives and discourses (Somers 1994; Shepherd 2015).

In sum, others have demonstrated that hard power attributes can be subsumed under soft power logics, and vice versa (Gallarotti 2011; Kearn 2011; Rothman 2011). We argue more fundamentally that physical violence becomes politically pos- sible exactly through the way in which soft power is exercised by dichotomizing the good self and the bad other. Representational force and self/other dichotomization do not necessarily or inevitably result in the exercise of hard power, but it is difficult to think of an instance of physical violence or the coercive use of military statecraft that was not made possible by soft power understood in these terms.

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#### B – China’s using the playbook of previous hegemons – means it’ll be colonialist

Lind 18

Jennifer Lind, associate professor of government at Dartmouth College, “Life in China’s Asia: What Regional Hegemony Would Look Like,” Foreign Affairs, March/April 2018, accessed through Georgetown Libraries

It may be tempting to believe that China will be a relatively benign regional hegemon. Economic interdependence, one argument goes, should restrain Chinese aggression: because the legitimacy of the Chinese Communist Party (ccp) rests on economic growth, which depends on trade, Beijing would maintain peaceful relations with its neighbors. Moreover, China claims to be a different sort of great power. Chinese offcials and scholars regularly decry interventionism and reject the notion of "spheres of influence" as a Cold War relic. Chinese President Xi Jinping has said that his country has "never engaged in colonialism or aggression" thanks to its "peace-loving cultural tradition." In this view, life in China's Asia would not be so different from what it is today.

But this is not how regional hegemons behave. Great powers typically dominate their regions in their quest for security. They develop and wield tremendous economic power. They build massive militaries, expel external rivals, and use regional institutions and cul- tural programs to entrench their influence. Because hegemons fear that neighboring countries will allow external rivals to establish a mil- itary foothold, they develop a profound interest in the domestic politics of their neighborhood, and even seek to spread their culture to draw other countries closer.

China is already following the strategies of previous regional hege- mons. It is using economic coercion to bend other countries to its will. It is building up its military to ward off challengers. It is intervening in other countries' domestic politics to get friendlier policies. And it is investing massively in educational and cultural programs to enhance its soft power. As Chinese power and ambition grow, such efforts will only increase. China's neighbors must start debating how comfortable they are with this future, and what costs they are willing to pay to shape or forestall it.

#### C – Independently turns any NEG arguments predicated on “state bad” --- rise of Chinese authoritarianism reinforces state power.

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Tom, April. “Authoritarian International Law?” American Journal of International Law, Volume 114, Issue 2, April 2020 , pp. 221-260. https://www.cambridge.org/core/journals/american-journal-of-international-law/article/authoritarian-international-law/FEE3604900EE3EF547B5A87BEA265571/core-reader

Liberal international relations theory, it seems, will have little relevance under authoritarian international law: integration will be shallower, agreements will be thinner, and courts will play a relatively smaller role. One of the core ideas of liberal theory, the need to look under the hood of nation states to understand the domestic interests at stake, will make less sense in an authoritarian-dominated world which will, in many ways, bring back the state. Within national constitutional orders, executives will be the leaders who Beijing and Moscow talk to. Like the era of nineteenth century espousal, states will mediate the interests of individuals and interest groups. As China, in particular, extends its economic reach by cooperating with dominant executives, it may reinforce the spread of authoritarianism in a reciprocal way. Cooperation in the Belt and Road Initiative tends to reinforce executive power, as China look for stable partners who can deliver. Private contract among state-owned enterprises will be a more desirable and flexible channel of cooperation in the economic sphere. And global civil society may matter less than ever.

#### D – Environment, extraction, social crises

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Julie Michelle, with Joshua S.S. Muldavin, New geographies of development: grounding China’s global integration, Territory, Politics, Governance, 7:1, 1-21, DOI: 10.1080/21622671.2018.1559757

Timber

The case of the timber sector is a particularly illustrative example of how the environment–security nexus drives China’s domestic and foreign policy, given the poor state of China’s ‘natural’ forests and the rapid rise of imported timber in recent decades. Natural forests in China were concen- trated in two areas of the country: the north-east and south-west. Between the 1950s and 1970s, China established 135 state-owned forest enterprises that primarily harvested timber in state forests in these regions. In addition, substantial forest plantations are spread throughout the south of the country across 10 provinces, and have been largely controlled by rural collectives (Bai et al., 2015). From the 1950s onwards, China’s forestry policy regulated extraction, though often at unsustainable rates. In the 1980s and 1990s, China’s state forest reserves were even more rapidly depleted as logging increased to meet growing domestic and export-oriented demand. As reserves were exhausted in the north-east, production shifted to more remote regions in China’s south-western mountains and borderlands (Muldavin, 1996). Old growth forests were replaced with single-species plantations, facilitating land grabs by domestic and foreign timber companies in China (Xu, 2018). Poplar and pine predominate, but rubber and other economic species are also grown over vast areas of the subtropical highlands of south and south-west China (Bai et al., 2015; White et al., 2006).

Deforestation has generated environmental and social crises in the primary sites of extraction as well as for downstream communities. Erosion, siltation of waterways, mudslides, and loss of timber and game resources fuelled household food insecurity and conflicts in rural communities (Blaikie & Muldavin, 2014). These crises provoked multiple forms of resistance among affected populations, from spontaneous demonstrations to citizens’ arrests of offending officials, to sus- tained academic and non-governmental organization (NGO) efforts to assess the magnitude of the problem and reforest the most degraded environments. The long history of suppressing dissent in China’s border regions has often had serious environmental and social impacts as local people have been criminalized for protecting their biospheres following state-led enclosure (Menzies, 1996; Tsui, 2012). State intervention to securitize China’s domestic hinterlands through imposed land use change has intensified in recent years (Li, Dai, & Liu, 2012; Litziner, 1999).

One notable state response to social and environmental pressures came at the turn of the 21st century, when the central government issued three major land-use change directives aimed pri- marily at China’s hinterlands. The first was a moratorium on timber extraction in the upper reaches of China’s major watersheds. The second set of measures, to aid the enforcement of the first, was to impose a grazing ban and expand efforts to settle permanently all nomadic pas- toralists in China’s restive hinterlands. Third, under the Sloping Land Conversion Program (SLCP), all lands with a 25° slope or greater were to be converted to ‘green cover’, reforested where possible to eliminate steep slope agriculture and any remaining shifting cultivation. Framed as a response to historic flooding in 1998 in which 3000 people died, the state used environmental policy to impose land-use change over a geographical area comprising more than half the country. Within months of the flooding, the state pushed the long-since-debunked narrative of upstream users’ poor land-use practices, including timber extraction, as the primary reason for flooding in China’s downstream urban areas. This narrative and accompanying policies enabled the state gradually to transfer remaining control of collective forests, grasslands, ‘degraded’ lands and com- mons to state and corporate control (Blaikie & Muldavin, 2004, 2014; Muldavin, 2013; Zackey, 2006).

The timber production of the 135 state-owned forest enterprises in north-east and south-west China was also affected by these policies, falling by half between 1997 and 2002 (Sun, Wang, & Gu, 2004). Simultaneously, the state provided financing for the largest companies to go overseas (State Council, 2002, 2011), aiding the rapid rise in timber imports in the decade following 1998. The state also invested heavily in expanding domestic downstream industries for refining, proces- sing, and generating value-added timber and paper products for domestic and international con- sumption. This transformed China into the world’s largest wood workshop. Exports of wood products to the European Union and United States increased by 800% between 1997 and 2005 (White et al., 2006). This was sustained by tripling raw log imports from Siberia and Southeast Asia. The objective for this policy has been to maintain domestic value-added industries in pro- duction while shifting the environmental and political burdens of timber extraction beyond Chi- na’s borders (State Council, 2002).

Building on its historical relationship and proximity, the Russian Far East provided over half of all imports, primarily of softwoods, during the first decade of the 21st century. Many of these were illegally sourced, and the rapid increase in extraction eliminated one-fifth of Russia’s forest reserves in just over a decade (FAO, 2010). Hardwood sources are more diverse but primarily come from Southeast Asian, Amazonian and central African countries.

While China has signed international accords against illegal logging, these have not stopped projects in China’s new overseas timber frontiers, where transnational locals – in this case national and local elites – have transferred large swaths of domestic forests to foreign logging firms (The Oakland Institute, 2015). Once logs enter China, they are not considered ‘illegal’. The result is that China has become the primary space for laundering illegal lumber globally (Wellesley, 2014). As it is also now the largest importer and consumer both for domestic consumption and through added value for export, China is the epicentre of a global deforestation epidemic fuelled by illegal logging on a massive scale (Felbab-Brown, 2011, p. vi). Far-flung landscapes within and beyond China’s borders have been transformed in concert by the combination of domestic land- use change policies such as the SLCP, and the incentives to Chinese firms provided under the Go Out policy and the BRI.

Transnationalizing the hinterlands

While these policies may appear distinct in their formulation, geography and implementation, they are linked in practice, producing new spatial politics of transnational resource extraction (Muldavin, 2013). By issuing a moratorium on certain forms of domestic timber extraction while also providing financing for firms to go abroad, the central government intended to quell domestic causes of environmental degradation and social unrest while avoiding crises of overcapa- city in the domestic timber sector. These sweeping policy changes were stimulated in no small part by state recognition of environmental issues, as well as by sustained action on the part of local citi- zens, environmental journalists, NGOs and sympathetic officials.

China’s external aid and investment is highly differentiated in sources and goals, challenging attempts to document China’s overseas policies in all their facets (e.g., Center for Strategic and International Studies, 2016). However, a shared priority has been infrastructure development to enable resource extraction to fuel China’s domestic economic growth, while simultaneously attending to regional security needs (Li & Lye, 2009; Muldavin, 2012). The environment–secur- ity nexus was manifest in China’s ‘New Security Concept’ (State Council, 2002) and subsequent State Council White Paper on Foreign Aid (2011), where China’s domestic environmental chal- lenges were presented as the raison d’être of the country’s rapidly increasing role in large-scale infrastructure projects overseas to enhance national and regional security.

Transnationalizing China’s timber hinterland furthers the geopolitical objectives of China and the territorial objectives of partner states, particularly when the forest concessions in question are home to historically autonomous populations sustained on customary economic activity (Stur- geon, 2007; Turner, Bonin, & Michaud, 2015). Several of the cases examined in this issue show small and large firms alike broker deals with local and national elites in order to transfer mas- sive areas of forest to firms from China, thereby expropriating local populations in the process. Often, the construction of railroads, highways and port facilities complements the deals in order to facilitate extraction from partner states. The combination of infrastructure construction and the language of productive resource use allow such expropriations to be framed in terms of development, security and sustainability (Muldavin, 2012).

This highlights the primacy of transnational class interests over shared national identity as a key element in facilitating the extractive deals comprising China’s global integration, although both class interests and national identity are flexibly deployed in both promotion of and resistance to such projects. Transnational locals play a pivotal role in both channelling interests and lever- aging broad policy initiatives emanating from Beijing. Transnational locals encourage infrastruc- ture investment from the east and pivot to attract companies from the west, recognizing that extraction oriented investment is good for business, whatever its origins. What emerges is a coalition among actors from China and actors within national ministries and key firms in recipient sites organized against the local protests provoked by the extractivist terms of the Go Out policy and that BRI.

This leads to the third insight. To understand better what is at stake in the new geographies of development associated with China’s global integration, a case-by-case analysis of the interests and actions of high-level policy-makers and local power brokers in recipient countries is crucial.

## 2AC K

### Consequences

#### Their ethics are tautological --- competing rights claims collapse --- the only option is to maximize lives saved.

Greene 10 (Joshua Greene, Associate Professor of Social science in the Department of Psychology at Harvard University, “The Secret Joke of Kant’s Soul published in Moral Psychology: Historical and Contemporary Readings,” Historical and Contemporary Readings, [www.fed.cuhk.edu.hk/~lchang/material/Evolutionary/Developmental/Greene-KantSoul.pdf](http://www.fed.cuhk.edu.hk/~lchang/material/Evolutionary/Developmental/Greene-KantSoul.pdf))

What **turn-of-the-millennium science is telling us is that** human **moral judgment is not a** pristine **rational enterprise**, that our moral judgments are driven by a hodgepodge of emotional dispositions, which themselves were shaped by a hodgepodge of evolutionary forces, both biological and cultural. Because of this, it is exceedingly unlikely that there is any rationally coherent normative moral theory that can accommodate our moral intuitions. Moreover, anyone who claims to have such a theory, or even part of one, almost certainly doesn't. Instead, what that person probably has is a moral rationalization. It seems then, that we have somehow crossed the infamous "is"-"ought" divide. How did this happen? Didn't Hume (Hume, 1978) and Moore (Moore, 1966) warn us against trying to derive an "ought" from and "is?" How did we go from descriptive scientific theories concerning moral psychology to skepticism about a whole class of normative moral theories? The answer is that we did not, as Hume and Moore anticipated, attempt to derive an "ought" from and "is." That is, our method has been inductive rather than deductive. We have inferred on the basis of the available evidence that the phenomenon of rationalist deontological philosophy is best explained as a rationalization of evolved emotional intuition (Harman, 1977). Missing the Deontological Point I suspect that rationalist deontologists will remain unmoved by the arguments presented here. Instead, I suspect, they will insist that I have simply misunderstood what Kant and like-minded deontologists are all about. Deontology, they will say, isn't about this intuition or that intuition. It's not defined by its normative differences with consequentialism. Rather, deontology is about taking humanity seriously. Above all else, it's about respect for persons. It's about treating others as fellow rational creatures rather than as mere objects, about acting for reasons rational beings can share. And so on (Korsgaard, 1996a; Korsgaard, 1996b). This is, no doubt, how many deontologists see deontology. But this insider's view, as I've suggested, may be misleading. The problem, more specifically, is that it defines deontology in terms of values that are not distinctively deontological, though they may appear to be from the inside. Consider the following analogy with religion. When one asks a religious person to explain the essence of his religion, one often gets an answer like this: "It's about love, really. It's about looking out for other people, looking beyond oneself. It's about community, being part of something larger than oneself." This sort of answer accurately captures the phenomenology of many people's religion, but it's nevertheless inadequate for distinguishing religion from other things. This is because many, if not most, non-religious people aspire to love deeply, look out for other people, avoid self-absorption, have a sense of a community, and be connected to things larger than themselves. In other words, secular humanists and atheists can assent to most of what many religious people think religion is all about. From a secular humanist's point of view, in contrast, what's distinctive about religion is its commitment to the existence of supernatural entities as well as formal religious institutions and doctrines. And they're right. These things really do distinguish religious from non-religious practices, though they may appear to be secondary to many people operating from within a religious point of view. In the same way, I believe that most of the standard deontological/Kantian self-characterizatons fail to distinguish deontology from other approaches to ethics. (See also Kagan (Kagan, 1997, pp. 70-78.) on the difficulty of defining deontology.) It seems to me that consequentialists, as much as anyone else, have respect for persons, are against treating people as mere objects, wish to act for reasons that rational creatures can share, etc. A consequentialist respects other persons, and refrains from treating them as mere objects, by counting every person's well-being in the decision-making process. Likewise, a consequentialist attempts to act according to reasons that rational creatures can share by acting according to principles that give equal weight to everyone's interests, i.e. that are impartial. This is not to say that consequentialists and deontologists don't differ. They do. It's just that the real differences may not be what deontologists often take them to be. What, then, distinguishes deontology from other kinds of moral thought? A good strategy for answering this question is to start with concrete disagreements between deontologists and others (such as consequentialists) and then work backward in search of deeper principles. This is what I've attempted to do with the trolley and footbridge cases, and other instances in which deontologists and consequentialists disagree. If you ask a deontologically-minded person why it's wrong to push someone in front of speeding trolley in order to save five others, you will get characteristically deontological answers. Some will be tautological: "Because it's murder!" Others will be more sophisticated: "The ends don't justify the means." "You have to respect people's rights." But, as we know, these answers don't really explain anything, because if you give the same people (on different occasions) the trolley case or the loop case (See above), they'll make the opposite judgment, even though their initial explanation concerning the footbridge case applies equally well to one or both of these cases. Talk about rights, respect for persons, and reasons we can share are natural attempts to explain, in "cognitive" terms, what we feel when we find ourselves having emotionally driven intuitions that are odds with the cold calculus of consequentialism. Although these explanations are inevitably incomplete, there seems to be "something deeply right" about them because they give voice to powerful moral emotions. But, as with many religious people's accounts of what's essential to religion, **they don't** really **explain** what's distinctive about **the philosophy in question**.

### 2AC – Markets

#### This is compatible – limited tech market competition does not justify neoliberal society.

Coniglio, antitrust attorney in the Washington, DC office of Sidley Austin LLP, ‘20

(Joseph V., “Economizing the Totalitarian Temptation: A Risk-Averse Liberal Realism for Political Economy and Competition Policy in a Post-Neoliberal Society,” 59 Santa Clara L. Rev. 703)

The implication of the foregoing is that the most pressing task for competition policymakers may not involve a rethinking of first principles. The principles of neoliberal competition policy may have ultimately been proven justified by an unprecedented period of economic growth, technological progress and reductions in poverty, and should presumably remain operative as long as they remain the best framework for bringing about these ends. Neither, as we have suggested, must the capitalist entrepreneur be lost in the process. The totalitarian temptation to submit to general state control of the economy-whether it be in the form of communism from below or fascism from above should be resisted so as to preserve and build upon the great prosperity Western Civilization has managed to achieve.

This statement will no doubt be highly unsatisfactory to many critics of neoliberalism who seek more fundamental and revolutionary changes. Surely, they suggest, there must be some principled basis for critiquing the neoliberal status quo with which so many are frustrated. Indeed, there very well may be, and none of the arguments in this article should be understood to the contrary. The goal of this article has been limited to a tailored defense of neoliberal principles only as they relate to competition policy, broadly understood. It does not suggest that neoliberal monetary, trade, and fiscal policies are also sound-let alone a neoliberal social order, where all the core institutions within society are organized according to the neoliberal principles of wealthmaximization, empiricism, and the rest.129 This is to say that even if neoliberalism is a sound theory as applied to the area of competition policy, neoliberal monetary policy, for example, may be problematic and a just target for contemporary critics. Similarly, claiming that competition policy should be enforced using a consumer welfare standard does not mean that all the organs of law and civil society should be oriented to maximize wealth or consumer welfare, even if this economic inquiry is nonetheless informative. 30 It is well known that several prominent neoliberals have expanded the neoliberal policy apparatus beyond the regulation of market capitalism with which antitrust is concerned to domains typically understood to be beyond a purely utilitarian purview.' 3 ' However, whatever the merits of these broader neoliberal policy programs, the competition policy baby, so to speak, should not be thrown out with the bathwater.

Consider the charge that neoliberal policies have increased wealth inequality in the United States. Some commentators attempt to link this increased inequality with a decline in competition'3 2 and, by implication, consumer welfare competition policy. Notwithstanding the interest such theories appeared to have garnered from highly distinguished economists and policymakers, such as Nobel Laureate Joe Stiglitz,133 one might alternatively consider whether increasing wealth inequality and the resultant social strife are far more a result of policies in other areas, such as monetary policy. 134 At the same time as Chicago School antitrust policy took root, the American economy began to undergo sustained expansions in the money supply and reductions in interest rates that, at least in theory, disproportionately reward the owners of financial assets, who are more likely to be wealthy. 135

#### AFF key and ALT fails. Only tech markets can aggregate information and distribute the resources to develop the AI innovations necessary.

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Eric A. Posner and E. Glen Weyl, “Epilogue: After Markets?” *Radical Markets: Uprooting Capitalism and Democracy for a Just Society*, Princeton University Press 2018, Epub (email [arg5180@gmail.com](mailto:arg5180@gmail.com) for relevant text).

Markets as Miracles

As we saw in chapter 1, many economists who were committed to the market economy also considered themselves “socialists.” Yet in the early twentieth century, socialism became identified with central planning, thanks to the role of Marxism and the French Revolution in inspiring and justifying the economic policies of the Soviet Union. Central planning also received a boost from World War I, where national control of the economy for the purpose of war production was more successful than advocates of laissez-faire could ever have imagined. This led to a heated debate about whether central planning should be used in peacetime as well.

In the popular imagination, central planning could not succeed because it provided individuals with no incentives to work. People needed the prospect of riches, or at least wages, to get them out of bed in the morning. Yet incentives were quite strong in the Soviet Union, stronger, in many ways, than they are in capitalist countries. While there was less chance under Communism to grow rich, any prisoner of the Gulag knew the fate of those who “malingered.”

Another popular argument against central planning was advanced by Nobel Laureate Friedrich Hayek in 1945. Hayek argued that no central planner could obtain information about people’s tastes and productivity necessary to allocate resources efficiently.1 The genius of the market was the way that the price system could, in disaggregated fashion, collect this information from everyone and supply it to those who needed to know it, without the involvement of a government planning board.

A related version of this argument, less well-known than Hayek’s but actually more compelling, was made a few decades earlier. The brilliant economist Ludwig von Mises argued that the fundamental problem facing socialism was not incentives or knowledge in the abstract but communication and computation.2 To see what Mises meant, consider an illustrative parable proposed by Leonard Read in his 1958 essay, “I, Pencil.” 3

Read tells the “life story” of a pencil. Such a simple thing, one would at first think. And yet as you begin to reflect, you realize the enormously complex layers of thought and planning it would require to make a pencil from scratch. The wood must be chopped, cut, shaped, polished, and honed. The graphite must be mined, chiseled, and shaped. The ferrule—the collar that connects the wood shaft and the eraser—is an alloy of dozens of metals, each of which must be mined, melted, combined, and reformed. And so forth.

Yet what is most remarkable about the pencil is not its complexity but the complete lack of understanding that anyone involved in the manufacture of the eventual pencil has about any of these steps in the process. The lumberjack knows only that there is a market for his wood and some price that induces her to buy the needed tools, cut down trees, and sell lumber down the line of production. The lumberjack may never even know that the wood is used for a pencil. The pencil factory owner knows only where to purchase the needed intermediate materials and how to run a line assembling them. The knowledge and planning of the pencil’s creation emerge organically from the process of market relations.

Now suppose that we were to try to replicate the market relationships with a central planning board. The board would determine how much wood to chop and when, the number of workers to employ at each stage of production, the correct places and times to produce, ship, and build. Yet, to do this effectively the board would have to understand a great many things. It would have to learn from each of these specialized producers the unique knowledge of her domain of expertise that allows her to earn a living—for example, whether the lumber would have a more valuable use elsewhere in the economy (to build houses or ships or children’s toys) than as an input for pencils. Absorbing all this information and constantly receiving and processing the necessary updates to keep abreast of evolving conditions in each of these steps of the process, would overwhelm the capacity of even the most skilled managers.

And even if the board somehow had an unlimited capacity to absorb this information, it would still have the unmanageable problem of trying to act on this sea of data. Prices, supply and demand, and production relations in markets arise through a complex interplay of individuals each helping to optimize a tiny part of a broad social process. If, instead, a single board had to plan this entire dance, it would force a small number of individuals to contemplate an endless sequence of choices and plans. Such elaborate calculations are beyond the capacity of even the most brilliant group of engineers.

Mises wrote decades before the rise of the fields of computer science and information theory and lacked any way to formalize these intuitive ideas. Many of Mises’s arguments were dismissed by mainstream economists, whose increasingly narrow mathematical approach to the field Mises disdained. Mises’s critics, including Oskar Lange, Fred Taylor, and Abba Lerner, argued that the market mechanism was but one of many ways (and far from the most efficient way) to organize an economy. They viewed the economy purely mathematically, rather than computationally, and saw no difficulty in principle with solving a (very large) system of equations relating the supply and demand of various goods, resources, and services.

In a simplified picture of the economy, ordinary people perform dual functions as producers (workers, suppliers of capital, etc.) and consumers. As consumers, people have preferences regarding different goods and services. Some people like chocolate, others like vanilla. As producers, they have different talents and capacities. Some people are good at doing math, others at mollifying angry customers. In principle, all we need to do is figure out people’s preferences and their talents, and assign jobs to people who do them best, while distributing the value created by production in the form of goods and services that people really want. Rewards and penalties need to be determined to give people incentives to reveal their preferences and talents, and to ensure that they actually do what they are supposed to do. All of this can be represented mathematically and solved. That’s why socialist economists viewed the economy as a math problem the solution of which only required a computer.

Yet the later development of the theory of computational and communication complexity vindicated Mises’s insights. What computational scientists later realized is that even if managing the economy were “merely” a problem of solving a large system of equations, finding such solutions is far from the easy task that socialist economists believed. In an incisive computational analysis of central planning, statistician and computer scientist Cosma Shalizi illustrates how utterly impossible “solving” a modern economy would be for a central planning board. As Shalizi notes in his essay, “In the Soviet Union, Optimization Problem Solves You,” the computer power it takes to solve an economic allocation problem increases more than proportionately in the number of commodities in the economy.4 In practical terms, this means that in any large economy, central planning by a single computer is impossible.

To make these abstract mathematical relationships concrete, Shalizi considers an estimate by Soviet planners that, at the height of Soviet economic power in the 1950s, there were about 12 million commodities tracked in Soviet economic plans. To make matters worse, this figure does not even account for the fact that a ripe banana in Moscow is not the same as a ripe banana in Leningrad, and moving it from one place to the other must also be part of the plan. But even were there “merely” 12 million commodities, the most efficient known algorithms for optimization, running on the most efficient computers available today, would take roughly a thousand years to solve such a problem exactly once. It can even be proven that a modern computer could not achieve even a reasonably “approximate” solution—and, of course, today there are far more goods, services, transport choices, and other factors that would go into the problem than there were in the Soviet Union in the 1950s. Yet somehow the market miraculously cuts through this computational nightmare.

Markets as Parallel Processors

But all of this raises a question. If the problem is so hard to solve, how is it possible for the market to solve it? Consider Lange’s quote from our epigraph.5 The market is just a set of rules enforced by the government—not much different from a computer algorithm, although a very complex one. It’s true that no single person invented the market. Yet the rules of the market are well understood, and economists are constantly telling people to implement them. Imagine that a new country is created, and its leaders ask a western economist how best to create an economy. The economist will tell them how to set up a market—the rules of contract and property law, for example. (Indeed, economists have been running around the halls of government of developing countries and the floors of start-ups for decades doing just this.) Aren’t the economists just supplying a kind of computer program to the leaders, who by implementing it are engaging in a style of centralized planning?

To understand how the market solves the “very large system of equations,” you need to know the key ideas of distributed computing and parallel processing. In these systems, complicated calculations that no one computer could perform are divided into small parts that can be performed in parallel by a large number of computers distributed across different geographic locations. Distributed computing and parallel processing are best known for their role in the development of “cloud computing,” but their greatest application has gone unnoticed: the market economy itself.

While the human brain is wired differently from a computer, computational scientists estimate that a single human mind has a computational capacity roughly ten times greater than the most powerful single supercomputer at the time of this writing.6 The combined capacity of all human minds is therefore tens of billions of times greater than this most powerful present-day computer. The “market” is then in some sense a giant computer composed of these smaller but still very powerful computers. If it allocates resources efficiently, it does so by harnessing and combining their separate capacities.

Adopting this perspective, we must ask how the market is “programmed” to achieve this outcome. The economy consists of a variety of resources and human capacities at a range of locations, along with a system for transmitting data about these resources among individual human beings. A standard approach in parallel processing is to take information local to one location in, say, a picture or puzzle and assign this to one processor, integrating these inputs on still other processors in a hierarchical fashion. Now apply this image to the economy. In every place, we take one of the computers (humans) available to us and assign it to collect information about that location’s needs and resources and report some parsimonious “compressed” summary of all that data to other computers. For example, there might be a hierarchical arrangement of computers, with those responsible for particular locations on the ground reporting to a higher “layer” that integrates local areas and then upward from there.

Consider the following example. A person works on a farm and is in charge of ensuring that the farm is productive and that her family is happy. This person sends information about the farm and her family, not in its full richness and complexity, but in broad strokes, to district managers. One manager specializes in understanding the resources that farms need to operate—seeds, fertilizer— while another understands the resources that people living on farms need in order to be happy, including food and clothing. These managers would then aggregate these data and convey them to the next layer, perhaps a national wheat distributor or a regional supplier of products for use on farms. At every level of this chain, some information would need to be lost for the parallel processing to remain parallel and tractable: the farm manager could not detail every way in which a slightly better paved road would help in conveying goods to market or how slightly cleaner water would protect her crops. But at least she could report the largest and most important needs and hope that the loss of information only slightly reduces the efficiency of the resulting solution.

This arrangement has a flavor of central planning but also resembles a market economy. People specialize in different parts of the production chain and operate under limited information, yet are able to coordinate their behavior because the information takes a certain form. While people are experts on local conditions, they know little about economic conditions elsewhere. They know that grain prices are high and tractor prices are low, but not why this is the case. When they buy a tractor or sell grain, they don’t tell the vendor or purchaser their life story, all the conditions on their farm, and so forth. They just place an order or offer so much grain at the going price.

This “price system” thus greatly simplifies communication between different parts of the economy. In fact, economists have shown that prices are the minimum information that a farmer needs to plan her operations effectively. So long as every important way that the farm could benefit or draw down resources from the outside world has a price attached to it, this is all the information the farmer needs to make economic decisions. Any greater information would be a waste, from a purely economic efficiency perspective, though it might be interesting from time to time to develop personal relationships. Conversely, if these prices were not available, there would be no way for a farmer to know whether it pays to use new tractors or rely instead on more labor, nor would she know how many seeds to plant for next season. The farmer without such prices could easily produce too little or waste resources on a tractor that could be better used for more labor, seed, or even consumption.

In this sense, prices are the “minimum” information necessary for rational economic decision-making.7 No other system of distributed computing can be equally productive and yet require less communication.

Markets elegantly exploit distributed human computational capacity. In doing so they allocate resources in ways that no present computer could match. Von Mises was right that central planning by a group of experts cannot replace the market system. But his argument was mistakenly taken as implying that the market is “natural” rather than a human-created program for managing economic resources. In fact, there is nothing natural about market institutions. Human beings create markets—in their capacity as judges, legislators, administrators, and even private business people who frequently set up organizations that create and manage markets.

Markets are powerful computers, but whether they produce the greatest good or not depends on how they are programmed. We advocate “Radical Markets” because we believe that in the present stage of technological and economic development, when cooperation has grown too large to be managed by moral economies, the market is the appropriate computer to achieve the greatest good for the greatest number. If we see it as such, we can fix the bugs in the market’s code and enable it to generate more wealth that is distributed more fairly.

By sharpening our understanding of the role and value of markets, the computational analogy clarifies our claim that the solutions we propose are based on extending the reach of markets. The COST on wealth radicalizes markets as it puts greater responsibility on individuals to articulate their values and gives them greater ability to claim things they value highly. QV does the same in the political sphere. Our ideas on migration give individuals more scope for determining the best path for where they live and work. Our proposals on antitrust and data valuation break up centralized power and place greater responsibility on individuals and small firms to compete, innovate, and make rational economic choices to allow for the distributed computation of optimal economic allocations. But all these proposals raise the question: if the market is just a computer program that harnesses the power of individual human intellects, will it still be necessary as computer power increases?

### AT: Neoclassical Economics

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#### *Amex* is the apex of the consumer welfare fallacy—rejecting it is a precondition for structural critique

Newman, Associate Professor, University of Miami School of Law, ‘21

(John, “The Output–Welfare Fallacy,” 107 Iowa L. Rev. (forthcoming))

In practice, the Output–Welfare Fallacy would yield bizarre outcomes in some cases, systematically biased outcomes in others, and is nonsensical and unworkable in still others. If the Fallacy is taken seriously, the very same conduct would often be both the supreme good and the supreme evil of antitrust—a modern antitrust paradox. Where it has been deployed, it has caused massive societal harm. That said, the Output–Welfare Fallacy fails to describe substantial portions of doctrine and practice. As the following discussion explains, it is fortunate that the Fallacy largely fails in this latter regard, given the havoc it can wreak when it is actually deployed. Moreover, this disconnect from reality will make it easier to excise outputism from the antitrust enterprise. It is to that task that we now turn.

IV. ESCAPING THE NEW ANTITRUST PARADOX

Recognizing the Output–Welfare Fallacy as such offers immense payoffs. First, harmful outputist decisions—most pressingly the Supreme Court’s 2018 *AmEx* opinion—warrant swift overruling, whether judicially or via legislation. Even if AmEx is not explicitly overruled, it should be relegated to the dustbin of history alongside other similarly low-quality opinions. Second, evolving beyond outputism allows a much-needed correction of antitrust law’s substantive burdens of proof. Analysis of market power, anticompetitive effects, and procompetitive justifications can all be improved considerably by moving beyond the narrow confines of outputism.

A. Burying AmEx: Bad Law, Worse Economics

The Output–Welfare Fallacy reached its apex in the Supreme Court’s recent AmEx opinion. As the following discussion explains, AmEx warrants immediate reversal, whether by the Court itself or via legislation.288 At the very least, it can safely be relegated to the dustbin of history, as often happens to especially shoddy antitrust opinions.289

AmEx began as a suit by the United States against the three largest credit-card companies, Visa, AmEx, and MasterCard. The Government sought to enjoin “no-steering” rules contractually imposed by these networks on all card-accepting merchants.290 The rules forbid merchants from presenting any network in a differentiated way to customers. Merchants cannot offer discounts for using a particular brand of card, tell customers “We prefer” a certain card, or inform customers of the costs associated with each brand.291 Visa and MasterCard quickly settled, but AmEx—which generally charged the highest merchant fees—fought to keep its rules in place.292

At trial, the Antitrust Division proved that AmEx’s no-steering rules had stifled competition and increased card-acceptance prices across all networks.293 When Discover tried to compete by lowering prices to merchants, for example, AmEx’s rules prevented those merchants from encouraging their customers to pay with Discover’s less-expensive cards.294 Discover predictably abandoned its efforts to compete and instead raised card-acceptance fees—which it was able to do with “impunity,” again due to AmEx’s restraints.295 Facing higher across-the-board acceptance costs, merchants pass along some of those costs to consumers in the form of higher across-the-board retail prices.

296 In other words, AmEx’s restraints increase the cost of nearly every good and service sold to consumers in the United States.297

Despite the abundant evidence of harm in the trial record, a divided Court declared that the Government had failed to carry its burden because it had not proven that AmEx’s conduct reduced output. Justice Thomas, writing for the majority, began by quoting the leading treatise for the proposition that “[m]arket power is the ability to raise price profitably by restricting output.”298 (Thomas added the emphasis.) The majority opinion begrudgingly admitted that AmEx’s restraints had caused higher prices.299 Nonetheless, credit-card usage—i.e., output—had increased over the relevant time period.300 As a result, the Court held for the defendant. Justice Thomas’s opinion also endorsed “consumer welfare” as antitrust’s goal.301 Thus, for the first time in a Supreme Court decision, the conflation of output with welfare—the Output–Welfare Fallacy—was on clear display.

Not only did AmEx embrace the Output–Welfare Fallacy, it did so in exactly the type of case where output and welfare can and will diverge. The facts implicated at least three of the categories discussed above: the challenged restraints (1) maintained an information asymmetry; (2) externalized costs; and (3) caused simultaneous and conflicting output effects and simultaneous and conflicting welfare effects, i.e., the Push–Pull Effect.

First, AmEx’s merchant restraints maintained an information asymmetry.302 Credit-card networks and merchants know how much it costs to accept credit cards. But AmEx’s contractual restrictions prevent merchants from communicating that information to their customers.

303 Such restraints can increase output, yet reduce welfare.304 By keeping cardholders in the dark about acceptance costs, AmEx’s restraints propped up demand for its products. Indeed, AmEx conceded that if its cardholders were given accurate information about acceptance costs, at least some of them would decrease their usage of AmEx cards or switch to a different network.305 Some would likely switch to less costly forms of payment, like debit cards. Per standard assumptions regarding revealed preferences, that output reduction would have increased, not decreased, consumer welfare. Thus, the lack of a demonstrable output reduction did not undercut the plaintiffs’ case—if anything, the fact that credit-card usage increased during the relevant time period buttressed the theory of harm.

Second, AmEx’s challenged restraints allowed both it and its cardholders to externalize costs.306 This can harm consumers writ large; it can also harm consumers of the relevant product.307 By stifling competition among card networks, the restraints increase costs for merchants. Yet AmEx’s restraints prevent merchants from passing the additional costs on to the cardholders who trigger them. As a result, merchants are forced to raise prices to all of their customers, including those who pay with cash, checks, money orders, and food stamps.308 AmEx’s merchant restraints allow it to stimulate demand for its product by externalizing the costs of credit-card rewards onto other, more vulnerable segments of society.

Moreover, AmEx’s restraints effectively turn credit cards into a “combatant good.”309 Faced with the choice between paying higher retail prices without receiving any rewards and paying higher prices while receiving some rewards, each individual consumer is incentivized to “defect” and begin using credit cards. But AmEx does not pass all of its supracompetitive profits to cardholders as rewards. Thus, the rewards paid out will not necessarily fully offset the retail price increases—even for cardholders. Especially in sectors where fewer non-cardholders are available to subsidize rewards points, even cardholders can suffer.310 Again, the lack of a demonstrable output reduction in AmEx did not signal that the restraints were procompetitive—to the contrary, it was perfectly consistent with the theory of harm.

Third, the challenged restraints are of a type that will simultaneously push output higher and lower—the Push/Pull Effect. Credit-card networks offer different services to merchants and cardholders, such that the two are not economic substitutes. A merchant faced with higher interchange fees cannot “substitute” to carrying a credit card, nor can a cardholder paying high interest rates “substitute” to accepting credit-card payments.311 AmEx’s restraints increased the price of card-acceptance services for merchants.312 This, in turn, put downward pressure on output of those services. Thus, for example, a massive program of merchant price increases caused some merchants to stop accepting AmEx cards.313 Yet the restraints also allowed AmEx to pass some—though not all—of its supracompetitive profits on to its cardholders as rewards points. By increasing the incentive to pay with credit cards, the restraints put upward pressure on output of cardholder services.314

Nonetheless, Justice Thomas’s opinion required the plaintiffs to prove that AmEx’s restraints caused a net “output reduction.” But the Push/Pull Effect meant that overall output effects were necessarily indeterminate as to the core question of harm. And, given that the challenged restraints maintained an information asymmetry and facilitated a negative externality, the fact that credit-card usage had been increasing actually supported—or was at least consistent with—the plaintiffs’ theory of harm.

*AmEx* is a shoddy opinion. Unless and until it is overruled, it will continue to have harmful consequences for the real-world individuals who bear the brunt of the challenged conduct. In the interim, the antitrust enterprise can safely disregard it as bad law, based on bad economics. Antitrust, more so than most other areas of law, is willing to treat especially bad judicial opinions as lacking any force.315 AmEx should meet a similar fate.

This dark cloud may carry a silver lining. AmEx may continue to be useful as a *negative* illustration. The majority opinion’s double mistake makes it a perfect illustration of why the Output–Welfare Fallacy should be rejected. Not only did Thomas assume that output is the exclusive criterion for analyzing welfare effects, he did so in a case that actually exhibited not just one, but three separate factors that can cause output to diverge from welfare. From the perspective of those who endorse outputism, Thomas and his brethren could hardly have picked a worse case in which to formally embrace it. The du Pont case of an earlier era was flawed, but it is still used in classrooms to illustrate its own mistake—the (in)famous “Cellophane Fallacy.”316 AmEx can similarly be used as a teaching tool to exemplify its own error—the “AmEx Fallacy.”

#### AFF rejects ossified Chicagoan economics and allows antitrust to contest power and inequality—plaintiff burdens and the *Amex* decision are essential

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(John, “Racist Antitrust, Antiracist Antitrust,” The Antitrust Bulletin, Sagepub)

The AmEx litigation thus yielded two bright spots: the Antitrust Division's decision to bring the case and Judge Garaufis's sophisticated decision. Both closely attended to structural power and inequity. Like Knights of the KKK, these were examples of antitrust directly confronting a power imbalance and seeking to redress its harmful effects.

But that success was short-lived. On appeal, the Second Circuit issued a sloppily reasoned decision for the defendant. (During oral arguments, one of the judges implied that the relevant market must also include cardholders because he personally received frequent credit card applications in the mail. 84 ) A disappointed Antitrust Division decided not to pursue the case further. A group of states led by Ohio, however, proceeded to appeal to the U.S. Supreme Court.

The majority opinion in Ohio v. AmEx carries all of the hallmarks of bad antitrust analysis, and poor-quality appellate review more generally. 85 It placed enormous weight on the "vertical vs. horizontal" dichotomy without appearing to recognize the horizontal nature of the restraints' effects. 86 Instead of analyzing the factual record before it, the majority simply ignored-and sometimes outright changed-inconvenient truths. 87 Instead of evaluating the relevant effects, the majority insisted on proof of one particular type of effect: an output reduction. 88 As to the regressive forced-subsidization effect-which was, again, part of the factual record-the majority opinion was silent. Instead, the majority conjured up a novel effect, positing without support the idea that AmEx's restraints were actually beneficial for "low-income customers. " 89

Today, the widely felt and regressive effects of AmEx's rules continue unabated. Given the racialized nature of wealth and income inequality in the United States, 90 those effects contribute to historically rooted structural inequity. A case that had begun so promisingly ended in ignominy-after something of a zenith at the trial-court level, AmEx now stands as a nadir of modem antitrust.

D. A Path Forward

As bookends for the turbulent 1980s, Knights of the KKK and SCTLA represent two paths for antitrust. AmEx offers a contemporary view of what traveling each of those paths can look like. The antitrust enterprise might take a flexible approach, cognizant of real-world power structures, always seeking to protect the relatively powerless against the more powerful. On the other hand, antitrust might ossify, placing more weight on assigning categorical labels than on assessing actual effects and narrowing the analytical lens until concentrated power-antitrust law's raison d'etre 91-becomes largely irrelevant.

Cases like SCTLA and *AmEx*, though troubling, may nonetheless offer useful insights. Set upon the right path, antitrust can serve as a useful tool in moving toward a more just society. Toward that end, four normative suggestions follow.

First, do not place undue weight on the "horizontal versus vertical" distinction. Some horizontal restraints are harmful, but not every horizontal agreement deserves hasty condemnation. The SCTLA majority allowed a label ("horizontal") to obscure a lack of power. Similarly, Justice Thomas's defendant-friendly reasoning in AmEx hinged in part on his statement that "vertical restraints are different" from horizontal ones. 92 But such broad pronouncements elide the fact that vertical restraints-like the ones at issue in AmEx-can cause effects identical to those caused by harmful horizontal restraints. 93

Second, do not place undue weight on categorizing conduct as "price-fixing," "a restraint on output," and the like. A classification system can offer value. But, like any other tool, it can be pushed far beyond its usefulness. Labeling the lawyers' strike "price-fixing" ( or, alternatively, a "naked restraint on output") was essentially the beginning and end of the SCTLA Court's analysis. Yet not all price-setting agreements are equally likely to cause harm, as most of those very same Justices had previously recognized. 94 A strike functions by temporarily disrupting the internal workings of a specific buyer of labor, 95 whereas the archetypical price-fixing cartel agreement functions by indefinitely controlling the market for a product. 96 From an economic perspective, it makes little sense to treat the two as analytically identical. Classification systems can obscure important nuance, in addition to posing the obvious risk of misclassification. 97

Third, do not artificially narrow the analytical lens by insisting on proof of a particular type of effect. Leading treatises, 98 law-school casebooks, 99 amicus briefs, 100 and journal articles 101 suggest that all of antitrust can be boiled down to simple analysis of output effects. 102 As Bork put it, "The task of antitrust is to identify and prohibit those forms of behavior whose net effect is output restricting and hence detrimental. " 103 Antitrust law's output obsession may well have played a role in the SCTLA decision-recall the majority's characterization of the strike as a "naked restraint on price and output." The AmEx majority clearly fell into this trap, insisting that the plaintiffs demonstrate an output reduction despite abundant evidence of actual anticompetitive effects. This makes little analytical sense. Output reductions can be harmful or beneficial to consumers. Conduct can simultaneously push the output of multiple products in different directions. And anticompetitive conduct can be harmful without affecting output levels at all. 104 All of this counsels against overreliance on a single type of effect.

Like most disciplines, antitrust has developed a variety of labels and heuristics. But when analytical tools begin to consume the analysis, antitrust can lose sight of its target. An analytical tool is just that: a tool, to be used when it is helpful and set aside when it is not. To be clear, this is not a call for the abandonment of economic methodology. It is instead a call for better economics, tailored to suit the task at hand. And what is that?

Fourth, antitrust analysis must center the overarching purpose of the law itself: countering concentrated power. 105 Amid the complexity of contemporary markets, it can be easy to lose sight of that goal. This may help to explain the SCTLA and AmEx opinions, both of which were regressive in nature. It may also help to explain the federal enforcement agencies' otherwise-puzzling decisions to weigh in against efforts by rideshare drivers-disproportionately people ofcolor 106 -to organize. 107 Through a narrow lens, collective organizing by workers can be viewed as "horizontal price-fixing" or "outputreducing," as it was in SCTLA. 108 But, stepping back for a moment, is there any reason to worry that rideshare drivers will exercise dominance over Uber and Lyft, even if they receive limited collective bargaining rights? Keeping antitrust's goal in view is appropriate not only on deontological grounds but also on utilitarian ones: It allows scarce enforcement resources to be more helpfully allocated.

Divergent paths lay open. The first leads to ossification and erroneous outcomes. 109 When antitrust analysis is overly constricted, it risks exacerbating systemic inequality and becomes prone to harming those whom the laws were meant to protect. The alternative is a more flexible, robust approach attuned to economic realities, one that allows enforcers and judges to maintain focus on furthering the law's fundamental purpose. If-but only if-the antitrust enterprise does so, it can play a vital role in helping to correct structural imbalances of power.

#### Claims it’s “Western” are wrong – competition benefits every continent.

OECD 14 – The Organisation for Economic Co-operation and Development is an intergovernmental economic organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade.

OECD, October 2014, “Factsheet on how competition policy affects macro-economic outcomes,” https://www.oecd.org/daf/competition/2014-competition-factsheet-iv-en.pdf

A common piece of economic folklore is that rapid economic development in East Asian countries – first Japan, then for example South Korea and others, more recently China – occurred because governments sheltered their industries from competition. Studies of productivity growth in different industries demonstrate that this is not true. In Japan, work by Michael Porter and others demonstrate that it was those industries exposed to international competition that experienced rapid productivity growth, while those that operated in protected domestic markets stagnated. For example Sakakibara and Porter (2001) conclude: “These findings support the view that local competition – not monopoly, collusion, or a sheltered home market – pressures dynamic improvement that leads to international competitiveness”. Porter, Takeuchi, and Sakakibara (2000) note that over a 50- year period, cartels were almost never found in successful exporting industries in Japan, even though they were prevalent in the rest of the economy. Porter et al (2000) was published when Japan was seen unequivocally as an economic success. In Porter and Sakakibara (2004), they identify the protected segments of Japan’s economy as being responsible for its weaker economic performance from the 1990s on, for example stating: “Japan's problem is rooted in microeconomics, in how companies compete and distortions to competition. These microeconomic structures reduce productivity, lower the return on new investment, drive companies offshore and artificially elevate local prices. A more flexible economy in which competition is truly open will increase productivity and create new business opportunities.” Fukao and Kwon (2006), discussed below, similarly find a lack of rivalry between firms responsible for the economic slowdown in Japan. Other economists have confirmed these findings. See for example, Okada (2005): “I show that competition, as measured by lower level of industrial price-cost margin, enhances productivity growth, controlling for a broad range of industrial and firmspecific characteristics. Moreover, I suggest that market power, as measured by either individual firm's price-cost margin or market share, has negative impact on productivity level of R & D performing firms.” More generally, the link between product market competition and productivity has been demonstrated in Japan, using similar methodologies to the productivity studies cited above, for example in Funakoshi and Motohashi (2009), who use a sample of 2400 Japanese firms and find a negative relationship between concentration and productivity growth. The results of Korean domestic reforms in response to the Asian financial crisis also seem to demonstrate the positive effects of increased competition. For example, Baek, Kim and Kwon (2009) note the increase in Korean productivity following the crisis, and the ensuing policy responses, which included strengthening the competition regime. They conclude: “With regard to the determinants of the total factor productivity (TFP) growth rate, the reinforcement of competition after the Asian financial crisis contributed to the TFP growth rate, justifying introduction of various institutions for fair competition during the crisis. When industries are classified into sub industries by technology intensity, it can be said that the TFP growth has been driven by high technology and medium-high technology, and in high technology industry, the reinforcement of competition during post-crisis period and R&D intensity affected the TFP growth rate positively and significantly.” There is little equivalent analysis of China, although studies have noted that the economic success of China, being export-oriented, is based on those industries that face competition in global markets. Studies of Latin America have suggested that restrictions on competition – particularly restrictions imposed by government – are a key constraint on growth. Cole et al (2005) conclude: “We argue that competitive barriers are a promising channel for understanding low Latin TFP. We document that Latin America has many more international and domestic competitive barriers than do Western and successful East Asian countries. We also document a number of microeconomic cases in Latin America in which large reductions in competitive barriers increase Latin American productivity to Western levels.” In contrast, in some Latin American countries, liberalisation has produced significant economic gains (see Pavcnik, 2002) for a study of Chile’s reforms in the 1970s and 1980s), confirming that the role of competition in promoting productivity growth is not limited to the most advanced economies. There is a rapidly increasing literature studying the effects of increased market openness in India. For example, Aghion, Burgess, Redding, and Zilibotti (2003) find positive effects of liberalization on economic performance across manufacturing sectors and states in India over the 2000s. A study on South Africa (Aghion et al, 2008) shows that mark-ups on prices, which are used as a measure of competition, are higher in South African manufacturing industries than they are in corresponding industries worldwide. It also argues that competition policy (i.e. a reduction of mark-ups) should have largely positive effects on total factor productivity growth in South Africa (in particular, a 10% reduction in the mark-ups would increase productivity growth by 2 to 2.5% per year).

### 2AC – Sustainability

#### 1The “imminent collapse unless alt” narrative is wrong—enough time to address existential risk without discarding capitalism

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(Robert H., “What is the Harm in Forecasting Catastrophe due to Man-Made Global Warming?” July 22, <https://www.globalpolicyjournal.com/blog/22/07/2021/what-harm-forecasting-catastrophe-due-man-made-global-warming>)

When parts of western Germany, Belgium and Netherlands have just experienced catastrophic floods and the Pacific northwest has recently broken heat records, it is counter-intuitive to challenge the prevailing pessimism about global warming – captured for example by the Financial Times columnist Martin Wolf who says, “Given this signal failure [to vaccinate against Covid in line with the global interest], it is impossible to imagine we will do much more than fiddle while the planet burns.”

The danger of this mindset is that it encourages inflation of the threat-language far beyond the credible science, so that the future cannot be discussed except in terms of a choice between “disaster”, “catastrophe”, “planetary extinction” on the one hand or impossibly fast reforms to how humanity lives, works and governs, on the other.

Every sensible person agrees that (1) global warming has been happening over most of the second half of the twentieth century and on into the twenty first, and (2) most of it to date is due to greenhouse gas emissions. What could be called the “mainstream view” of climate change goes much further, onto uncertain epistemological ground: (3) man-made global warming is the main cause of all kinds of disagreeable events – including extreme weather, rising seas, and much more; (4) humanity faces impending catastrophe unless we undertake far-reaching changes to how we live, work and govern in order to cut CO2 emissions and dematerialize economies (“net zero by 2050”).

This essay identifies some of the weaknesses in the evidence presented in support of the mainstream view, including weaknesses in the claim that 97% of climate scientists believe in anthropogenic global warming, in the claim that global temperatures will rise much faster than they have been rising, and in the (implicit) claim that the horrifying worst-case scenario presented by the Intergovernmental Panel on Climate Change represents the likely scenario to 2100 in the absence of radical actions starting now. It identifies the incentive mechanisms that produce the exaggerations and sustain wide credence in them. At the end it considers the question: does highlighting the doomsday exaggerations serve to reduce the political and public pressures for necessary ameliorative action, in a world where powerful fossil lobbies seek to block or delay such action for reasons independent of “evidence”? To what extent must mass publics be “panicked” in order to induce enough collective political, business and family action to substantially slow the growth of greenhouse gas emissions?

Policy Recommendations

Every sensible person agrees that (1) global warming has been happening over most of the second half of the twentieth century and on into the twenty first, and (2) most of it to date is due to greenhouse gas emissions.

But too much policy discussion about global warming is polarized and locked into a “syndrome of exaggeration”. The mainstream view talks of coming disaster, catastrophe, even extinction, short of urgent and massive action on a global scale. But it is easy to question the empirical basis of this forecast – not least the long history of repeated wild exaggerations of disaster relative to what later transpired. In response an active but small “sceptical” community exaggerates its scepticism. The two sides make a syndrome in that the behaviour of each confirms the negative expectations of the other.

What is now strangely urgent is to calm down the present climate hysteria so that safety-first resource allocation and consumption decisions can be made without “climate” being the touchstone of the very future of humanity, the current idol of the ancient human longing for Salvation in anxious times, the pathway for all the ingredients of a better world.

The essay suggests changes in the budget and mandate of the Intergovernmental Panel on Climate Change; more action by learned societies in calling to account the wild exaggerators; beefing up the Loss and Damage pillar of the Paris Agreement; boosting investment in “clean coal” technologies as well as renewables, and linking coal-power retirement to the coming on stream of attractive alternatives; creating central planning capacity at national and international levels (eg in multilateral development banks) to integrate investment decisions in energy, transport, buildings, industry and agriculture; and last but not least, respecting the principle of free speech while maintaining the standards of civil discourse.

Every sensible person agrees that (1) global warming has been happening over most of the second half of the twentieth century and on into the twenty first, and (2) most of it to date is due to greenhouse gas emissions. Many go on to say that (3) global warming is the cause of all kinds of disagreeable events – including extreme weather, rising seas, and much more; and that (4) humanity faces impending catastrophe short of far-reaching changes to how we live, work and govern in order to cut CO2 emissions and dematerialize economies. This could now be described – with only a little exaggeration – as the mainstream view.

The Impending Catastrophe

Here are examples of people and organizations claiming that catastrophe for humanity and the biosphere lies ahead if the people of developed and developing countries alike do not make radical changes soon.

The New York Times reported after the G7 Summit in June 2021 that “Mr Biden was once again part of a unanimous consensus that the world needs to take drastic action to prevent a climate disaster”. The report explains that “… the world needs to urgently cut emissions if it has any chance of keeping average global temperatures from rising above 1.5C compared with preindustrial levels. That’s the threshold beyond which experts say the planet will experience catastrophic, irreversible damage.”

US climate envoy John Kerry delivered a dire warning on 12 May 2021 on “the mounting costs … of global warming and of a more volatile climate”. 2020’s tally of “22 hurricanes, floods, droughts and wildfires shattered the previous annual record of 16 such events, and that was set only 4 years ago…. You don’t have to be a scientist to begin to feel that we’re looking at a trend line.”

Christiana Figueres, former executive secretary of the UN Framework Convention on Climate Change and pivotal figure in the Paris Agreement, declared in 2020, “It is only over the next 10 years from here to 2030 that we can influence what is going to happen. The scary thing is that after 2030 it basically doesn’t really matter what humans do. We will be in danger of those tipping points having a domino effect on each other and we will lose total control.” (1)

Some more examples:

Kevin Drun, 2019: “[The Green New Deal] would only change the dates for planetary suicide by a decade or so. It’s nowhere near enough even if we do it ”.

Professor Frank Fenner, microbiologist, ANU, 2010: “We’re going to become extinct. Whatever we do now is too late”

John Davies, geophysicist, senior researcher at the Cold Climate Housing Research Center, 2014: “With business as usual life on earth is largely doomed”.

James Hansen, former Director, NASA Goddard Institute for Space Studies, testifying at a Congressional hearing on global warming in 2008: “We’re toast if we don’t get on to a very different path. This is the last chance” to avoid mass extinctions, ecosystem collapse and dramatic sea level rises. “We [scientists] see a tipping point occurring right before our eyes. The Arctic is the first tipping point and it’s occurring exactly the way we said it would.” In five to 10 years [by 2013-2018], the Arctic will be free of ice in the summer.

James Hansen, testimony at Congressional hearing, 1988: “world's leading climate expert [Hansen] predicts lower Manhattan underwater by 2018”

Dr Michael Mann, Penn State: “We’re talking about literally giving up on our coastal cities of the world and moving inland”

United Nations Environment Programme, 2005: “Fifty million climate refugees by 2010.” (2)

United Nations Environment Programme, 2011: “60 million environmental refugees by 2020”

The Guardian carried a front-page story in 2004 headlined, “Now the Pentagon tells Bush: climate change will destroy us”. The by-line reads: “Secret report warns of rioting and nuclear war. Britain will be ‘Siberian’ in less than 20 years. Threat to the world is greater than terrorism”. The text continues, “A secret report, suppressed by US defence chiefs…, warns that major European cities will be sunk beneath rising seas as Britain is plunged into a ‘Siberian’ climate by 2020. Nuclear conflict, mega-droughts, famine and widespread rioting will erupt across the world.” (Emphases added).

Remember that in the 1960s and 1970s many experts forecast an immanent Ice Age. For example, 1970: “Ice age by 2000”. 1971: “New Ice Age coming by 2020 or 2030.” 1976: “Scientific consensus planet cooling famines imminent”. 1978: “No end in sight to 30 year cooling trend”.

The Climate Change Consensus

The diagnoses and prescriptions in the above statements express an underlying consensus.

Human actions (mainly burning fossil fuels and changing land use) are causing rising concentration of atmospheric CO2 (and other greenhouse gases, GHG),

Rises in man-made GHG are causing rising global temperatures in atmosphere and seas, and

This temperature rise poses not just a serious threat to humanity and the whole biosphere, but an existential threat.

In other words, the existence of humans and many other species is at stake if we do not succeed in drastically cutting CO2 emissions as the way to reduce the atmospheric concentration of GHG and thereby slow or reverse the rise in global temperature. In the oft used phrase, humanity faces an “existential crisis” induced by climate change caused by human actions. Implied but not normally stated, there are no benefits from higher concentrations of CO2 or higher temperature to be weighed against costs. Also implied but not normally stated, we must act to stop climate change regardless of cost, because the costs might include deep disruption of human civilization or even extinction.

We have to think of avoiding climate change as the global equivalent of avoiding explosions at nuclear power plants (Chernobyl, Fukushima). We invest heavily in safety-first measures in order to reduce the probability of a nuclear explosion to a very low level because the costs of a nuclear explosion are so huge. The same logic applies at the level of climate, in terms of the costs of average temperature rising by more than ~ 1.5 C from “pre-industrial”.

This is the Anthropogenic Global Warming Consensus, or Climate Change Consensus (CCC) for short. I use “consensus” in the same sense as “the Washington Consensus” about best policy for developing countries, the phrase coined by John Williamson in 1990.

The CCC is now well anchored into international agreements (such as the Paris Declaration), national policy, and increasingly corporate strategy too. The periodic Assessment Reports of the Intergovernmental Panel on Climate Change (IPCC) reaffirm it, particularly in the Summary for Policymakers. Financial Times journalist Pilita Clark observed, “The world has rarely seen any environmental idea take off like the push to cut greenhouse gas emissions to net zero. A fringe concept six years ago, it has gone mainstream so quickly that more than 60 percent of countries now have some sort of net zero goal, along with investors managing nearly $37tn and at least 20 percent of the 2,000 largest publicly listed companies. The International Energy Agency [IEA] warns in a striking net zero report today that all new oil, gas and coal projects and exploration must stop if global warming is to stay below 1.5C.”

Scientific support comes from the fact that 97% of climate scientists agree that man-made greenhouse gases have been responsible for “most” of the warming of the Earth’s average temperature over the second half of the twentieth century. The 3% who are sceptical are not highly regarded scientists and some are in the pay of fossil fuel interests.

In the face of this scientific, interstate, and corporate agreement about the necessity of a global Big Push to cut CO2 emissions fast, developing countries and China carry a heavy responsibility, because they are the major source of global CO2 emissions, mainly from their consumption of fossil fuels. They must quickly follow the developed countries in investing on a massive scale in sources of renewable energy, whose prices are falling fast. Developed countries will offer large-scale financing and technical assistance for them to make the switch – in the developed countries’ self-interest.

It is true that developed countries put up most of the stock of greenhouse gases now in the atmosphere as they used fossil fuels to power their ascent to the top of the global hierarchy of income and wealth over the past two centuries. But that gives developing countries, even though they remain well down the income hierarchy, no justification for saying that they therefore have the right to carbon space for powering their economic development – because continuing to use relatively accessible, cheap and reliable fossil-fuel energy to power their growth pushes all humanity and the biosphere towards ruin.

Do Virtually all Climate Scientists Agree with the CCC?

It is widely cited that “97% of climate scientists agree warming is man-made”; or more exactly, “97% of science papers taking a position on climate change say it is man-made”. The conclusion is frequently amped up to “a 97% consensus that ‘humans are causing a global warming crisis’”.

Note that this last statement – with “crisis” – is not the same as the previous two, but all three statements tend to be conflated, so that people agreeing with “most recent warming is man-made” tend to be scored as agreeing that global warming is a crisis, which commonly gets inflated into agreeing that it is an existential crisis or the existential crisis.

Note that these statements of “consensus” do not specify the time period.

Note also that “high consensus” in science is only a weak criterion of “truth” in science – but the 97% figure is often deployed as evidence of the “truth” that warming is man-made. Of course, it is worth knowing to what extent there are “widely accepted truths” in any field. But problems come when the “fact” of consensus is established in a clearly tendentious way.

A standard source of the claim that 97% of climate scientists agree that global warming is man-made is the study by John Cook et al. (2013). The study rated about 12,000 abstracts of peer-reviewed papers published between 1991 and 2011. The rating was done by 12 volunteers, each abstract was rated by two people, making 24,000 ratings. The ratings were in three categories: (1) implicit or explicit endorsement of human-caused global warming; (2) no opinion; (3) implicit or explicit rejection or minimization of the human influence. About 4,000 abstracts took a position on the cause of global warming, 97.1% of which endorsed human-caused global warming.

Notice that this should not be, but commonly is translated as “97% of climate scientists endorse …”. Notice too that the abstracts were not rated as to whether they stressed greenhouse gases or man-made changes in land use and land cover; the implicit assumption is, man-made greenhouse gases are the cause of warming. Finally, notice that the abstracts were not rated as to whether they endorsed the idea of a global warming crisis or catastrophe; only as to whether they endorsed the idea of human causes of global warming.

A Wikipedia essay describes the study as “a landmark climate research paper [which] found that 97.1% of climate scientists supported the hypothesis of anthropogenic global warming (AGW). As of March 2021, the paper has received at least 1,270,076 downloads.”

There is an obvious question. Does “endorsement of human-caused global warming” mean warming caused 100% by human actions, or 75%, or 50%, or 25%? Any of these may be consistent with “climate change is man-made”. By leaving the degree of causation by humans open, thumbs can be put on the scales to yield the conclusion that virtually all well-qualified scientists believe that global warming of the past several decades is caused almost entirely by human action (would not be occurring in the absence of that action).

Professor Mike Hulme, professor of Human Geography at the University of Cambridge, concludes: “The ‘97% consensus’ article is poorly conceived, poorly designed and poorly executed.” Analysis by David Legates et al (2015) found that only 0.3% of the sampled papers “endorsed the standard definition of consensus: that most warming since 1950 is anthropogenic”. Research physicist Nicola Scafetta: “Cook et al (2013) is based on a straw man argument because it does not correctly define the IPCC AGW [anthropogenic global warming ] theory, which is NOT that human emissions have contributed 50%+ of the global warming since 1900 but that almost 90-100% of the observed global warming was induced by human emission”. (3)

It is testimony to the apocalyptic emotion behind people’s response to “climate change” and “global warming” that the Cook et al. paper, and others with similar methods, have commanded such credence in the face of evident flaws – notably (1) in fudging the distinction between agreeing that human actions have some role in global warming and agreeing that human actions explain most global warming; (2) in not asking whether – extent to which -- the scientists’ papers identified global warming as a problem, a crisis, an existential crisis, over what time period. (4)

By keeping it vague what the “consensus” agrees on, authors and users of the studies have given the impression that endorsement of “humans are causing global warming” means endorsement that “humans’ enhancement of the greenhouse effect will be dangerous enough to be ‘catastrophic’”, and therefore also means endorsement of the imperative for urgent, radical action on a global scale by governments, firms and families.

It is testimony to the pervasive anxiety of the zeitgeist that such surveys are routinely cited as demonstrating a near-unanimous scientific consensus in favor of radical, far-reaching climate policy (including for energy, food and materials), when the surveys do not even ask the question as to whether the respondent considers that (a) the anthropogenic component of recent warming is dangerous, and (b) dangerous enough to require a global climate policy. The surveys are almost valueless scientifically, but valuable politically.

Upward Bias in Temperature Forecasting Models

The prospect of a coming catastrophe for humanity and the biosphere rests heavily on outputs of climate forecasting models. But as David Legates and co-authors argue, these models “exhibit a strong exaggeration in their results even when narrowly adopting atmospheric carbon dioxide as the sole driver of climate responses…. [General circulation models, such as those of the IPCC, the Intergovernmental Panel on Climate Change] have consistently overestimated the climate sensitivity to rising atmospheric carbon dioxide.”

Ross McKitrick (2020) begins his assessment, “Two new peer-reviewed papers from independent teams confirm that climate models overstate atmospheric warming, and the problem [of overstatement] has gotten worse over time, not better”. One of the papers (by McKitrick and John Christy) examined 38 models, the other, 48 models, used by the Intergovernmental Panel on Climate Change (IPCC), the various US “National Assessments”, the EPA’s “Endangerment Finding”, and more.

McKitrick continues, “Both papers looked at ‘hindcasts’, which are reconstructions of recent historical temperatures in response to observed greenhouse gas emissions and other changes (eg aerosols and solar forcing). Across the two papers it emerges that the models overshoot historical warming from the near-surface through the upper troposphere, in the tropics and globally.” The study based on 48 models for 1998 to 2014 found that they warm on average 4 to 5 times faster than the observations.

McKitrick concludes, “modelling the climate is incredibly difficult, and no one faults the scientific community for finding it a tough problem to solve. But we are all living with the consequences of climate modelers stubbornly using generation after generation of models that exhibit too much surface and tropospheric warming, in addition to running grossly exaggerated forcing scenarios (eg RCP8.5).

“[W]hen the models get the tropical troposphere wrong, it drives potential errors in many other features of the model atmosphere. Even if the original problem was confined to excess warming in the tropical mid-troposphere, it has now expanded into a more pervasive warm bias throughout the global troposphere.

“If the discrepancies in the troposphere were evenly split across models between excess warming and cooling we could chalk it up to noise and uncertainty. But that is not the case: it’s all excess warming…. That’s bias, not uncertainty, and until the modelling community finds a way to fix it, the economics and policy making community are justified in assuming future warming projects are overstated, potentially by a great deal….”

The strong upward bias in temperature forecasts relative to observations compromise the models’ forecasting impacts on ecosystems, including agriculture, by exaggerating the probability of catastrophic effects.

The IPCC makes projections of future global temperatures to the end of century based on various models. They range from a low of 1.4 C to a high of 5.6 C over pre-industrial temperature (roughly 1900). The wide range makes them almost meaningless. The IPCC explains that the wide range results from uncertainty about the magnitude of the feedback between warming and increased rates of evaporation – and David Seckler adds, also about the effects of evaporation on clouds and precipitation. (5)

It is astonishing to learn that the climate models miss a critical component of the climate system -- the hydrological cycle, and specifically clouds, which the IPCC calls the “wild card” in the climate system.

The IPCC’s Worst Case Scenario is commonly used as the Business as Usual without a Radical Policy Action’ Scenario

The IPCC’s Assessment Report 5 (AR5), published in 2014, presented a range of forecasts of global climate out to 2050 and 2100, based on different assumptions about radiative forcing (a measure of how much of the sun’s energy the atmosphere traps). The most extreme – the worst case – was called Representative Concentration Pathway (RCP) 8.5. It assumes ominous reversals in several basic, long-standing trends, all heading in the extremely wrong direction to 2100:

high population growth to reach more than 12 billion people

slow technology development

coal consumption increases by 500 % between 2005 and 2100 (no account taken of supply constraints)

slow GDP growth

fast rise in world poverty

high energy use

high GHG emissions.

temperature forecast: 5 C rise between 2005 and 2100.

RCP 8.5’s vision is horrifying, as worst-case scenarios should be.

A whole wave of literature, in peer-reviewed journals as well as in media, even by IPCC authors, has since presented this worst-case as either “the most likely case” or “the baseline case – busi

ness as usual without policy action”. This misleading assumption provoked a recent paper in Nature subtitled: “Stop using the worst-case scenario for climate warming as the most likely outcome” (see also, Chrobak, 2020).

The Politics: How has the CCC become so Dominant

How can we understand the present dominance of the CCC in public and political opinion around the world, despite repeated evidence -- over decades -- of wildly exaggerated forecasts of doom when compared against measured outcomes, and despite the real uncertainties (“known unknowns”) in knowledge about basic mechanisms?

We can identify several mutually reinforcing reasons.

1. The public demand for negatively-inflected news, especially on climate

News that fits the CCC plays into a more general logic of “If it bleeds, it leads”, meaning that the media tend to deliver negativity – about climate, health, almost anything – because readers and viewers want negatively-inflected stories. Recent research finds that across all types of articles the most popular stories have high negative content. Surprisingly, politics matters little: there is no difference between conservative and liberal outlets in propensity to deliver negativity. Rather, the difference is between media outlets by size and influence: the bigger and more influential the media brand, the stronger the bias towards the negative – showing how good they are at delivering what people want. According to Matthew Yglesias, several recent research studies find that “the kind of stories people like to consume are compulsive rather than satisfying …. You’re clicking and sharing stories about terrible things and raising alarms and listening to the alarms that are being raised by others, and it all feels very compelling precisely because it’s gloomy and alarming …. People like to get mad, then share the content so that peers can share their outrage.”

Climate lends itself well to this negativity bias. Richard Betts, then the head of climate impacts at the Met Office, explained the demand for negative climate stories (BBC News Channel, 11 January 2010, emphasis added ):

“The focus on climate change is now so huge that everybody seems to need to have some link to climate change if they are to attract attention and funding. Hence the increasing tendency to link everything to climate change – whether scientifically proven or not …. I have quite literally had journalists phone me up during an unusually warm spell of weather and ask ‘is this a result of global warming?’ When I say ‘no, not really, it is just weather’, they’ve thanked me very much and then phoned somebody else, and kept trying until they got someone to say yes it was. Talking up of the problem then gives easy ammunition to those who wish to discredit the science.”

Holman Jenkins, in The Wall St Journal (2018), describes the other side of the exaggeration incentive: “Over the past 15 or 20 years the climate beat has been handed over to reporter-activists who’ve decided that climate science is impenetrable but at least nobody ever got fired for exaggerating the risks of climate change.”

Climate scientist Judith Curry identifies a similar logic in the frequent conflation of extreme weather events and “global warming”. “In 2005 [following Hurricane Katrina] the public found it very hard to care about 1 degree or even 4 degrees of warming – heck, the temperatures varied by that much on a day-to-day basis.… However, arguments that a relatively small amount of global warming (order 1 C) could result in more intense hurricanes, well that got their attention…. The activists now had a new weapon in their arsenal – attributing extreme weather events to manmade climate change. The ‘will to act’ seemed tied to alarmism about extreme weather events. Which provides a key political role for unsupported ‘storylines’ about extreme weather events.” The “heat dome” over the Pacific northwest of the US and Canada in June 2021 was generally treated as yet more evidence of “climate change. You would not know it from the coverage, but in Washington and Oregon, the number of days per decade with temperature above 99 F shows no upward trend from 1911-20 to 2011-20. For example, the number of days above 99 F in 1971-80 was more than in 2011-20. Across the US the 1930s was arguably the hottest decade on record; the time of the deadly “Dust Bowl”, summer 1936, was the hottest summer on record between 1895 and 2020.

An attempt to push the distinction between “weather” and “climate” is unwelcome in this context, because it weakens the motivating, mobilising force of “climate” as the boundless enemy that could destroy humanity, like the Biblical Flood. The Climate Apocalypse is imminent, is the motivational message (also see Adler, 2019).

This is the deeper story behind the wild exaggerations of the forecasts and the continued high credibility of those who make them. The exaggerations express the apocalyptic thinking about climate now sweeping the world, including the financial and corporate world. They express a story of humans damaging Nature, and Nature destroying humans in return. These stories themselves express ancient de-creation stories of humans misbehaving in the eyes of God, and God punishing them. The Biblical flood occurred because God decided the people had become wicked, had stopped respecting God and Nature, so He resolved to wipe life off the face of the earth, saving only a breeding pair of each species in order to recreate the world in His image. Much the same story appeared in Sumerian culture long before the Bible, and later in the Quran, expressing a desperate human wish for Salvation.

In our more secular age, apocalyptic theology can rely on Nature in place of God -- Nature invested with God-like powers of punishment and reward.

2. The “political” science of the IPCC

The IPCC was established to provide a properly scientific center of gravity for discussions about climate, and issue regular balanced assessments of the state of scientific climate knowledge. But there are at least two basic problems with the IPCC process. One is that the mandate of the IPCC says that it is “to assess … the scientific, technical and socio-economic information relevant to understanding the scientific basis of risk of human-induced climate change, its potential impacts and options for adaptation and mitigation” (emphasis added). (6) The mandate does not mention to assess the interaction between human and natural causes. It is as though natural causes do not exist. The IPCC’s whole body of work consequently is slanted towards exaggerating human causes of given climate changes, marginalizing the role of natural causes interacting with human causes. Which among other effects leads it to give undue weight to “mitigating” climate change (by changing human actions) relative to “adapting” to climate changes partly induced by natural forces.

The common justification given by IPCC defenders is: natural causes operate only very slowly; the climate is changing fast; therefore the climate changes must be driven by humans, and humans can change their behaviour fast – when forced and sufficiently motivated to do so ( using all the techniques of Machiavelli). This justification underplays the point that some natural causes – eg the Atlantic Multidecadal Oscillation – do change fairly quickly, over decades, with far reaching effects (eg Atlantic Multidecadal Oscillation and its impacts on the Greenland ice sheet).

The second IPCC problem is that this bias to doomsday forecasts – therefore to urgent and far-reaching action -- is intensified in the process of translating from the technical reports to the summaries for policy makers. The translation – done mostly by non-scientists -- tends to downplay uncertainties and up-play certainties in an alarming, even catastrophizing direction. Hence the tendency to treat worst-case scenarios as likely scenarios. Recall the subtitle to the Nature paper, “Stop using the worst-case scenario for climate warming as the most likely outcome” (2020).

3. Logic of decision-making and logic of mobilization

The tendency to treat worst-case scenarios as likely scenarios “in the absence of radical changes to how we live, work and govern” can be understood in terms of the distinction between the logic of decision-making and the logic of mobilization or action. To make the best decision about what to do, one needs to explore a range of possible alternative courses of action, weigh up the pros and cons of each, then decide which is best. But having exposed many people to a range of options, there may be action-sapping disagreement as to which is best. To get a great mass of people to move all in one direction one needs to present them with only two alternatives, one of which is crazy, and pretend to be entirely confident of the two outcomes. (7) If they can be convinced that there are only two alternatives and one is crazy, they will follow.

The Climate Change Consensus expresses the logic of mobilization. It presents two alternatives. “Do nothing (or little)”, which leads to catastrophe, extinction, the planet becomes ungovernable, coastal cities must be abandoned, lower Manhattan will be underwater by 2018. Or else, quickly decarbonize the world economy and push towards a broader dematerialization of lifeways. No prizes for guessing which wins. This is how you mobilize people on a vast scale to do what you think must be done. Or as a US senator from the West once put it, “Managing politicians is like herding wild horses. To get them running in the same direction you have to stampede them.” (8)

4. Left and right politics

While the demand for negatively-inflected news cuts across the political spectrum, political ideology certainly shapes people’s beliefs about climate. Climate change “scepticism” is almost a talisman of the center-right and right, and is strongly promoted by fossil fuel interests. Climate “alarmism” is more pronounced on the center-left and left of the ideological spectrum. It is promoted as a sacred unifying mission by a great global phalanx of left-green civic action organizations (Extinction Rebellion is prominent).

A Guardian article describes the right-wing “sceptical” tactic. “Vested interests have long realized [that people-at-large trust climate scientists on the subject of global warming] and have engaged in a campaign to misinform the public about the scientific consensus. For example, a memo from communications strategist Frank Luntz leaked in 2002 advised Republicans, ‘Should the public come to believe that the scientific issues are settled, their views about global warming will change accordingly. Therefore, you need to continue to make the lack of scientific certainty a primary issue in the debate’. This campaign has been successful… The media has assisted in this public misconception, with most climate stories ‘balanced’ with a ‘sceptic’ perspective. However, this results in making the 2-3% seem like 50%... As a result, people believe scientists are still split about what’s causing global warming, and therefore there is not nearly enough public support or motivation to solve the problem.”

Both sides accuse the other of abusing “the science”. Both sides generate expansive pressures to describe more and more trends, issue more and more prescriptions, without ambiguity and shading, and judge more and more of the other’s claims pre-emptively. Individual issues (eg extreme weather) are not discussed in terms of their own evidence but are packaged together in ideological visions, the better to establish clear moral battle lines, disagreement being moral heresy.

This is the playing out of a larger process of polarization common when scientific disagreements become public. As described by sociologist of science Robert K. Merton, each group then responds to stereotyped versions of the other. “They see in the other’s work primarily what the hostile stereotype has alerted them to see, and then promptly mistake the part for the whole. In this process, each group … becomes less and less motivated to study the work of the other, since there is manifestly little point in doing so. They scan the out-group’s writings just enough to find ammunition for new fusillades.” (9)

The result is a “syndrome of exaggeration”: each side exaggerates evidence in its favour and downplays evidence against, which justifies the other in exaggerating evidence in its favour and downplaying evidence against; and back again. It is a syndrome in that the behaviour of each side confirms the negative expectations of the other. They often go at each other ad hominem, like adolescent school boys, including people who regard themselves as serious scientists. In the digital era members of both sides are able to quickly find one another and the enemy. (10)

Yet to talk of “two sides” is misleading, because the side championing the CCC is by far the dominant. Recall the Financial Times journalist Pilita Clark: “The world has rarely seen any environmental idea take off like the push to cut greenhouse gas emissions to net zero.” For political leaders and increasingly business leaders, being seen to give high value to protecting the public against all the ills attributed to “climate change” – including by pledging big changes to be made long after they leave office -- is a way to show foresight, statesmanship, leading on the front foot. Many right-wing politicians and business leaders now wish to present themselves as fighters against climate change, even as they continue to support fossil-fuel industries.

5. Finance and business interests

There are now powerful industrial interest groups promoting climate alarmism for profit-seeking reasons, including those invested in the switch from fossil fuels to renewables and those invested in the switch from combustion to electrical engines. The CEO of the electric vehicle car company Lucid (a former Tesla engineer) said recently that the transition to an EV world will happen faster than anyone expects, driven by the environmental imperative. He said, “The environment is in crisis. The world needs millions of electric cars tomorrow”. He did not suggest where all the electricity will come from.

Many big players in finance see opportunities for speculative profits by playing up climate dangers. Goldman-Sachs in 2005 authored the firm’s environmental policy, which said “voluntary action alone cannot solve the climate change problem”, from a firm that has consistently opposed government regulation. It and other financial firms supported what Matt Taibbi called “a new commodities bubble disguised as an ‘environmental plan’” – a carbon credit market in the form of cap-and-trade. Coal plants, utilities, natural gas distributors and some other industries are assigned carbon emission limits. To exceed the limits they must buy credits from those who emit less than their limit. As of 2010, the volume of the market in the US was estimated as $1 trillion annually. Goldman and the others were making themselves central actors in the market. The best thing about it is that the emission limits keep being lowered, implying that the price is guaranteed to keep rising, to the benefit of the intermediaries.

On top of all this, the whole “sustainable investing” movement provides opportunities for big profits at the intersection of the already thick alphabet soup of sustainability disclosure regulations (TCFD, SASB, GRI, CDSB among others, in the case of the EU) and the lack of meaningful, reliable data. “At the moment, the risk is that it is ‘garbage in, garbage out’”, says the head of sustainable finance at S&P Global Ratings.

So the fact that the financial sector is “worried” about climate change could be taken to be part of the problem, underlining the need for public authorities to take charge and frame parameters within which private operations produce public benefits. (11)

Conclusion

I have argued that the “plausible” risks of climate change are commonly exaggerated within the climate community. Recall for example, Christiana Figueres, 2020, “The scary thing is that after 2030 it basically doesn’t really matter what humans do”; Kevin Drum, 2019, “[The Green New Deal] would only change the dates for planetary suicide by a decade or so”; Frank Fenner, 2010, “We’re going to become extinct. Whatever we do now is too late.” Many more in the same doomsday vein.

We have seen that the standard global warming models have a powerful built-in bias to exaggerate the rate of future temperature rise, as seen in (most of) them “hindcasting” temperature rises several times faster than actually observed. We have seen that forecasters commonly take “worst-case scenarios” as “likely scenarios in the absence of radical action” (eg reaching net zero carbon emissions by 2050), to the point where Nature recently published a paper sub-titled, “Stop using the worst-case scenario for climate warming as the most likely outcome”.

The dismaying thing is that scientists and advocates have been making catastrophising global warming forecasts of this kind for decades past, normally dated some 10 to 30 years into the future. The due date comes without catastrophe, but never a retrospective holding to account. Rather, on to the next catastrophising forecast another 10 to 30 years ahead. Scientists-writers-activists know the catastrophe forecasts get the attention, the clicks, the research funding. We saw the exaggeration mechanism spelled out by Richard Betts of the BBC, Holman Jenkins of the Wall St Journal, and climate scientist Judith Curry.

The built-in exaggeration of the costs of climate change blunts the parallel with nuclear power plants. We know with high certainty the costs of nuclear explosions. We know the costs of global temperature going above 1.5 C above “pre-industrial” much less certainly, and we can see the mechanisms by which the likely costs are being systematically exaggerated.

On the other hand, there is abundant evidence that even without the doomsday exaggerations the plausible risks of climate change could be very serious, in particular because of the inherent political economy difficulty of getting needed global or regional cooperation when political action is mostly at the level of sovereign nation states (see the G20).

Coal power generation is the single biggest source of GHG emissions, and emissions from coal consumption will probably not fall fast, whatever the promises. First, coal is cheap, accessible and generates reliable power for many developing countries; in Asia, coal alone generates 40 percent of energy consumption, much higher than the world average of 29 percent. (12) Second, developing countries, including China, assert a strong claim on carbon space to power their economic development. They see it partly as a matter of fundamental justice, since developed countries emitted most of the CO2 that is already in the atmosphere and seas as the necessary condition for them becoming developed. Developed countries promise finance and technical assistance on a massive scale to accelerate the energy transition in developing countries – and have a long track record of leaving promises as promises. (See the global distribution of Covid vaccines. See the results of vaunted “voting reform” in the World Bank, leaving the US with 17% and China with 6%.) What is more, the Japanese government plans up to 22 new coal power plants, as it closes nuclear plants in the wake of Fukushima.

Then comes a question: does drawing attention to the doomsday exaggerations of the CCC – “disaster”, “catastrophe”, “extinction”, “fiddling while the planet burns” - serve to reduce the political and public pressures for necessary ameliorative action, in a world where powerful fossil lobbies seek to block or delay such action for reasons independent of “evidence”? Should “Third Way” essays like this one not be published, because “give them (deniers, sceptics) an inch and they will take a mile”? To what extent must mass publics be “panicked” in order to induce enough collective political and business action – national, international – to substantially slow the growth of GHG emissions? If we can sustain emission- and temperature-curbing action only by holding up the certainty of disaster, catastrophe, extinction, then better to let the doomsday exaggerations continue as the necessary condition for that ameliorative action. What is the harm, when the alternative is ruin for humanity and the biosphere?

The danger is that the repeated wild exaggerations produce a public backlash, a discrediting, and a strengthening of the many “deniers” who see “leftists, governments, and the United Nations” as the source of malevolence in the world. A more accurate accounting of the evidence would (hopefully) produce a more calibrated and sustained public and business response.

What to do? (13)

The IPCC should allocate some 10% of its budget to a Red Team, dedicated to independent scrutiny of its evidence and conclusions (especially the Summary for Policymakers). (14) The IPCC should revise its mandate to require it explicitly to focus on interactions between natural forces and human actions, as it is now almost required not to, biassing its assessment of the state of scientific knowledge towards “man-made global warming” as an almost separate system.

Learned societies should more actively seek to understand and publicize the reasons for repeated large-scale discrepancies between “hindcasts” and “forecasts” on the one hand and actual observations on the other, discrepancies strongly biased towards “disaster”.

It is particularly important that the knee-jerk attribution of extreme weather events to global warming be challenged with reference to evidence. Judith Curry explained – quoted earlier -- why CCC advocates have a powerful incentive to attribute cases of extreme weather to global warming, tout court. She has recently written, “Apart from the reduced frequency of the coldest temperatures, the signal of global warming in the statistics of extreme weather events remains much smaller than that from natural climate variability, and is expected to remain so at least until the second half of the 21rst century.” She goes on to amplify a point made earlier about the limits of the climate models used for the IPCC assessment reports: they are driven mainly by predictions of future GHG emissions. They do not include predictions of natural climate variability arising from solar output, volcanic eruptions or evolution of large-scale multi-decadal ocean circulations. They do a particularly poor job of simulating regional and decadal-scale climate variability. (15)

Participants on both sides have to learn the art of respecting the principle of free speech while maintaining the standards of civil discourse.

While I have stressed the CCC’s support for urgent and radical changes to the way we live, work and govern, some CCC champions argue that the world economy could continue on a largely unchanged growth trajectory provided that we switch fast from fossil fuels to renewables. Indeed, this switch is beginning to happen fast, with coal and nuclear energy production unable to compete without subsidies in areas where natural gas, wind and solar resources are readily available.

But to say that life can continue as before provided we substitute renewables for fossil fuels obscures the huge difficulties for many developing countries of getting out of fossil fuels while growing fast enough to reduce the income gap with developed countries.

We must give high priority to investments in “clean coal” technologies, such as carbon capture, storage and use, to make the dirtier coal cleaner in existing and new coal-power plants; and link coal-power retirement to the coming on-stream of attractive alternatives. The multilateral development banks have recently or will soon announce bans on coal power. The G7 leaders meeting in mid 2021 promised to stop using government funds to finance new international coal power plants by the end of 2021. China’s Belt and Road Initiative should increase its pressure on host countries to cut back on dirty coal and boost clean coal and renewables.

A high and immediate priority is to build a robust financing and technical assistance mechanism for help from developed to developing countries. The Paris Agreement instituted a Mitigation pillar and an Adaptation pillar. Intense debate took place around the third, Loss and Damage, the name of a mechanism to compensate for the destruction that Mitigation and Adaptation cannot prevent. Developed countries by and large have sought to marginalize the Loss and Damage pillar, as they have long sought to marginalize Special and Differential Treatment for developing countries in trade and investment agreements. “Finance is something that really rich countries, particularly the US, have made sure that there is no progress and not even discussion on”, remarked Harjeet Singh, senior advisor at Climate Action Network International. (16)

My “forecast” is that in the next two to three decades to midcentury we will make rapid progress in scientific knowledge about weather and climate, helped by longer and more accurate satellite and ocean records and by a new generation of climate models that operate at one to ten kilometers scale (as distinct from the current models’ 50 kilometer scale). We will probably continue to make rapid progress in decoupling GHG from GDP growth, with a combination of state direction-setting and private innovation focused on transformations in energy, transport, buildings, industry and agriculture, using incentives like research and development subsidies and tax credits for technology investment, and penalties for carbon-intensive activities. (17) In transport, this entails coordination across urban planning decisions, public transport investment, future of remote working, infrastructures for electric charging and hydrogen loading. (18) Transformations in these systems are already underway, and the prospect of vast new green investments, supported and under-written by the state, will intensify them. These green investments will open productive investment opportunities previously limited by stagnant wages and rising debt, which have driven investment into increasingly speculative ventures. If by two or three decades ahead it looks as though the second half of this century could well experience globally extreme climate and ocean events, we will be much more knowledgeable about what to do than we are today. (19)

#### 2] It’s financially sustainable.

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Why the U.S. Is Unlikely to be Headed Towards a Structural Regime Break

Though the path from the crisis we’re in now to either depression or debt crisis is not impossible, it’s not easy or natural, if we examine each of the four paths in regards to the current situation:

Policy Error — The policy challenge of coronavirus is enormous, but what is on display is the opposite of the inaction of the Great Depression. On the monetary side, the first signs of stress in the banking system — in the repo and commercial paper markets — were met with timely and sizable monetary policy action. On the fiscal side, it didn’t take long — certainly by Washington standards — to pass the $2 trillion CARES Act to provide funds to counteract the wave of liquidity and capital problems for the real economy (households and firms). Beyond any specific policy action, we are seeing a mindset in which policy makers will keep throwing policy innovations at the problem until something sticks — quite the opposite of the 1930s.

Political Willingness — It certainly is possible that political calculus gets in the way of averting a structural breakdown, but not very plausible because the political costs are high. To be sure there are two risks involved: 1) The unwillingness to craft a piece of legislation, perhaps because of differences in analysis, beliefs, or dogma; and 2) the failure to pass legislation because one side sees greater political gain in obstruction. While the TARP fiasco reminds us that both risks are real and shouldn’t be dismissed, crises tend to lubricate deal making, and the costs of political obstruction are particularly high, even in a hyper-partisan election year.

Policy Dependence — This path is not applicable in the U.S. because of monetary sovereignty. The Federal Reserve will always facilitate fiscal policy in a time of low and stable inflation and a healthy currency.

Policy Rejection — A debt crisis seems improbable for the U.S.: Inflation expectations are very well anchored (and, if anything, too low). The rate-risk correlation is very solid, where in risk-off periods (moment when investors are less tolerant of risk and prices of risk assets like stocks fall) bond prices rally (yields fall). The USD reserve currency status is deeply entrenched as the rest of the world needs to hold U.S. safe assets (and don’t wish to see their currencies appreciate). And nominal interest rates are generally lower than nominal growth (r – g < 0). All of these factors make for favorable financing conditions. Can coronavirus damage all that and deliver a crisis where markets refuse to purchase U.S. debt? It’s possible, but very implausible, and it would be a long and painful process. A break in the inflation regime plays out over several years.

**Growth is sustainable – decoupling –** here’s evidence from a peer-reviewed journal and a study of the top 20 emitters

**Cohen et. al 18** – Executive Director of the National Academies of Sciences, Engineering, and Medicine, (Gail, Energy Policy Volume 118, July 2018, Pages 58-68 , “The long-run decoupling of emissions and output: Evidence from the largest emitters”, accessed 7/6/18 via Elsevier) Rez

Introduction The Paris climate accord in 2015 – the so-called COP21 – was a landmark effort on the part of countries to set and monitor commitments to mitigate global warming. The COP23 in 2017 in Bonn “sought to **maintain the global momentum to decouple output from greenhouse gas emissions**” (Gough, 2017). However, the extent to which decoupling is taking place remains a matter of dispute. Drops in emissions often provoke claims from climate sceptics that worries over global warming are exaggerated, while increases in emissions lead to concerns among environmental groups that not enough is being done to address the issue. For instance, a rise in German emissions in 2016 led to alarm in some circles that the country had “further dented” its chances of reaching its 2020 climate targets (Wettengel, 2016). A first crack at the data on emissions and real GDP yields little evidence of decoupling. Fig. 1(a) presents the results of regressions, estimated over the period 1990–2014, of growth in greenhouse gas (GHG) emissions on the growth of real GDP for the 20 largest emitters. The bars in the figure show the estimated emissions-output elasticity, the percent change in emissions for a 1% change in output, for each of the 20 countries. Fig. 1 Download high-res image (311KB)Download full-size image Fig. 1. a: Response of emissions growth to output growth, top 20 emitters. Note: Each bar denotes the response of emissions growth to output growth. Dark shaded green denote statistically significant coefficient estimates at the 10% level or better, while light shaded green bars denote statistically insignificant coefficient estimates. b: Italy's case: time profile of real GDP growth and emissions growth, 1990–2014. (For interpretation of the references to color in this figure legend, the reader is referred to the web version of this article) The elasticity is positive for all countries, with an average of 0.6. Fig. 1(b) illustrates the case of Italy, which has the highest elasticity in Fig. 1(a). As shown, between 1990 and 2014, growth in output and emissions are clearly very highly correlated. This paper revisits the issue of the extent of **decoupling between emissions and economic activity and shows why this first crack at the data can be misleading**. By decomposing growth in emissions and real GDP into their trend and cyclical components, we show that the trend components reveal clearer evidence of decoupling in richer nations, particularly in European countries, but not yet in emerging markets. The trend elasticities range in value from − 0.6 to 1.2. For six countries, including Italy, the elasticities are either essentially zero or negative, suggesting that the trend component of emissions has decoupled from the trend component in output. We then apply the framework to consider the effects of international trade on the emissions-output elasticities. International trade “gives a mechanism for consumers to shift environmental pollution to distant lands” (Peters and Hertwich, 2008). In particular, as Jaunky (2011) notes, it is possible that although developed economies “may have experienced a change in their production structure, their consumption structure remains unchanged”; hence, the decoupling may arise simply be because “dirty industries in developed countries tend to migrate” to developing economies. To account for these effects, we make a distinction between production-based and consumption-based emissions, where the latter add in the emissions embodies in the net exports of countries. This does make some difference to our results and in the expected direction. The evidence for decoupling for the richer nations gets weaker, including for many European countries (France, Germany, Italy and the UK). For instance, Germany's trend elasticity based on consumption-based emissions is − 0.4, compared to − 0.8 for production-based emissions. To document progress on decoupling over time, the main sample is supplemented with longer time series for CO2 emissions. For 16 of our 20 countries we have data from 1946 onwards. We find that the trend elasticities have declined over the second sub-period (post-1983) compared to the first (1946–1982). The average elasticity has declined to 0.7 from 1.1. For 13 countries, we have even longer time-series, sometime extending as far back as 1850. In each case, we find that the trend elasticity computed over the post-1990 period is much smaller than the elasticity over the full sample period; in the case of Germany for instance, the two estimates are − 0.6 and 0.9, respectively. We also provide evidence on some of the factors that may explain the cross-country variation in trend elasticities, such as per capita GDP, environmental and energy policies, and sectoral structure. We find some evidence that trend elasticities are lower for richer countries, measured either by their per capita GDP or sectoral structure (high share of services in value added relative to that of industry or agriculture). **There is also evidence that policy actions to encourage use of renewables foster decoupling of emissions and output.** In addition to these findings about trend elasticities, we find that there is a strong cyclical relationship between emissions and output. The cyclical elasticity is positive for all countries and averages 0.5. For Germany, for instance, the cyclical elasticity is nearly 0.2, which can account for some the increase in emissions observed in 2016 as the economy boomed. In general, cyclical developments can often obscure the trend relationship. Moreover, unlike the trend elasticities, the cyclical elasticities have not declined much between the recent decades and the earlier ones. The contribution of this paper is therefore threefold. First, it provides an account of how the link between emissions and output has evolved across the largest world GHG emitters, distinguishing trends from cyclical fluctuations. Using long-period as well data for the more recent period, we show that trend elasticities have declined over time (i.e. there is a movement towards decoupling). Second, we show that accounting for international trade linkages does not greatly affect estimates of trend elasticities in most cases. Third, we relate differences across countries in trend elasticities to country characteristics and policies. While there is a large literature on the emissions-output nexus, **few studies have addressed all these issues for a large group of top emitters in one simple but comprehensive framework, which is the gap this paper seeks to fill.** The remainder of the paper is organized as follows. Section 2 relates our work to the previous literature on decoupling of emissions and output. Section 3 describes our data and empirical approach. Section 4 presents our estimates of trend and cyclical elasticities and explores the determinants of cross-country differences in trend elasticities. 2. Literature review We situate our paper within the vast literature on decoupling by discussing four themes: (i) long-run emissions-output elasticities; (ii) changes in elasticities over time; (iii) consumption-based emissions; and (iv) cyclical relationships. 2.1. Long-run emissions-output elasticities The thrust of our analysis is to measure decoupling using the long-run movements in emissions and output. While we use the standard trend/cycle decomposition used in many other fields of economics, other authors have implemented related ideas using other techniques. Narayan and Narayan (2010) use a panel cointegration model to estimate short-run and long-run elasticities—similar in spirit to our cyclical and trend elasticities—of emissions with respect to output; in addition to the difference in technique from our paper, their paper is concerned with developing economies only. Pao and Tsai (2010) also estimate long-run elasticities but only for the BRICs (Brazil, China, India and Russia). Stern et al. (2017) adapt a standard growth model to study the relationship between long-run growth rates in emissions and output. 2.2. Changes in elasticities over time An important focus of our work is on whether the extent of decoupling has changed over time. This focus is shared by Ajmi et al. (2015), who investigate how relationships among emissions, energy consumption and output have changed since 1960 for G-7 countries using a sophisticated time-varying vector autoregressive model. Kristrom and Lundgren (2005) study CO2 emissions in Sweden since 1900; they single out the use of long time series as the “key contribution” of their paper and discuss the advantages of studying emissions “through several phases of development” instead of relying solely on “short panel data sets”. They estimate the trend in emissions over long windows (1900–99) and shorter ones (1970–99) to see how the trend behavior has changed over time. We follow a similar method for a much larger group of countries and relate changes in emissions to changes in output (whereas they model emissions only as a function of time). 2.3. Consumption-based elasticities The introduction already referenced a couple of papers that have stressed the importance of analyzing the emissions embodied in international trade. In a similar vein, Davis and Caldeira (2010) find that, in 2004, nearly a quarter of global CO2 emissions were embodied in exports from China and other emerging markets to more advanced economies, while Peters et al. (2011) document that net emissions from trade from developing to developed countries increased fourfold between 2000 and 2008. Over a more recent period since the global financial crisis, Jiang and Guan (2017) use a structural decomposition analysis to suggest that during 2008–2011, OECD economies reduced both their production-based and consumption-based emissions. Given the deep recessions in many of these economies over part of this period, in our framework this reduction would be picked up in the cyclical component and may not have much effect on the trend elasticities. 2.4. Determinants of decoupling There is a large literature on the Environmental Kuznets Curve (EKC) and many good surveys of the literature—see, for instance, Stern (2004) and Kaika and Zervas (2013). Many of the papers test for an inverse U-shaped relationship between per capita income and either the level of emissions or some measure of the elasticity of emissions with respect to output. Levinson (2002) states that attempts to test for this nonlinearity have generated “a thicket of mathematics and econometrics.” He posits a weaker version of EKC, namely, testing that environmental quality does not steadily deteriorate with economic growth. To test this, “all one needs to do is show that there are some countries and some pollutants for which a time series of pollution plotted against GDP per capita shows a downward trend.” We provide some evidence on both this weaker form of the EKC as well as look for the inverse U-shaped relationship. Brown and McDonough (2016) argue persuasively that, regardless of the precise relationship, such “reduced form models may not be particularly informative for policy making because any number of unspecified and untested levers may link per capita GDP to emissions.” **Motivated by this observation, we go beyond per capita GDP to look at how trend elasticities are related to summary measures of policy actions.** 2.5. Cyclical relationships Some papers delve into the cyclical relationships between emissions and output as we do in our paper. Doda (2014) analyzes the heterogeneity in cyclical properties of CO2 emissions for a panel of countries and provides evidence of the higher volatility of cyclical emissions relative to GDP.1 3. Data and framework 3.1. Data 3.1.1. Time period and country coverage Our main sample covers data from 1990 through 2014.2 The countries included are twenty largest GHG emitters, which account for 74% to the world total level of emissions, 63% of the world population, and 77% of global GDP. China, the U.S., India, Russia, and Japan are the largest GHG emitters. The major source of emissions is the energy sector, followed by agriculture. The twenty largest consumption-based GHG emitters is quite similar to the production-based group.3 Advanced economies have much lower production-based than consumption-based emissions, while the opposite is true for some emerging markets. 3.1.2. Emissions data We use a broad measure of emissions that includes, in addition to CO2, methane (CH4), nitrous oxide (N2O), and fluorinated gases. The various sources are aggregated by the World Resources Institute (WRI), with weights based on their 100-year Global Warming Potential (GWP-100) according to the IPCC's 2nd Assessment Report. We use this broader measure since about 25% of emissions do not derive from CO2; these other sources, particularly methane, are important in major agricultural producers (such as Australia, Brazil, Indonesia and Mexico). The longer time series data are from the Carbon Dioxide Information Analysis Center (CDIAC) on CO2 emissions from fossil fuel combustion. For consumption-based emissions data we use the Eora multi-region input-output (MRIO) database, which provides data on both production and consumption emissions.4 3.1.3. Environmental policies To capture cross-country differences in climate change policies, we used two indices: (i) the Germanwatch's Climate Change Performance Index (CCPI); (ii) EY's Renewable Energy Attractiveness Index (RECAI).5 The CCPI compares the climate protection performance of 58 countries, the largest world emitters, starting in 2006. It is based on an aggregation of fifteen indicators, with policies to foster efficiency, use of renewables and other climate-friendly policies receiving a weight of 40%. Since the CCPI also includes the emissions level itself as one of indicators, we use the RECAI measure as well as it is less prone to endogeneity issues. The RECAI measures the attractiveness of 40 advanced and emerging economies for companies interested in investing in renewable energies. 3.1.4. Output Real GDP growth is taken from the IMFs World Economic Outlook (WEO) database. For the analysis with longer time series, we use output data from the Maddison Project. Sectoral value added are taken from the World Bank World Development Indicators. Summary statistics on our data are provided in Table 1. Table 1. Summary statistics. Variable Mean Standard deviation Minimum Maximum Total GHG emission excl. land use (Production based) 1348 1912 187 11,911 Total GHG emission excl. land use (Consumption based) 1389 1849 113 9337 Co2 emission excl. land use (Production based) 1058 1596 145 10,328 Agriculture, value added (percent of GDP) 7 6 0.6 29 Industry, value added (percent of GDP) 34 9 19 67 Services, etc., value added (percent of GDP) 60 12 26 79 RECAI score 57 9 42 75 Climate Change Performance Index score 44 28 − 78 116 GDP per capita, PPP (constant 2011 international $) 22,356 13,686 1554 52,067 3.2. Econometric framework The elasticity estimates shown earlier in Fig. 1(a) were based on the following specification: (1) where and are the growth rates of emissions and real GDP, respectively. As noted, the ω estimates are all positive. To be crystal clear, we reiterate that Eq. (1) is not our preferred specification for measuring decoupling; we simply use it in the introduction to the paper to show that a preliminary approach that does not distinguish trend movements from cyclical relationships would yield misleading conclusions about the extent of decoupling. Our preferred approach is to distinguish between trends and cycles in both emissions and output. For this, we estimate Eqs. (2), (3). For the cyclical relationship we estimate: (2) where and are the cyclical components of the log of emissions and log of real output, respectively, and is the cyclical elasticity.6 Similarly, we estimate the trend elasticity through the following specification: (3) where is the trend of the log of emissions, is the trend of log of real output and is the trend elasticity. An intercept is included () as countries may start out from relatively different initial conditions and have different historical level of emissions.7 The estimation of Eq. (3) represents the thrust of our analysis as it measures the long-run co-movement of emissions and output; the estimates of are therefore the focus of the paper. To extract the cyclical and trend components we employ the commonly used Hodrick-Prescott (HP, 1997) filter. This filter minimizes the following function: (4) where , is the trend component and is the smoothing parameter (set at 100, which is common practice when employing annual data). The difference between and the trend component is , the cyclical component. Fig. 2 shows the decomposition of emissions and output into cyclical and trend components for four advanced and four emerging market economies. Fig. 2 Download high-res image (830KB)Download full-size image Fig. 2 Download high-res image (831KB)Download full-size image Fig. 2. Trends and Cycles in Emissions and Output—Selected Countries, 1990–2014. Note: GHG denotes greenhouse gas emissions. “cycle (HP)” denotes the cyclical component of real GDP and GHG emissions and “trend (HP)” denotes the trend component; the components are derived using the Hodrick-Prescott (HP filter). In each case, the chart of the left shows the cyclical relationship and the chart on the right the trend relationship. In almost all countries, there is a strong cycle in emissions that tracks the cycle in output, with peaks and troughs matching fairly well; the relationship is somewhat weak for Germany and Brazil. The trend behavior differs across advanced and emerging markets. In the former, there is a downward trend in emissions in Germany and the UK over the full period, and a downward trend in emissions in Italy and the US since the mid-2000s. By contrast, in emerging markets there is still a strong upward trend in emissions, matching the upward trend in output. Fig. 3 contrasts the trend components of production-based and consumption-based emissions for six of these countries. In advanced economies, consumption-based emissions are higher than production-based emissions, whereas the opposite is true in emerging markets (Brazil in recent years is a small exception). In Germany, both measures of emissions have trended down over the sample period; in Italy and the US consumption-based emissions have only started to trend down since the mid-2000s. In the emerging markets, differences between the two measures of emissions are small and the trend is upward-sloping for both measures. Fig. 3 Download high-res image (646KB)Download full-size image Fig. 3. Comparison of Trends in Production-Based and Consumption-Based Emissions, 1990–2014. Note: Each chart shows the time path of the trend production-based (solid blue line) and trend consumption-based (dashed red line) versions of emissions. (For interpretation of the references to color in this figure legend, the reader is referred to the web version of this article) 4. Results 4.1. Cyclical and trend elasticities Fig. 4 shows the estimates of using production-based emissions for the 20 countries. In all cases, the estimate is positive: emissions are procyclical. The average elasticity is 0.5 and the estimate is significantly different from zero in all but four cases (Australia, Saudi Arabia, Germany and Brazil). The differences between advanced and emerging markets are not large: the average elasticity is 0.6 for the former and 0.4 for the latter.8 Fig. 4 Download high-res image (187KB)Download full-size image Fig. 4. Cyclical Relationship between Production-Based Emissions and Output. Note: Each bar represents the coefficient estimate resulting from country-specific regressions of Eq. (2). Dark shaded orange bars denote statistically significant coefficient estimates at the 10% level or better, while light shaded orange bars denote statistically insignificant coefficient estimates. Fig. 5 presents estimates for , the trend elasticities for all countries. The average elasticity is 0.4 and it is significantly positive for 14 countries. For most of these countries, the elasticity is well below 1; in the terminology of Rodriguez et al. (2016), there is thus a relative decoupling between emissions and output. In contrast to cyclical elasticities, differences between the advanced economy group and the emerging market group are now more evident. The average elasticity is close to 0 for the former and nearly 0.7 for the latter. For six countries, the trend elasticities are not significantly different from zero (Italy, Russia, Ukraine) or significantly negative (France, Germany, UK); these countries can be said to have achieved an absolute decoupling, with trend emissions either stable or actually declining and hence no longer correlated with the upward trend in output. These countries are also the ones that are widely regarded as having “taken the lead in implementing national policies” aimed at decarbonizing their economies (Fabra et al., 2015). Fig. 5 Download high-res image (168KB)Download full-size image Fig. 5. Trend Relationship between Production-Based Emissions and Output. Note: Each bar represents the coefficient estimate resulting from country-specific regressions of Eq. (3). Dark shaded orange bars denote statistically significant coefficient estimates at the 10% level or better, while light shaded orange bars denote statistically insignificant coefficient estimates. (For interpretation of the references to color in this figure legend, the reader is referred to the web version of this article) To address concerns about the endogeneity of output in the regressions estimated above, we also tried an instrumental variable (IV) approach, where a country's real output is instrumented by the trade-weighted real output of its trading partners (see Burke et al., 2015, for the use of a similar instrument).9 There are only two cases for which the IV estimates of the trend elasticity differ from that of the OLS estimate, Italy and Ukraine. Overall, the correlation between the IV and OLS estimates is 0.9.10 We next look at the role that international trade may have played in helping advanced economies transition to a low-carbon path. Most advanced economies export goods and services that are less pollution-intensive than their imports. Consumption-based trend elasticities can reveal whether countries have maintained consumption patterns that are carbon-intensive despite reducing their (production-based) emissions. To this end, Fig. 6(a) presents estimates the consumption-based trend elasticities for the 20 countries, while Fig. 6(b) shows the difference between the production-based and the consumption-based elasticities to make it easier to see where the two differ substantially. The average consumption-based trend elasticity is 0.6, higher than the 0.4 average with production-based emissions. The average elasticity for advanced economies increases to 0.5 from zero, while the average elasticity for emerging markets remains essentially unchanged at about 0.7. The biggest differences occur largely in cases where the production-based trend elasticities were very low. For Germany, for instance, the consumption-based elasticity is − 0.4, compared with − 0.8 with production-based emissions. For France and Italy, the consumption-based elasticity is positive, while the production-based elasticity is negative. For the emerging markets, the differences are smaller, with Ukraine being an exception. Fig. 6 Download high-res image (307KB)Download full-size image Fig. 6. a: Comparison of Production-Based and Consumption-Based Trend Elasticities. Note: Each bar represents the coefficient estimate resulting from country-specific regressions of Eq. (3) using either production-based (orange) or consumption-based (blue) emissions as the dependent variable. Dark shaded colors denote statistically significant coefficient estimates at the 10% level or better, while light shaded colors denote statistically insignificant coefficient estimates. b: Difference between Production-Based and Consumption-Based Trend Elasticities. Note: Each bar corresponds to the difference between the corresponding blue and orange bars in Fig. 6.a. The lighter colors are used to indicate that the production-based elasticity is not statistically significant in Fig. 6.a. (For interpretation of the references to color in this figure legend, the reader is referred to the web version of this article) 4.2. Determinants of Cross-Country Differences Our results support Levinson's view that “pollution does not necessarily increase” as countries get richer. The evidence is summarized in Fig. 7 by showing the average trend elasticities for production-based and consumption-based emissions for the advanced country group and emerging markets group. It is evident that, if anything, trend elasticities decline with per capita incomes, though the decline is starker with production-based estimates. Fig. 7 Download high-res image (150KB)Download full-size image Fig. 7. Average Trend Elasticities for Advanced Economies and Emerging Markets, Production vs Consumption-based emissions. Note: Each bar averages the estimates obtained by each country group according to the type of dependent variable used in the underlying estimation (production or consumption-based emissions). Exploring further and plotting the elasticities against per capita income, there is some support for an inverted-U shape, as shown in Fig. 8. Fig. 8 Download high-res image (270KB)Download full-size image Fig. 8. Trend Elasticities and Per Capita GDP. Note: Real GDP per capita is an average over the 1990–2014 period. Data for all countries are measured in PPP-based constant (2011) US dollars. The impact occurs in part through the sectoral transformation of production as countries get richer and move into less pollution-intensive services sectors. This is illustrated in Fig. 9, which plots trend elasticities against the share of agriculture relative to services in value added (top panel) and the share of industry relative to services in value added (bottom panel). Countries with larger shares of agriculture or industry relative to services have higher trend elasticities, with the relationship holding more strongly for production-based than for consumption-based emissions. Fig. 9 Download high-res image (558KB)Download full-size image Fig. 9. Trend Elasticities and Sectoral Value-Added Composition. Note: Ratios are measured as an average over the 1990–2014 period; they have been scaled up by 100. Trend elasticities are also correlated with measures of environmental policy setting capturing the relative attractiveness and quality of climate change policies. For both measures used, greater policy efforts to foster renewables and encourage energy efficiency, reflected in higher values of the indices, is correlated with lower trend elasticities. This is shown in Fig. 10 for CCPI index (top panel) and the RECAI index (bottom panel).11 Simple regressions of trend-based production or consumption-based elasticities on measures of environmental policy setting (together with real GDP per capita and sectoral value-added ratios), confirm the negative and statistically significant influence of the former set of policies on long-run emissions. Given the small number of observations, these regressions should be regarded as suggestive, and further work is needed to understand fully these relationships. Fig. 10 Download high-res image (533KB)Download full-size image Fig. 10. Trend Elasticities and Climate-related Policy Indices. Note: Policy indicators are averages over the 2006–14 period. 4.3. Changes in trend elasticities over time We carry out two exercises to see how the production-based trend elasticities for CO2 emissions have changed over time. First, for the 20 countries in our sample, we compare elasticities for the post-WWII period (1946–1982) with the period since the Great Moderation (post-1983). Table 2 summarizes the average trend elasticities across the two periods. The post-WWII period brought carbon intensity to a new level. The rapid growth in energy demand, mostly for oil, accounts for the high elasticities during this time. Most of the countries have trend estimates greater than 1 over this period and some (China, India, and Korea) have coefficients greater than 1.5. The trend elasticities have come down significantly over the later period, averaging 0.7. The Kyoto protocol and the slowdown in energy consumption, in particular of coal until 2001, may have played a role. China's trend elasticity more than halved relative to the previous period. Table 2. Trend and cyclical elasticities for CO2 Emissions. Post-WWII period (1946–1982) Great moderation (post-1983) Trend elasticity (average, 20 countries) 1.11 0.66 Cyclical elasticity (average, 20 countries) 0.64 0.65 The second exercise compares elasticities over long periods with those over the post-1990 period for 16 countries where we have historical data on both emissions and output. The estimates in Table 3 show that in all cases but one (Brazil), the elasticity for the later period is much lower than the one for the full sample. The reduction is more striking for the advanced economies (the average is 0.3 in the recent period compared with 1 over the full sample), but emerging markets have made progress as well—the averages are 0.9 and 1.3, respectively. Table 3. Trend elasticities for CO2 emissions. Advanced Initial date Full period Since 1990 Australia 1860 1.4 0.7 Canada 1870 1.0 0.5 France 1850 0.7 0.1 Germany 1850 0.9 − 0.6 Italy 1860 1.5 0.6 Japan 1950 0.9 0.7 Korea 1911 1.4 0.7 U.K. 1850 0.4 − 0.2 U.S.A 1850 1.0 0.3 Emerging Brazil 1901 1.2 1.2 China 1950 1.0 0.6 India 1884 1.8 0.8 Indonesia 1889 1.7 1.2 Mexico 1900 1.1 0.8 South Africa 1950 0.9 0.7 Turkey 1923 1.3 1.0 Average (all countries) 1.1 0.6 Advanced 1.0 0.3 Emerging 1.3 0.9 5. Conclusions We have proposed a simple but comprehensive framework—the trend/cycle decomposition that is widely used in many other fields in economics—**to investigate the decoupling of emissions and growth. For the twenty largest emitters, the average trend elasticity, viz. the response of trend emissions to a 1% change in trend GDP, is 0.4.** For the advanced economies within this group, the elasticity averages zero; some countries have negative elasticities, suggesting that that they had made progress in decoupling their trend emissions from trend GDP. Taking account of consumption-based emissions weakens the case for progress but does not overturn it. Encouragingly, **we find suggestive evidence that trend elasticities can be lowered through policy efforts on the part of countries.** Moreover, our investigation of the historical relationships between emissions and GDP shows that elasticities in recent decades are considerably lower than in previous decades.

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#### Government led tech innovation fails---empirics.

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Adam Thierer, August 18 2021, “Government Planning and Spending Won’t Replicate Silicon Valley,” Discourse, https://www.discoursemagazine.com/economics/2021/08/18/government-planning-and-spending-wont-replicate-silicon-valley/

Politicians used to promise a chicken in every pot. Today, it’s a Silicon Valley in every state.

The computing and internet revolutions gave rise to prominent tech clusters in Silicon Valley, Seattle, Boston, Austin and elsewhere. This has left many pundits and policymakers wondering how America might [spread the wealth](https://itif.org/publications/2019/12/09/case-growth-centers-how-spread-tech-innovation-across-america), so to speak, by reproducing these successes in other parts of the country.

A major effort is afoot to do just that. While promoting “innovation hubs” and “science parks” has been a long-standing priority for many state and local officials, a more concerted effort is now underway that marries traditional state and local economic development efforts with a renewed bipartisan interest in [comprehensive industrial policy planning](https://www.researchgate.net/publication/352259022_Does_the_US_Need_a_More_Targeted_Industrial_Policy_for_AI_High-Tech) at the federal level.

Earlier this summer, the Senate passed a 2,300-page industrial policy bill, the “[United States Innovation and Competition Act of 2021](https://www.congress.gov/bill/117th-congress/senate-bill/1260/text),” that included almost $10 billion over four years for a Department of Commerce-led effort to fund 20 new regional technology hubs, “in a manner that ensures geographic diversity and representation from communities of differing populations.” A similar proposal that is moving in the House, the “[Regional Innovation Act of 2021](https://www.congress.gov/bill/117th-congress/house-bill/4588/text),” proposes almost $7 billion over five years for 10 regional tech hubs.

Meanwhile, the Biden administration also is pitching ideas for new high-tech hubs. In late July, the Commerce Department’s Economic Development Administration [announced plans](https://www.aip.org/fyi/2021/commerce-department-dedicating-1-billion-spur-%E2%80%98regional-industry-clusters%E2%80%99) to allocate $1 billion in pandemic recovery funds to create or expand “regional industry clusters” as part of the administration’s new [Build Back Better Regional Challenge](https://eda.gov/arpa/build-back-better/). Among the possible ideas the agency said might win funding are an “artificial intelligence corridor,” an “agriculture-technology cluster” in rural coal counties, a “blue economy cluster” in coastal regions, and a “climate-friendly electric vehicle cluster.”

Efforts to geographically diversify tech clusters are rooted in an understandable desire to extend the benefits of technological innovation beyond major cities. It is hard to fault state and local policymakers for wanting government to do more to attract new investment, firms and jobs to their communities.

Unfortunately, the “if you build it, they will come” mentality surrounding tech clusters and regional innovation hubs doesn’t take into account many economic, political, cultural and geographic challenges. Indeed, the history of previous efforts proves that these things cannot simply be willed into existence through top-down industrial policies, big bureaucracies and a lot of new spending programs. Clusters tend to grow more organically, and efforts by the government to force them are unlikely to meet with any more success than past experiments.

Wishful Thinking About Economic Development Subsidies

“Economic theory offers little reason to think that targeted economic development subsidies benefit the broader communities that ultimately pay for them,” concluded a recent Mercatus Center study on “[The Economics of a Targeted Economic Development Subsidy](https://www.mercatus.org/publications/government-spending/economics-targeted-economic-development-subsidy).” The authors highlighted the extensive economic literature that finds that “the net effect of targeted economic development subsidies is likely to be negative” because “the taxes funding the subsidies will discourage more economic activity than will be encouraged by the subsidies themselves.”

That points to the first problem with governments trying to pick winners: There is no free lunch. Economic development and industrial policy efforts always sound great in theory, but in the end they rely on government-granted privileges—discriminatory tax or regulatory relief, cash subsidies, loans and loan guarantees, in-kind donations and the provision of other valuable goods and services. The costs of these targeted privileges are passed along to those firms and economic sectors without the political clout to get the favors, or just borne by taxpayers more generally.

The second problem with policymakers trying to pick winners is that they’re just not very good at it. Forecasting future market trends and the evolution of technology has always been notoriously difficult, even in the private sector. Lacking a profit motive and business acumen, governments have a much worse track record than investors, regularly picking more losers than winners. This problem has grown more acute today due to “[the pacing problem](https://www.mercatus.org/bridge/commentary/pacing-problem-and-future-technology-regulation),” which refers to the inability of government policies and programs to keep up with the ever-quickening pace of modern technological innovation.

These realities have not stopped policymakers from repeatedly trying to use both direct and indirect subsidies to attract high-tech sectors and talent to specific destinations. But there is no precise recipe for growing tech clusters. And as economists [William R. Kerr](https://www.hbs.edu/competitiveness/faculty/Pages/faculty-profile-details.aspx?profile=wkerr) and [Frédéric Robert-Nicoud](https://www.unige.ch/gsem/en/research/faculty/all/frederic-robert-nicoud/) [note](https://www.aeaweb.org/articles?id=10.1257/jep.34.3.50), “developing even a semi-formal definition is tricky.” Typically, however, a tech cluster includes “an important overall scale of local activity, complemented by spatial density and linkages amongst local firms.”

This is not easily replicated. Indeed, in the U.S. a huge amount of the nation’s high-tech startup activity and venture capital funding is concentrated only in Silicon Valley and eight other big-city areas: New York City, Boston, Los Angeles, Seattle, Washington, D.C., San Diego, Austin and Chicago. Of course, large cities have long possessed many advantages for attracting skilled labor and investors, and they often tend to have a high concentration of universities and research labs, making it far easier for tech clusters to develop in these large urban centers than in rural areas. Fine. But much of the nation is dotted with other large cities. Why can’t they become thriving tech clusters?

This kind of thinking is driving the latest push to create the next great innovation hub. “With federal support, the U.S. can recreate Silicon Valley success nationwide,” [says Steve Case](https://thehill.com/opinion/technology/550262-with-federal-support-the-us-can-recreate-silicon-valley-success-nationwide?rl=1), former head of America Online. [Others argue](https://www.brookings.edu/events/leveraging-regional-tech-hubs-to-advance-racial-equity/) regional tech hubs can help advance economic inclusion and racial equity.

#### The ALT fails---it cannot change mindsets.

Thomas Wiedmann et al. 20, Sustainability Assessment Program, School of Civil and Environmental Engineering, UNSW Sydney; Manfred Lenzen, ISA, School of Physics, The University of Sydney; Lorenz T. KeyßEr, Institute for Environmental Decisions, Department of Environmental Systems Science, ETH Zürich; Julia K. Steinberger, Sustainability Research Institute (SRI), School of Earth and Environment, University of Leeds, "Scientists’ Warning on Affluence," Nature Communications, Vol. 11, 06/19/2020, Springer.

Growth imperatives are active at multiple levels, making the pursuit of economic growth (net investment, i.e. investment above depreciation) a necessity for different actors and leading to social and economic instability in the absence of it7,52,60. Following a Marxian perspective as put forward by Pirgmaier and Steinberger61, growth imperatives can be attributed to capitalism as the currently dominant socio-economic system in affluent countries7,51,62, although this is debated by other scholars52. To structure this topic, we will discuss different affected actors separately, namely corporations, states and individuals, following Richters and Siemoneit60. Most importantly, we address the role of the super-affluent consumers within a society, which overlap with powerful fractions of the capitalist class. From a Marxian perspective, this social class is structurally defined by its position in the capitalist production process, as financially tied with the function of capital63. In capitalism, workers are separated from the means of production, implying that they must compete in labour markets to sell their labour power to capitalists in order to earn a living.

Even though some small- and medium-sized businesses manage to refrain from pursuing growth, e.g. due to a low competition intensity in niche markets, or lack of financial debt imperatives, this cannot be said for most firms64. In capitalism, firms need to compete in the market, leading to a necessity to reinvest profits into more efficient production processes to minimise costs (e.g. through replacing human labour power with machines and positive returns to scale), innovation of new products and/or advertising to convince consumers to buy more7,61,62. As a result, the average energy intensity of labour is now twice as high as in 195060. As long as a firm has a competitive advantage, there is a strong incentive to sell as much as possible. Financial markets are crucial to enable this constant expansion by providing (interest-bearing) capital and channelling it where it is most profitable58,61,63. If a firm fails to stay competitive, it either goes bankrupt or is taken over by a more successful business. Under normal economic conditions, this capitalist competition is expected to lead to aggregate growth dynamics7,62,63,65.

However, two factors exist that further strengthen this growth dynamic60. Firstly, if labour productivity continuously rises, then aggregate economic growth becomes necessary to keep employment constant, otherwise technological unemployment results. This creates one of the imperatives for capitalist states to foster aggregate growth, since with worsening economic conditions and high unemployment, tax revenues shrink, e.g. from labour and value-added taxes, while social security expenditures rise60,62. Adding to this, states compete with other states geopolitically and in providing favourable conditions for capital, while capitalists have the resources to influence political decisions in their favour. If economic conditions are expected to deteriorate, e.g. due to unplanned recession or progressive political change, firms can threaten capital flight, financial markets react and investor as well as consumer confidence shrink51,58,60. Secondly, consumers usually increase their consumption in tune with increasing production60. This process can be at least in part explained by substantial advertising efforts by firms47,52,66. However, further mechanisms are at play as explained further below.

Following this analysis, it is not surprising that the growth paradigm is hegemonic, i.e. the perception that economic growth solves all kinds of societal problems, that it equals progress, power and welfare and that it can be made practically endless through some form of supposedly green or sustainable growth59. Taken together, the described dynamics create multiple dependencies of workers, firms and states on a well-functioning capital accumulation and thus wield more material, institutional and discursive power (e.g. for political lobbying) to capitalists who are usually the most affluent consumers61,67. Even if different fractions of the capitalist class have manifold and competing interests which need to be constantly renegotiated, there is a common interest in maintaining the capitalist system and favourable conditions for capital accumulation, e.g. through aggregate growth and high consumption51,62. How this political corruption by the super-affluent plays out in practice is well documented, e.g. for the meat industry in Denmark6.

Super-affluent consumers drive consumption norms

Growth imperatives and drivers (with the latter describing less coercive mechanisms to increase consumption) can also be active at the individual level. In this case, the level of consumption can serve as a proxy47,60,68. To start with, individual consumption decisions are not made in a vacuum, but are shaped by surrounding (physical and social) structures and provisioning systems47,61,69. Sanne66 and Alexander47 discuss several structural barriers to sufficiency-oriented lifestyles, locking in high consumption. These include lack of suitable housing, insufficient options for socialising, employment, transport and information, as well as high exposure to consumer temptations. Often, these conditions are deliberately fostered by states and also capitalists (the latter overlapping with super-affluent consumers and having disproportionate influence on states) to increase consumption61,66.

Further active mechanisms to spur growth include positional and efficiency consumption, which contribute to an increase in consumption overall52,60,68,70. After basic material needs are satisfied, an increasing proportion of consumption is directed at positional goods52,70. The defining feature of these goods is that they are expensive and signify social status. Access to them depends on the income relative to others. Status matters, since empirical studies show that currently relative income is one of the strongest determinants of individual happiness52. In the aggregate however, the pursuit of positional consumption, driven by super-affluent consumers and high inequalities, likely resembles a zero-sum game with respect to societal wellbeing70,71. With every actor striving to increase their position relative to their peers, the average consumption level rises and thus even more expensive positional goods become necessary, while the societal wellbeing level stagnates42,71. This is supported by a large body of empirical research, showing that an individual’s happiness correlates positively with their own income but negatively with the peer group’s income71 and that unequal access to positional goods fosters rising consumption52. This endless process is a core part of capitalism as it keeps social momentum and consumption high with affluent consumers driving aspirations and hopes of social ascent in low-affluence segments70,72. The positional consumption behaviour of the super-affluent thus drives consumption norms across the population, for instance through their excessive air travel, as documented by Gössling73.

Lastly, in capitalism, workers must compete against each other in the labour market in order to earn a living from capitalists7,63. Following Siemoneit68, this can lead to a similar imperative to net invest (increase the level of consumption/investment) as is observed with capitalists. In order to stay competitive, individuals are pushed to increase time and cost efficiency by investing in cars, kitchen appliances, computers and smartphones, by using social media and online trade etc. This efficiency consumption—effectively another facet of the rebound effect38,47,68—helps to manage high workloads, thus securing an income, while maintaining private life. This is often accompanied by trends of commodification61, understood as the marketisation of products and services which used to be provisioned through more time-intensive commons or reciprocal social arrangements, e.g. convenience food vs. cooking together. As in the food example74, this replacement of human labour with energy- and material-intensive industrial production typically increases environmental pressures47,75. Through these economic pressures, positive feedback loops and lock-ins are expected to emerge, since other consumers need to keep up with these investments or face disadvantages, e.g. when car or smartphone ownership become presupposed. Taken together with positional consumption, structural barriers to sufficiency and the substantial advertising efforts by capitalists, these mechanisms explain to a large extent why consumers seem so willing to increase their consumption in accordance with increasing production60.

#### AND, causes transition wars---turns warming.

Smith 19, Assistant professor of finance at Stony Brook University (Noah, April 5th, “Dumping Capitalism Won’t Save the Planet,” *Bloomberg*, <https://www.bloomberg.com/opinion/articles/2019-04-05/capitalism-is-more-likely-to-limit-climate-change-than-socialism>, Accessed 07-15-19)

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 political 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.

## 1AR

### 1AR---AT: Warming

#### Regression analysis proves – only capitalism solves environmental problems

Zitelmann 21 – Historian and sociologist. PhD in history and political science from the Darmstadt University of Applied Sciences. PhD in sociology from the University of Potsdam.

Rainer Zitelmann, “Capitalism is the solution, not the problem, when we look at climate change,” *City A.M.*, 5 June 2021, https://www.cityam.com/capitalism-is-the-solution-not-the-problem-when-we-look-at-climate-change/.

For more than 20 years, Yale University has been publishing the Environmental Performance Index (EPI) and ranking countries according to their environmental health and ecosystem vitality. The EPI uses 32 performance indicators across eleven issue categories:

Air Quality

Sanitation & Drinking Water

Heavy Metals

Waste Management

Biodiversity & Habitat

Ecosystem Services

Fisheries

Climate Change

Pollution Emissions

Water Resources

Agriculture

According to Yale University’s analyses, Denmark, Luxembourg, Switzerland, the United Kingdom and France are the highest ranked countries, followed by Austria, Finland, Sweden, Norway and Germany.

The report states, “One of the consistent lessons of the EPI is that achieving sustainability requires sufficient economic prosperity to fund public health and environmental infrastructure.” The researchers find that there is a clear positive correlation between environmental performance and country wealth, as measured by gross domestic product (GDP) per capita.

An interesting comparison can be made between the EPI and the Heritage Foundation’s Index of Economic Freedom, which has been measuring economic freedom around the globe since 1995. The index, which is also referred to as the capitalism index by the sociologist Erich Weede, was most recently published in spring 2021 and analyses the level of economic freedom in 178 countries. The Heritage Foundation index applies twelve criteria, all of which are weighted equally:

Property Rights

Judicial Effectiveness

Government Integrity

Tax Burden

Government Spending

Fiscal Health

Business Freedom

Labour Freedom

Monetary Freedom

Trade Freedom

Investment Freedom

Financial Freedom

The ten most economically free countries in the world in the 2021 index are:

Singapore

New Zealand

Australia

Switzerland

Ireland

Taiwan

United Kingdom

Estonia

Canada

Denmark

The countries with the lowest levels of economic freedom were North Korea, Venezuela, Cuba, Sudan and Zimbabwe. The 178 countries are all grouped in five categories: Free, Mostly Free, Moderately Free, Mostly Unfree and Repressed.

The Heritage Foundation’s researchers compared the two indices – Yale University’s Environmental Performance Index and their own Index of Economic Freedom – for the year 2020 and found that the countries with the highest levels of economic freedom also had the highest EPI scores, averaging 76.1, while the “Mostly Free” countries averaged 70.2.

There is then a big gap to the “Moderately Free” countries, which were rated much lower (59.6 points) for their environmental performance. The “Mostly Unfree” and “Repressed” countries registered by far the worst environmental performance (46.7 and 50.3 points in the EPI, respectively).

To smooth out the dynamic developments in the Index of Economic Freedom, it makes sense to take each country’s average score over 15 years from 2006 to 2020. This compensates for the kind of one-off effects that can result from short-term policy measures. These averages can then be compared with the Environmental Performance Index’s scores from 2020. The data reveals a clear positive correlation (the correlation coefficient is 67%). A regression analysis also confirms that for every one-point increase in the Economic Freedom Index there is a 1.06 point increase in the Environmental Performance Index.

Such a high coefficient, combined with the very strong correlation between the indexes, suggests a clear statistical relationship. This correlation can be explained by the causality between increased capitalism and greater technological progress and prosperity.

The economist Daniel Fernández Méndez addressed the potential objection that countries with greater economic freedom “are ‘exporting’ their polluting industries to the less free third world, while keeping non-polluting industries in their country.” However, this is clearly not the case.

His analysis of the investments made by countries with high environmental standards reveals that only 0.1 per cent of their foreign investments flow to countries with low environmental standards. The conclusions from these calculations are clear: “With the data analysed, we can see that capitalism suits the environment. The greater the economic freedom, the better the environmental quality indexes. The ‘cleaner’ countries do not export their pollution by relocating companies.” Clearly, the environment is no different to so many other areas of life: Capitalism is not the problem, it is the solution.

#### Warming doesn’t cause extinction.

Farquhar et al. 17 Sebastian Farquhar, DPhil student at Oxford specializing in Cyber Security and AI. John Halstead, doctorate in political philosophy. Owen Cotton-Barratt, DPhil in pure mathematics. Stefan Schubert, Oxford's department of experimental psychology. Haydn Belfield, degree in Philosophy, Politics and Economics from Oriel College. Andrew Snyder-Beattie, Director of Research at the Future of Humanity Institute, University of Oxford, MS in biomathematics. [Existential Risk: Diplomacy and Governance, Global Priorities Project 2017]//BPS

The most likely levels of global warming are very unlikely to cause human extinction.15 The existential risks of climate change instead stem from tail risk climate change – the low probability of extreme levels of warming – and interaction with other sources of risk. It is impossible to say with confidence at what point global warming would become severe enough to pose an existential threat. Research has suggested that warming of 11-12°C would render most of the planet uninhabitable,16 and would completely devastate agriculture.17 This would pose an extreme threat to human civilisation as we know it.18 Warming of around 7°C or more could potentially produce conflict and instability on such a scale that the indirect effects could be an existential risk, although it is extremely uncertain how likely such scenarios are.19 Moreover, the timescales over which such changes might happen could mean that humanity is able to adapt enough to avoid extinction in even very extreme scenarios.