# 1NC

**T Mergers**

**Practices are ongoing conduct---mergers violate---the merger itself is a one-off event, even if they’re evaluated because of their effects on ongoing practices.**

Stanley Mosk 88, Judge, California Supreme Court, “Cal. ex rel. Van De Kamp v. Texaco,” 46 Cal. 3d 1147, Lexis [italics in original]

The statute defines "unfair competition" to mean, as relevant here, "unlawful, unfair or fraudulent business *practice* **. . . ." ( Bus. & Prof. Code, § 17200,** italics added**.)** In so doing it effectively requireswhat the court variously described in the leading case of Barquis **v. Merchants Collection Assn. (1972) 7 Cal.3d 94 [101 Cal.Rptr. 745, 496 P.2d 817],** as "a 'pattern' . . . of conduct**" ( id. at p. 108), "**ongoing . . . conduct**" ( id. at p. 111), "**a pattern of behavior**" ( id. at p. 113),** and, "a course of conduct**" (ibid.).**

What the Attorney General challenges in this actionis the **Texaco-Getty** merger**.** Under the Barquis court's construction **of the statute,** however, the merger itself cannotbe characterized as "a 'pattern' . . . of conduct," "ongoing conduct," "a pattern of behavior," "a course of conduct," or anything relevantly similar: it is rather a single act.That the complaint, under **[\*\*\*\*156]** the Attorney General's reading, alleges that Texaco engaged in certain unlawful, unfair, or fraudulent business practices in the past and may engage in other such practices in the future is simply not enough: the complaint attacks not those past or future practices, but only the merger**.**

**Voting issue---forcing AFFs to regulate ‘patterns of conduct’ locks in NEG defenses of ways of doing business---any other interp allows review of individual transactions and decisions which are impossible to negate.**

### T Per se

#### Prohibit means forbid by authority

Merriam-Webster No Date <https://www.merriam-webster.com/dictionary/prohibition> and <https://www.merriam-webster.com/dictionary/prohibiting>

Definition of prohibition 1: the act of prohibiting by authority

Definition of prohibit transitive verb 1: to forbid by authority : ENJOIN

#### Only per se illegality prohibits a practice---rules of reason prohibit anticompetitive effects for individual acts, or instances of ‘practice.’

John Paul Stevens 90, Justice, Supreme Court of the United States, “FTC v. Superior Court Trial Lawyers Ass'n,” 493 U.S. 411, Lexis

LEdHN[3C] [3C]LEdHN[14] [14]Equally important is the second error implicit in respondents' claim to immunity from the per se rules. In its opinion, the Court of Appeals assumed that the antitrust laws permit, but do not require, the condemnation of price fixing and boycotts without proof of market power. 15 The opinion further assumed that the per se rule prohibiting such activity "is only a rule of 'administrative convenience and efficiency,' not a statutory command." 272 U.S. App. D. C., at 295, 856 F. 2d, at 249.This statement contains two errors. HN10 [\*\*\*\*42] The per se [\*433] rules are, of course, the product of judicial interpretations of the Sherman Act, but the rules nevertheless have the same force and effect as any other statutory commands. Moreover, while the per se rule against price fixing and boycotts is indeed justified in part by "administrative convenience," the Court of Appeals erred in describing the prohibition as justified only by such concerns. The per se rules also reflect a long-standing judgment that the prohibited practices by their nature have "a substantial potential for impact on competition." Jefferson Parish Hospital District No. 2 v. Hyde, 466 U.S. 2, 16 (1984).

[\*\*\*\*43] LEdHN[15] [15]As we explained in Professional Engineers, HN11 the rule of reason in antitrust law generates

"two complementary categories of antitrust analysis. In the first category are agreements whose nature and necessary effect are so plainly anticompetitive that no elaborate study of the industry is needed to establish their illegality -- they are 'illegal per se.' In the second category are agreements whose competitive effect can only be evaluated by analyzing the facts peculiar to the business, the history of the restraint, and the reasons why it was imposed." 435 U.S., at 692.

[\*\*\*873] "Once experience with a particular kind of restraint enables the Court to predict with confidence that the rule of reason will condemn it, it has applied a conclusive presumption that the restraint is unreasonable." Arizona v. Maricopa County Medical Society, 457 U.S. 332, 344 (1982).

[\*\*781] LEdHN[16] [16] [\*\*\*\*44] The per se rules in antitrust law serve purposes analogous to per se restrictions upon, for example, stunt flying in congested areas or speeding. Laws prohibiting stunt flying or setting speed limits are justified by the State's interest in protecting human life and property. Perhaps most violations of such rules actually cause no harm. No doubt many experienced drivers and pilots can operate much more safely, even at prohibited speeds, than the average citizen.

[\*434] If the especially skilled drivers and pilots were to paint messages on their cars, or attach streamers to their planes, their conduct would have an expressive component. High speeds and unusual maneuvers would help to draw attention to their messages. Yet the laws may nonetheless be enforced against these skilled persons without proof that their conduct was actually harmful or dangerous.

In part, the justification for these per se rules is rooted in administrative convenience. They are also supported, however, by the observation that every speeder and every stunt pilot poses some threat to the community. An unpredictable event may overwhelm the skills of the best driver or pilot, even if the [\*\*\*\*45] proposed course of action was entirely prudent when initiated. A bad driver going slowly may be more dangerous that a good driver going quickly, but a good driver who obeys the law is safer still.

#### Prefer it:

#### 1) GROUND---key to link uniqueness and a unidirectional topic. Fringe standards dodge topic links, AND they can pick a broader but more permissive standard, making the topic bidirectional.

#### 2) LIMITS---too many possible standards, each requiring distinct answers, makes the topic unmanagbly large.

### States

#### The 50 states and all relevant sub-national actors should substantially increase prohibitions on private sector anticompetitive business practices by removing the Shipping Act antitrust exemption.

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### Adv cp

#### The USFG should

#### Substantially increase its funding for modernization and upgrading of ports

#### Ban undue mergers between shipping companies

### New affs

#### New affs are a voter – skews preparation, guts clash, and cause reactionary postions – c/I – disclose before round

### Regulation cp

#### The United States federal government should substantially increase regulations on anticompetitive shipping behavior

#### Regulation solves without ‘antitrust.’

Dr. Howard Shelanski 18, Ph.D. in Economics from University of California, Berkeley, Professor of Law at Georgetown University and Partner at Davis Polk & Wardwell LLP, JD from the UC Berkeley School of Law, BA from Haverford College, Former Clerk for Judge Stephen F. Williams of the U.S. Court of Appeals for the D.C. Circuit and Justice Antonin Scalia of the United States Supreme Court, Former Administrator of the White House Office of Information and Regulatory Affairs and Director of the Bureau of Economics at the Federal Trade Commission, Former Chief Economist of the Federal Communications Commission and Senior Economist for the President’s Council of Economic Advisers at the White House, “Antitrust and Deregulation”, The Yale Law Journal, Volume 127, Issue 7, 127 Yale L.J., May 2018, https://digitalcommons.law.yale.edu/ylj/vol127/iss7/5/

A. Antitrust and Regulation as Policy Alternatives

A variety of institutions can govern economic competition. Decentralized, capitalist economies generally rely on markets themselves to provide the incentives and discipline necessary to keep prices low, output high, and innovation moving forward. 8 But sometimes market forces alone cannot ensure efficiency and economic welfare--for example, when the market structure has changed due to mergers or the rise of a dominant firm, or when the market is an oligopoly susceptible to parallel conduct or collusion. In such cases, governance of competition by a nonmarket institution might be warranted. Because concentrated markets or even monopolies can arise for good reasons related to efficiency, innovation, and consumer preference, the governance of competition more often involves vigilance than liability or injunctions. Then-Judge Stephen Breyer, long [\*1926] a leading scholar of antitrust and regulation, described the best situation as being an unregulated, competitive market in which "antitrust may help maintain competition." 9

Antitrust law aims to prevent the improper creation and exploitation of market power on a case-by-case basis while avoiding the punishment of commercial success justly earned through "skill, foresight and industry." 10 Thus, competition authorities like the FTC and the DOJ's Antitrust Division review mergers, investigate single-firm conduct, and prosecute collusion. 11 Private plaintiffs can pursue civil antitrust liability through suits in the federal courts. 12 To win their claims, enforcement agencies and private plaintiffs bear the burden of showing that the effect of a firm's activity is "substantially to lessen competition, or to tend to create a monopoly," 13 or to constitute a "contract, combination, . . . or conspiracy" in restraint of trade, 14 or to "monopolize, or attempt to monopolize" any line of business. 15

Antitrust is not, however, the only institution through which government addresses competition concerns and market failures. Congress can give regulatory agencies authority to intervene where they see the need to address competition and market structure--and Congress has often done so. With such statutory authority, "[i]n effect, the agency becomes a limited-jurisdiction enforcer of antitrust principles." 16 For example, the Department of Transportation (DOT) has jurisdiction to approve transfers of routes between airlines carriers, giving it a role in reviewing airline mergers. 17 The 1992 Cable Act gave the FCC authority [\*1927] to limit the share of the national cable market that a single operator could serve, thereby giving the agency some control over the industry's market structure. 18 The FCC has long regulated market entry and, through its control over license transfers, reviewed mergers and acquisitions in several sectors of the telecommunications industry. More recently, the FCC issued, 19 and then repealed, 20 "network neutrality" regulations intended to preserve ease of entry and a level playing field for digital services. The Food and Drug Administration (FDA), Securities and Exchange Commission (SEC), Department of Energy, and numerous other federal agencies have various powers that directly affect competition. 21 State regulation can be important as well in governing competition, particularly in the insurance and healthcare industries. 22

In contrast to the case-by-case approach of antitrust, regulation typically imposes ex ante prohibitions or requirements on business conduct. The Telecommunications Act of 1996, for example, required incumbent local telephone companies to grant new competitors access to parts of their networks and prohibited incumbents from refusing to interconnect calls from their customers to customers of competing networks. 23 With the rule in place, the FCC bore no burden of proving that a specific instance of network access was necessary for competition, or that a specific denial of interconnection would harm competition. In contrast [\*1928] to antitrust, where the burden of proving liability is on the agency, under a regulatory regime the burden of seeking a waiver from regulation or challenging an agency's enforcement decision is usually on the regulated party.

Antitrust and regulation therefore present alternative approaches to governing competition and addressing market failures. 24 The government can review individual mergers under the antitrust laws, as it does in most markets, or it can set rules that impose clear, ex ante limits on the extent of concentration, as the FCC did for media ownership under the Communications Act. 25 Government can investigate under the antitrust laws whether a firm has monopoly power that it has "willful[ly]" acquired or maintained other than "as a consequence of a superior product, business acumen, or historic accident." 26 Alternatively, with authority from Congress an agency can regulate how much of a market a single firm can serve, as the FCC tried to do with cable companies, 27 or require firms to dispose of key assets in order to promote competition in a relevant market, as the DOT has done with airline slots. 28

**FTC**

**COVID-related enforcement is key to effective recovery---it’s a key priority**

**OECD 20** (The Role of Competition Policy in Promoting Economic Recovery – Note by the United States, 12-2, <https://www.ftc.gov/system/files/attachments/us-submissions-oecd-2010-present-other-international-competition-fora/economic_recovery_us.pdf>, y2k)

1. The Antitrust Division of the **D**epartment **o**f **J**ustice (DOJ) and the U.S. **F**ederal **T**rade **C**ommission (FTC) (collectively the Agencies) offer this joint submission in response to the Competition Committee’s review of the **role** of **competition policy** in promoting **economic recovery**. In this paper, we highlight some **key steps** that the Agencies have taken to respond to the present **COVID-19 crisis** in the United States and to help promote **a rapid** and **sustained economic recovery.**

2. The U.S. antitrust agencies have undertaken initiatives in several categories to help spur recovery from the COVID-19 crisis, including stepped-up criminal enforcement, policy guidance to health and emergency-related government agencies, and expedited review of private sector cooperative efforts. The Agencies strongly believe that **competition policy** has an important role to play in the **COVID-19 recovery** process and intend to continue to engage in partnership with domestic and international counterparts to ensure the protection of competition and consumers.

2. Deterrence of Cartel Activity, Price Gouging, and Other Harmful Activity

3. Deterrence of **unlawful commercial activities** has long been **a key mission** of the Agencies, rendered even more **critical** by the **social** and **economic disruptions** caused by the COVID-19 crisis.1 While most Americans have acted to help their neighbors and communities during the past year, **crisis-related disruption** increases the risk that some individuals will make **unlawful windfall profits** at the expense of **public safety** and **the health** and **welfare** of their fellow citizens.2

4. While hoarding and exploitation are not themselves antitrust violations, such behaviors are often accompanied by criminal antitrust collusion, price fixing, and bid rigging, and other attempts to take advantage of the public. As with other natural disasters, the COVID-19 crisis increases the risk that individuals and organizations will engage in these unlawful commercial activities, necessitating increased vigilance by the Agencies.

2.1. COVID-19 Hoarding and Price Gouging Task Force

5. To coordinate enforcement efforts, the Attorney General in March 2020 announced the creation of the COVID-19 Hoarding and Price Gouging Task Force.3 The Task Force is charged with developing effective enforcement measures and best practices, and coordinating nationwide investigation and prosecution of illicit activities. Because **health care products** and **markets** are central in **responding to the health care crisis** and eventually to **economic resilience** and **recovery**, the Task Force focuses on **protecting** the availability of those **products** designated **essential** by the Department of Health and Human Services (HHS) under Section 102 of the Defense Production Act. The DOJ consults with HHS during this process, including advising on the antitrust implications of COVID-19 for affected markets and products.

6. The Task Force is currently being led by a coordinating U.S. Attorney, with assistance as needed from the Antitrust Division’s Criminal Program. Each United States Attorney’s Office, as well as other relevant Department components, is directed to designate an experienced attorney to serve as a member of the Task Force. The Antitrust Division’s role in the Task Force involves investigating allegations of criminal antitrust harms, such as price fixing and bid rigging, and responding to citizen complaints about collusive or anticompetitive disaster-related behavior.

2.2. Procurement Collusion Strike Force

7. The DOJ is also stepping up efforts to combat crisis-related disruption through the newly-created Procurement Collusion Strike Force (PCSF). COVID-19 recovery will require **substantial** **investment** by national, state, and local authorities, with $3.48 trillion appropriated to date.4 The size and pace of such efforts unfortunately create opportunities for **fraud** and **collusion** affecting government **procurement** and **grant-making**. Through the creation of the PCSF, DOJ is dedicating significant resources to help identify and prevent these unlawful activities.5

8. The PCSF is an interagency partnership dedicated to protecting taxpayer-funded projects from antitrust violations and related crimes at the federal, state, and local levels. Under the umbrella of the PCSF, prosecutors from the Antitrust Division’s five criminal offices and 13 U.S. Attorneys’ Offices have partnered with agents from the FBI and four federal Offices of Inspector General, including the U.S. Postal Service and Department of Defense, to conduct outreach and training for procurement officials and government contractors on antitrust risks in the procurement process.

9. Since its creation in 2019, over 50 federal, state, and local government agencies have already sought training and assistance from the PCSF, as well as opportunities to work with the PCSF on investigations. So far, the PCSF has led over a dozen interactive virtual training programs for approximately 2,000 criminal investigators, data scientists, and procurement officials.6 Over a third of the Antitrust Division’s current investigations relate to public procurement, and the PCSF marks an important effort to marshal enforcement resources to tackle these cases. Several grand jury investigations already have been opened as a direct result of the work of the PCSF. In addition to playing a meaningful role in COVID-19 economic recovery, the PCSF will continue to be an important resource for detecting fraud and collusion in government procurement for years to come.

2.3. Protecting Competition in Labor Markets

10. The DOJ and FTC are working to protect competition in labor markets, which have been subject to significant dislocation due to the economic impact of COVID-19. In April 2020, the Agencies issued a statement warning that antitrust enforcers are closely monitoring improper employer coordination that may disadvantage workers.7 The statement affirmed that antitrust laws with respect to hiring and employment remain fully in effect despite the crisis, and stated that “COVID-19 does not provide a reason to tolerate anticompetitive conduct that harms workers, including doctors, nurses, first responders, and those who work in grocery stores, pharmacies, and warehouses, among other essential service providers on the front lines of addressing the crisis.”8

11. Given the special **impact** of COVID-19 on **medical staffing** and **employment**, the Agencies are focused on preventing **employers**, including health care staffing companies and recruiters, from engaging in **collusion** or other **anticompetitive** conduct in **labor markets**, such as agreements to lower wages or to reduce salaries or hours worked. This announced focus continues the Agencies’ policy of devoting resources to preventing labor malpractice in critical industries, especially health care. As one example, the DOJ in April 2020 reached a significant resolution in the criminal investigation of Florida Cancer Specialists (FCS) for entering into a market allocation agreement that gave FCS a monopoly for services in a densely populated part of southwest Florida. As part of the deferred prosecution agreement reached in that case, the Division obtained a $100 million fine – the statutory maximum – and FCS agreed to waive certain non-compete provisions for current and former employees, including physicians and other healthcare professionals.9 In another important matter, early this year, the FTC investigated, and the parties abandoned a proposed tie-up between two providers of nursing staff. The proposed merger had likely anticompetitive effects in multiple localities across the country on markets both for nursing services and for private duty nursing care.10

2.4. Consumer Protection

12. The FTC has worked aggressively to address consumer protection issues arising from the COVID-19 pandemic. Since late March, as the coronavirus emerged, the FTC has received nearly 225,000 consumer complaints relating to COVID-19, including concerns about fraud related to the government’s economic impact payments.11 In addition, the FTC has been monitoring the marketplace for unsubstantiated health claims, illegal robocalls, privacy and data security concerns, online shopping fraud, and a variety of other scams related to the economic fallout from the COVID-19 pandemic.

13. Acting on this market information, the FTC has pursued a rigorous warning letter program and filed law enforcement actions for injunctive and other relief in federal courts.12 In the health claims area, for example, the FTC and the Food and Drug Administration (FDA) have, to date, issued over 90 joint warning letters to marketers regarding claims that their products will treat, cure, or prevent COVID-19.13 The FTC on its own has issued more than 225 additional warning letters to marketers.14 The letters warn recipients that their conduct is likely to be unlawful, that they could face serious legal consequences if they do not immediately stop, and require a response to the FTC within 48 hours. In nearly every instance, companies that have received FTC warning letters have taken quick steps to correct or eliminate their problematic claims. The FTC also has issued warning letters, in conjunction with the Small Business Administration, to companies making potentially misleading claims about federal loans or other temporary small business relief.15

14. The FTC has also filed court actions involving COVID-19 health claims, distribution claims, and government stimulus check claims.16 For example, the FTC filed four lawsuits in federal district courts against online merchandisers for failing to deliver on promises that they could quickly ship products like face masks, sanitizer, and other personal protective equipment (PPE) related to the coronavirus pandemic.17

15. Finally, the FTC has launched numerous consumer education campaigns, including a website on COVID-19 scams and a resource page that contains brochures, graphics, and videos in multiple languages.18

3. Guidance and Cooperation to Peer Agencies as Part of a Coordinated, GovernmentWide Response Effort

16. The FTC and DOJ also have **shared** their **competition expertise** with other international and federal agencies in order to facilitate **COVID-19 response** and **recovery** while preserving competitive markets. Among other efforts, the Agencies have been working closely with the Federal Emergency Management Agency (FEMA) to develop a Voluntary Agreement governing cooperation among industry participants seeking to respond to the pandemic.19 The purpose of the Agreement is to **maximize** the effectiveness of the **manufacture** and **distribution** of critical healthcare resources **nationwide** to respond to the pandemic. Organized under the authority granted by the Defense Production Act, participants to the Agreement receive antitrust immunity for actions taken to carry out the Agreement. Before the Agreement can become effective, however, the Attorney General must find that the purposes of the Agreement may not be achieved through a voluntary agreement having less anticompetitive effects. These efforts also have helped inform the Agencies’ responses to business review letters seeking approval for cooperation in the production of critical health care products, as discussed below.

3.1. International Advocacy

17. U.S. enforcers also have been leveraging our existing bilateral relationships and ties to multilateral organizations, such as the International Competition Network (ICN) and the Organisation for Economic Co-operation and Development (OECD), to increase communication and cooperation.

18. In the immediate aftermath of the declaration of a state of national emergency in the United States, the Agencies played a key role in facilitating communication and cooperation among international enforcers by collecting and sharing on a regular basis rapidly developing information on how COVID-19 has impacted competition law enforcement efforts around the world. After DOJ successfully developed a regular internal process for collecting and disseminating this information, the ICN integrated this project into its ongoing work streams. In early April, as the economic impact of COVID-19 and possible enforcement challenges began to emerge, the ICN Steering Group issued a statement on key considerations related to competition law enforcement during and after the COVID-19 pandemic.20 The Agencies contributed with the FTC serving as a lead drafter of the statement recognizing the importance of competition to economies in crisis and urging agencies to remain vigilant regarding anti-competitive conduct. The statement also calls for transparency of operational and policy changes during the crisis and advocates for competition as a guiding principle for economic recovery efforts in the aftermath of the pandemic.

19. Since spring 2020, the Agencies have participated in several virtual events hosted by the ICN, the OECD, and the United Nations Conference on Trade and Development on international cooperation, investigations and competition law policy in the wake of COVID-19.21 In September 2020, the U.S. Agencies hosted the ICN 2020 Virtual Conference, which brought together enforcers from around the world to discuss antitrust developments, including how to address enforcement and policy challenges raised by COVID-19.

3.2. Doctrinal Responses

20. While procedural aspects of the Agencies’ work have changed as a result of COVID-19, the Agencies’ view of key U.S. antitrust standards has not changed. The Agencies have reiterated that the antitrust laws are flexible enough to account for changing market conditions, even during uncertain times.22

21. In particular, the Agencies continue to take the view that the failing firm defense is “narrow in scope,” and should be invoked selectively.23 The Agencies have continued to reiterate in speeches and publications that they will not relax the stringent conditions that define a genuinely “failing” firm and continue to apply the test set out in the U.S. Horizontal Merger Guidelines24 and reflected in our long-standing practice, and that they will require the same level of substantiation as was required before the COVID pandemic.25 As such, while it is possible that more firms may fail as a result of an economic crisis such as COVID-19, the view of the United States is that economic dislocation, on its own, does not provide a compelling reason why the assets of failing firms should be purchased by close competitors.

3.3. Competition Advocacy

22. The Agencies are continuing to advocate for changes to regulations that may impede competition, which may cause even greater harm in the context of the COVID-19 crisis. For example, the Agencies have submitted multiple letters to state legislatures in recent years expressing their concerns over “certificate of need” laws26 and other restrictions on the availability of health care resources.27 Given the extraordinary disruptions created by COVID-19, the United States views protecting the free functioning of health care markets as even more urgent, and the Agencies plan to continue our advocacy to remove regulatory impediments to competition in the health care sector.

23. Directly relating to the COVID-19 public health emergency, FTC staff submitted a comment to the Centers for Medicare & Medicaid Services (CMS) on its Interim Final Rule with Comment Period (IFC).28 The FTC comment supported the IFC’s provisions that reduce or eliminate restrictive Medicare payment requirements for telehealth and other communication technology-based services during the public health emergency. FTC staff noted that if telehealth practitioners’ entry is limited or reimbursement requirements are overly restrictive, consumers’ access to care and choice of practitioner might be unnecessarily restricted, especially in areas where there is a shortage of healthcare professionals. The IFC’s rule would reduce restrictions on Medicare reimbursement for telehealth services. This is especially important, not only to enhance the use of telehealth to care for Medicare beneficiaries, but also to encourage private payers to expand the use of telehealth. Reducing or eliminating restrictions on reimbursement of telehealth services could potentially enhance competition, improve access and quality, and decrease health care costs in both the public and private sectors. By connecting widely separated providers and patients, telehealth can alleviate primary care and specialty shortages.

24. The FTC continues to advocate against states issuing certificates of public advantage (COPA). For example, in September 2020 FTC staff submitted a public comment opposing issuance of a COPA to the Texas Health and Human Services Commission. FTC staff expressed concern that the proposed merger at issue would lead to significantly less competition for healthcare services in Midwest Texas.29

25. The FTC and its staff have also analyzed potential competitive concerns associated with professional regulations in the health care sector, including licensure and scope of practice.30 For example, FTC staff sent advocacy letters to the Texas Attorney General and the Texas Medical Board relating to regulations that could harm competition by impeding access to surgical and other health care services provided by certified registered nurse anesthetists.31 FTC staff recommended that Texas maintain only CRNA supervision requirements that advance patient protection and avoid adopting regulations that impede CRNA practice.

26. DOJ hosted a virtual joint workshop with the USPTO in July 2020 that included debate on the role of innovation and public-private collaboration in responding to the COVID-19 pandemic.32 The workshop, entitled “Promoting Innovation in the Life Science Sector and Supporting Pro-Competitive Collaborations: The Role of Intellectual Property,” comprised 10 sessions over two days. Panelists included leading figures from industry, government agencies, prominent research labs, the non-profit sector, academia, and the broader legal and economic community. Members of the public were also able to submit questions throughout the event.

4. Facilitation of Cooperative Public and Private-Sector Efforts to Resolve the Crisis

27. The Agencies are working together to bolster the recovery by providing guidance relating to recovery-related collaborations on an expedited basis.33 In a joint statement in April, the Agencies emphasized the potential importance of pro-competitive collaborations between private firms to bring essential goods and services to communities in need. In addition to providing high-level collaboration guidelines consistent with previous DOJ and FTC policies, the statement contained guidance specific to COVID-related business activities, including reaffirming that the Agencies will account for exigent circumstances in evaluating collaborative efforts to address the spread of COVID-19, and that medical providers’ development of suggested practice parameters to assist in clinical decisionmaking will not be challenged, absent extraordinary circumstances.34

28. The Agencies also announced an expedited business review letter program, under which all COVID-19-related requests will receive responses within seven calendar days of the Agencies receiving all necessary information. This expedited process for COVIDrelated business review letters is an outgrowth of the Agencies’ role in advising other executive branch agencies on facilitating COVID-related cooperation within the antitrust laws, and each of the letters issued through the expedited process in 2020 addresses proposed conduct that is critical to COVID-19 response. Since March 2020, DOJ has issued the following four expedited business review letters:

1. A letter approving a collaboration by McKesson Corporation, Owens & Minor Inc., Cardinal Health Inc., Medline Industries Inc., and Henry Schein Inc to expedite and increase manufacturing for the distribution of personal protective equipment (PPE) and coronavirus-treatment-related medication in a way unlikely to lessen competition;35

2. A letter approving a collaboration by AmerisourceBergen with FEMA, HHS, and other government entities to “identify global supply opportunities, ensure product, quality, and facilitate product distribution of medications and other healthcare supplies to treat COVID-19 patients;”36

3. A letter approving a collaboration by Eli Lilly and Company, AbCellera Biologics, Amgen, AstraZeneca, Genentech, and GSK to “exchange limited information about the manufacture of monoclonal antibodies that may be developed to treat COVID19” in order to optimize COVID-19 vaccine production as part of Operation Warp Speed;37 and

4. A letter approving a collaboration by the National Pork Producers Council (NPPC) and the U.S. Department of Agriculture (USDA) “to address certain hardships facing hog farmers as a result of the COVID-19 pandemic.”38 29. The Agencies also pledged to expedite the processing of filings under the National Cooperative Research and Production Act, which provides flexible treatment of certain standards development organizations and joint ventures under the antitrust laws.

5. Revised Rules Regarding Merger Enforcement

30. The Agencies have adapted to changing work conditions and reallocated resources to maintain continuity of core operations and enforcement efforts. COVID-19 initially necessitated temporary changes to ensure the continuation of expeditious and thorough merger review.39 Changes made by both Agencies include (1) extending standard timing agreement provisions so that the post-compliance period runs for sixty to ninety days (instead of thirty days) for pending or proposed transactions that may be subject to a Second Request, (2) requiring all merger filings with the FTC and DOJ to be submitted via the FTC’s electronic filing system, and (3) committing to conducting all meetings and depositions by phone or video conference when possible, absent extenuating circumstances.40 For the initial period of only two weeks at the start of the COVID crisis, the Agencies also suspended the granting of early termination, which can shorten the waiting period for non-problematic mergers. The option of early termination was resumed in March, and timing of grants of early termination has returned to pre-pandemic levels.41

31. Notably, COVID-19 did not sideline other important efforts to improve the Agencies’ enforcement programs. Among other efforts, in June 2020, the Agencies for the first time issued joint Vertical Merger Guidelines.42 In September, the Division also issued a modernized Merger Remedies Manual. As an update to the 2004 edition, the new manual provides “greater transparency and predictability regarding the Division’s approach to remedying a proposed merger’s competitive harm,” including an emphasis on structural remedies and a renewed focus on enforcing consent decree obligations. The Division also has continued to follow through on its September 2018 commitment to modernize banking merger review, with the goal of expedited and efficient resolution for uncomplicated merger matters.43 Economic downturns, as often occur in the wake of disasters such as the COVID-19 crisis, may impact **merger activity**, which is why continuing to improve the Agencies’ approach to **reviewing** and **remedying** potentially anticompetitive mergers **remains a priority.**

**Plan causes a trade-off and devastates antitrust agency effectiveness**

**Sacher & Yun 19** (Seth B. Sacher, Economist, & John M. Yun, Antonin Scalia Law School, George Mason University, TWELVE FALLACIES OF THE "NEO-ANTITRUST" MOVEMENT, 26 Geo. Mason L. Rev. 1491, y2k)

VII. Fallacy Seven: Not Recognizing That Their Proposals Will **Strain** Competition Agency **Resources**, Increase Uncertainty, and Make These Agencies More Political and Subject to Capture

Most of those that have worked within, or before, the antitrust agencies, despite their inevitable disagreement with certain actions or policies, are generally very impressed with the high degree of skill, professionalism, and dedication exhibited by the career staff. 131As will be discussed more fully in the [\*1515] context of Fallacy XI below, many proponents of neo-antitrust do not accept the proposition that the antitrust agencies and their staffs function relatively well, in spite of the views of many (on all sides of the political spectrum) who have had experience working within or before the antitrust agencies. Regardless of how **neo-antitrust proponents** view the agencies, many of their proposals run a serious risk of **adversely** affecting competition agency **performance**.

There are a number of objective reasons to expect antitrust agencies to function relatively well. First, antitrust agencies tend to be small relative to many other regulatory agencies and bureaucracies in general. 132Second, their staffs tend to be highly trained professionals, consisting primarily of lawyers and Ph.D. economists. 133Third, they have a well-defined objective (i.e., the consumer welfare standard or some similar standard based on economic reasoning, such as the total welfare standard). 134Finally, although antitrust is considered a form of regulation, it is distinct from other forms of regulation in that it does not involve a continuing relationship between the regulated firms and the regulator. As a goal, antitrust seeks to enable markets to more nearly achieve certain social objectives on their own. 135

First, advocates of neo-antitrust would like to see the **responsibilities** of the antitrust agencies **expanded** in a number of ways. This includes more **aggressively** enforcing existing antitrust laws, as well as the consideration of issues **beyond those currently within that purview**. 136Further, many of their proposals, such as requiring data sharing, monitoring markets to prevent tipping, or approving platforms' algorithm changes, 137 will require **significantly** more active **market supervision** than is **currently the case**. While many [\*1516] proponents of modern antitrust would agree that the antitrust agencies are underfunded, 138 there is certainly a point at which **expanding** the antitrust agencies will have "**bureaucratic" diseconomies** of scale. Fully following the recommendations of **neo-antitrust** advocates could very well require many antitrust agencies to **expand** beyond some **critical point**, which will inevitably lead to significantly **larger bureaucracies** and **associated inefficiencies**.

Second, many of the above proposals would require not only **more staff**, but also staff with differing **expertise** from that held by most agency lawyers and economists. For example, monitoring data sharing is far from straightforward, as it is frequently unclear where data begins and technology ends. Similarly, considerations of income inequality or environmental questions may involve tradeoffs beyond the expertise of mere law or economics, such as technology, ethics, or even psychology. While staff of the antitrust agencies will frequently contact market participants and other experts with specialized knowledge on an as-needed basis, it is unknown how well such expertise would function within the long-term framing of antitrust, which has been a legal and economic domain since its inception.

**Failed COVID recovery triggers multiple hotspots**

**Wright 20** (Robin Wright, a contributing writer and columnist @ The New Yorker, The Coronavirus Pandemic Is Now a Threat to National Security, 10-7, https://www.newyorker.com/news/our-columnists/america-the-infected-and-vulnerable, y2k)

The broader danger is the world’s **perception** now of America as **inept** and vulnerable, Doug Lute, a retired lieutenant general who was the director of operations for the Joint Chiefs and a deputy national-security adviser to Presidents George W. Bush and Barack Obama, told me. “There are two things that would drive our competitors—the general sense of incompetence by the executive branch and a reading that we are totally self-absorbed internally,” he said. “There’s an overlapping of the pandemic, the protests, and now the election that amplifies that image. In broad terms, those conditions internally will be viewed by external competitors as **opportunities**.” America faces **threats** from a spectrum of **overseas adversaries**, the retired Marine General John Allen, who is now the president of the Brookings Institution, told me. “I’m deeply concerned that there will be **foreign actors**, all the way from **jihadists** to **state actors,** that try to **take advantage** of a level of duress that we haven’t seen for a long time. It has not been lost on our adversaries, or those who would seek to gain ground, that the United States has consciously chosen to withdraw.” The sense of “**sheer confusion**” surrounding American politics in 2020 compounds the **temptation** of foreign actors to make **moves**, either for their own gains or to diminish America, Allen said. The most obvious perils are from the **big powers**, which may calculate that the White House will **not** counter their moves elsewhere in the world during such **domestic turbulence**, especially on the eve of an election, former military and Pentagon officials told me. From Russia, President Vladimir **Putin** could dig **deeper** into Ukraine, meddle in unstable **Belarus**, or **test** the strength of the **Baltic states** to resist. From China, President **Xi** Jinping could further threaten **Taiwan**, exert its claim to islands in the **S**outh **C**hina **S**ea by deploying equipment or personnel, or take more draconian actions in **H**ong **K**ong. Both countries have moved steadily to deepen their **presence** and **influence** across Asia and deep into the **Mid**dle **East**—with its access to the **Mediterranean** and the West. For Moscow and Beijing, overt challenges would be a big bet, especially with an erratic and sometimes reckless President (currently on steroids) in the White House. Yet both countries will also understand that the American public has little appetite for more trauma, the military and security officials said. “I’m sure that **foreign adversaries’** intelligence services have their collection systems turned up **high** so that they understand exactly how **disruptive** this pandemic is on our **national-security structure**,” the former C.I.A. director John Brennan said on CNN this week. **No**rth **Ko**rea and **Iran** may also try to **exploit** the moment, although both have fewer capabilities than Russia or China. Tehran is still smarting from the U.S. assassination, in January, of General Qassem Suleimani, the head of its élite Quds Force, a wing of the Revolutionary Guards, which supports several militias that have attacked U.S. troops in Iraq and Lebanon. “I suspect Iran is not done seeking revenge for the killing of Suleimani,” Lute told me. Tehran’s strength is in the proxy forces it arms, aids, and often directs across the Middle East, particularly Lebanon, Iraq, and Yemen. Since Suleimani’s death, attacks by the Popular Mobilization Forces on U.S. troops and the American Embassy in Iraq have steadily escalated; the P.M.F., backed and sometimes directed by Iran, is the umbrella for some sixty predominantly Shiite militias that operate in separate brigades. Last month, the campaign sparked a diplomatic crisis when Secretary of State Mike Pompeo warned the Iraqi government that the United States would close its Embassy in Baghdad—one of the largest American diplomatic facilities in the world—if the government did not prevent the militias from firing on the U.S. compound and American troops based elsewhere in Iraq. “Our global deterrence at the high end—nuclear and conventional deterrence in Europe, Asia, and the Gulf—will not be tested,” Lute said. “But there may be challenges at **lower levels** through **cyber** or by **proxies**.”

### Agenda

#### The two-part package consisting of social spending and infrastructure will pass now---PC is key

Foran 10-28 (Clare Foran, House Democrats again delay infrastructure vote amid party divisions, <https://www.kake.com/story/45072366/house-democrats-to-again-delay-infrastructure-vote-amid-party-divisions>, y2k)

The decision to delay the vote came just hours after Biden appealed directly to House Democrats in a closed-door meeting on Capitol Hill, pitching them on a framework for a separate, larger climate and economic package.

The problem for party leaders is that progressives made clear they would not vote for the infrastructure bill unless the larger bill moves in tandem and said a framework was not enough to win their votes. That bill has not yet been finalized or publicly signed off on by all Senate Democrats.

Delaying the infrastructure vote is a significant setback for Democrats with Biden making clear privately for more than a week he wanted an agreement and passage of the bipartisan measure before he arrives at a UN Climate Conference on November 1. Biden departed for his foreign trip later in the day on Thursday.

Speaker Nancy Pelosi had told House Democrats earlier Thursday not to "embarrass" Biden by voting down the infrastructure bill during Biden's trip overseas.

This is the second time in two months that House leadership has had to delay the infrastructure vote after a similar scenario played out at the end of September. For now, it's unclear how long the vote on the bipartisan infrastructure bill will be delayed.

Amid resistance from progressives over moving ahead with the infrastructure bill, the House instead voted Thursday night to approve a short-term extension of highway funding.

The transportation bill vote was needed to avoid a lapse in funding for transportation projects starting Monday. The Senate agreed by unanimous consent that once the House passed the extension, it would be deemed passed by the Senate as well.

House Majority Leader Steny Hoyer's office sent a notice that the transportation extension vote would be the last of the week.

Hoyer later told reporters that "yes" he is disappointed they weren't able to vote on the infrastructure package.

Asked if it would take until December 3 to pass it, which is when highway funding would lapse after the stopgap was passed, Hoyer said, "no, I don't think," it will take that long.

On when they will finally vote on the infrastructure bill, he said, "I hope soon."

Some moderates expressed frustration over yet another delay, arguing that the bipartisan infrastructure bill should be passed now. That's especially a concern for some vulnerable incumbents looking for a tangible win as they head into the midterm elections.

"Unfortunately, a small number of Members within our own party denied the President -- and the American people -- a historic win," Democratic Rep. Stephanie Murphy of Florida, the co-chair of the Blue Dog Coalition, said in a statement. "We are extremely frustrated that legislative obstruction of the BIF continues—not based on the bill's merits, but because of a misguided strategy to use the bill as leverage on separate legislation."

Reps. Tom Malinowski of New Jersey and Dean Phillips of Minnesota both expressed deep frustration with their party's handling of the infrastructure vote -- and voted in protest against the short-term extension of transportation funding.

"I'm concerned about Virginia, I'm concerned about the message. I'm concerned about the message it sends to the world right now that is looking at our system of governance with increasing concern about its viability," Phillips said, alluding to Tuesday's gubernatorial election in Virginia, where Democrats had been hoping a legislative win for Biden would help boost Democratic nominee Terry McAuliffe.

Malinowski, whose district is targeted by Republicans, said of delaying the vote: "It is frustrating to a lot of us that we are now in a game of 'who goes first' when all sides seem to be in agreement on the substance. The country has been begging for this, my constituents have been begging for this."

Biden pitches Democrats but falls short

During the closed-door meeting with House Democrats, Biden laid out in person long-awaited details of his $1.75 trillion economic and climate package, trying to convince progressives who are skeptical of anything short of a fully written bill and commitments from all 50 members of the Senate Democratic caucus to back his framework.

But he came up short, with progressives still demanding that both bills move in tandem.

Phillips was critical of Biden because he did not explicitly say the infrastructure vote should occur on Thursday in the meeting; Pelosi is the one who pushed for the vote.

"I'm not afraid to say I wish he was more explicit. ... This is the commander in chief of the United States. When you spend political equity in front of a caucus two times in a month, I think it's got to be awfully explicit -- and be more forthright."

Phillips added: "If the President had led us down that hallway onto and on the House floor, I think it would have been close. .... I think with Republican votes, it would have passed."

The personal pitch to House Democrats marked a concerted effort by the President to wrest control of an unwieldy process that has led to significant revisions to Democratic goals in the effort to appease Sens. Joe Manchin Manchin and Kyrsten Sinema. While Biden's proposal isn't finalized in its entirety, days of negotiations have brought it to a place where the key elements are all locked in.

Not all Democrats have signed off on the framework that Biden announced Thursday morning, two people familiar with the plan cautioned, but the President believes it's a consensus all Democrats should be able to support.

Neither Manchin nor Sinema explicitly committed to backing the plan Thursday, though they both said they were continuing to negotiate after Biden's meeting with House Democrats.

Sinema reacted to the framework by saying in a statement, "We have made significant progress" and "I look forward to getting this done."

Manchin was noncommittal when asked by reporters whether he will support the framework agreement. Later on Thursday, he said, "We haven't seen the text yet. Everyone has to see it. I don't think anybody could say they could support it until they see the text."

Notably, however, Manchin signaled support for a $1.75 trillion top line for the package.

Asked by CNN if that price was too high, he said, "No," adding, "That was negotiated."

This is the first public indication that Manchin will accept a price tag higher than $1.5 trillion, which he had previously said was the figure he was willing to settle on.

And despite the scrapped infrastructure vote, the White House expressed optimism that both bills would eventually pass. "Legislative text is starting to become public, and the road to passing both critical parts of the President's plan to make our economy deliver for middle class families—not just the wealthy—is clearer than ever," White House press secretary Jen Psaki said in a statement Thursday evening.

'We are going to pass both bills'

As she left the final House vote of the night, Rep. Pramila Jayapal -- the chair of the Congressional Progressive Caucus, who has said that just having a framework on the larger spending plan is not enough -- told reporters, "We are going to pass both bills."

"The President said he believes he's got 50 votes in the Senate and I think it's a lot for him to say that," the Washington state Democrat said. She has made clear, though, that progressives want a vote on both bills in the House at the same time.

Earlier in the day, after a separate meeting with House progressives, she had said, "Everyone in the room enthusiastically endorsed a resolution that approves in principle the framework the President laid out today."

"We intend to vote for both bills when the Build Back Better Act is ready," she said, referring to the larger climate and economic package. But, she added, "we do need the vote on both bills in the House at the same time."

"We have 96, 98% of the caucus on the same page," Democratic Rep. Alexandria Ocasio-Cortez of New York said. "We just need to figure out what these two folks are willing to commit to and once we get real clarity on that, on what is a yes, then I think we'll be able to move forward," she said of Manchin and Sinema.

Senate Democrats cannot afford to lose a single vote to pass the bill under a process they plan to use known as budget reconciliation.

#### Antitrust trades-off with Biden’s priorities

Carstensen 21 (Peter C. Carstensen, Fred W. & Vi Miller Chair in Law Emeritus, University of Wisconsin Law School, THE “OUGHT” AND “IS LIKELY” OF BIDEN ANTITRUST, <https://www.concurrences.com/en/review/issues/no-1-2021/on-topic/the-new-us-antitrust-administration-en>, y2k)

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

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

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

#### Infrastructure solves the grid – it’s vulnerable now and requires investment

Gozdziewski 3/22 - Charles J. Gozdziewski is the American Council of Engineering Companies' (ACEC) Board Chair. He is also the Chairman Emeritus of Hardesty & Hanover in New York where he oversees transportation planning, construction inspection and support services for highways; all types of movable, fixed and railroad bridges; as well as special structures. 2021 (“Our nation's critical infrastructure is dangerously vulnerable”, available online at <https://thehill.com/changing-america/opinion/544330-our-nations-critical-infrastructure-is-dangerously-vulnerable?amp>, Changing America is a subsidiary of the Hill)

The recent historic snowfall in Texas and the ensuing failure of the state's power grid have laid bare what we in the engineering industry have known for a long time - our nation's critical infrastructure is dangerously vulnerable to a wide range of threats. We must act quickly and comprehensively to make our infrastructure more resilient because those threats will only become more severe in the future.

While the focus right now is justifiably on the energy sector and the power grid, all of our nation's infrastructure systems - transportation, water, and power - are at risk from extreme weather. Climate change lies at the heart of this challenge, and to mitigate its effects, we must have robust investment to fund the design and construction of the resilient infrastructure our country needs.

As engineers, infrastructure is who we are. It is critically entwined in everything we do - from embracing smart cities, to establishing safe protocols in buildings for a post-COVID world, to preparing for the much needed Fourth Industrial Revolution. The need for resilience, sustainability, reliability, and flexibility will become even more vital as we move into the future.

As leaders in the engineering and design industry, we have both a stake in and a valuable perspective on the policy discussion on infrastructure. Moreover, we are a critical partner in the implementation of that policy and the repair and upgrading of all aspects of our physical infrastructure - including roads, bridges, freight rail, ports, electrical grids, and Internet provision. Each of these components is critical to the health of our physical and built environment.

Yet our expertise is worth nothing if the public sector clients we serve lack certainty from the federal government that there will be consistent, predictive funding in place to finance the infrastructure improvements we need. No designs will be drawn up and no dirt will be moved. It is imperative that our federal lawmakers act on a transformative infrastructure plan before the current law expires in September.

Investing now in a long-term infrastructure bill will pay dividends, not only to mitigate the effects of a changing climate, but to help our nation recover from the COVID-19 pandemic. Engineers play a substantial role in the health of the national economy. According to the ACEC Research Institute's Industry Impact Series of reports, the Engineering and Design Services sector currently employs 1.5 million Americans directly. Those employees and their companies collectively support another 3 million jobs in the various contracting and other firms with which they work. The Institute's latest study found that each new job created in the Engineering and Design Services industry indirectly creates two additional jobs in related sectors across the economy.

The data shows that investments in infrastructure that support engineering jobs pave the way for economic opportunity. What's more, the designs our industry creates help improve the built environment, making it more resilient to climate change. This is a win-win for society, creating a more equitable, environmentally sound, and prosperous built environment resulting in job creation and economic mobility. We look forward to working with policyholders, members of Congress, and the Biden-Harris Administration to develop sustainable solutions that benefit the country as a whole in the weeks ahead.

#### Loss of critical infrastructure causes extinction

Friedemann 16 (Alice Friedemann, transportation expert, founder of EnergySkeptic.com and author of “When Trucks Stop Running, Energy and the Future of Transportation,” worked at American Presidential Lines for 22 years, where she developed computer systems to coordinate the transit of cargo between ships, rail, trucks, and consumers, citing Dr. Peter Vincent Pry. Pry is executive director of the Task Force on National and Homeland Security, a Congressional advisory board dedicated to achieving protection of the United States from electromagnetic pulse and other threats. Dr. Pry is also the director of the United States Nuclear Strategy Forum, an advisory body to Congress on policies to counter weapons of mass destruction. Dr. Pry has served on the staffs of the Congressional Commission on the Strategic Posture of the United States, the Commission to Assess the Threat to the U.S. from an EMP Attack, the House Armed Services Committee, as an intelligence officer with the CIA, and as a verification analyst at the U.S. Arms Control and Disarmament Agency. 1-24-16, accessed 1/1/19 “Electromagnetic pulse threat to infrastructure (U.S. House hearings)” <http://energyskeptic.com/2016/the-scariest-u-s-house-session-ever-electromagnetic-pulse-and-the-fall-of-civilization/>)

Modern civilization cannot exist for a protracted period without electricity. Within days of a blackout across the U.S., a blackout that could encompass the entire planet, emergency generators would run out of fuel, telecommunications would cease as would transportation due to gridlock, and eventually no fuel. Cities would have no running water and soon, within a few days, exhaust their food supplies. Police, Fire, Emergency Services and hospitals cannot long operate in a blackout. Government and Industry also need electricity in order to operate. The EMP Commission warns that a natural or nuclear EMP event, given current unpreparedness, would likely result in societal collapse. Terrorists, criminals, and even lone individuals can build a non-nuclear EMP weapon without great trouble or expense, working from Unclassified designs publicly available on the internet, and using parts available at any electronics store. In 2000, the Terrorism Panel of the House Armed Services Committee sponsored an experiment, recruiting a small team of amateur electronics enthusiasts to attempt constructing a radiofrequency weapon, relying only on unclassified design information and parts purchased from Radio Shack. The team, in 1 year, built two radiofrequency weapons of radically different designs. One was designed to fit inside the shipping crate for a Xerox machine, so it could be delivered to the Pentagon mail room where (in those more unguarded days before 9/11) it could slowly fry the Pentagon’s computers. The other radiofrequency weapon was designed to fit inside a small Volkswagon bus, so it could be driven down Wall Street and disrupt computers— and perhaps the National economy. Both designs were demonstrated and tested successfully during a special Congressional hearing for this purpose at the U.S. Army’s Aberdeen Proving Ground. Radiofrequency weapons are not merely a hypothetical threat. Terrorists, criminals, and disgruntled individuals have used home-made radiofrequency weapons. The U.S. military and foreign militaries have a wide variety of such weaponry. Moreover, non-nuclear EMP devices that could be used as radiofrequency weapons are publicly marketed for sale to anyone, usually advertised as ‘‘EMP simulators.’’ For example, one such simulator is advertised for public sale as an ‘‘EMP Suitcase.’’ This EMP simulator is designed to look like a suitcase, can be carried and operated by one person, and is purpose-built with a high energy radiofrequency output to destroy electronics. However, it has only a short radius of effect. Nonetheless, a terrorist or deranged individual who knows what he is doing, who has studied the electric grid for a major metropolitan area, could—armed with the ‘‘EMP Suitcase’’— black out a major city. A CLEAR AND PRESENT DANGER. An EMP weapon can be used by state actors who wish to level the battlefield by neutralizing the great technological advantage enjoyed by U.S. military forces. EMP is also the ideal means, the only means, whereby rogue states or terrorists could use a single nuclear weapon to destroy the United States and prevail in the War on Terrorism or some other conflict with a single blow. The EMP Commission also warned that states or terrorists could exploit U.S. vulnerability to EMP attack for coercion or blackmail: ‘‘Therefore, terrorists or state actors that possess relatively unsophisticated missiles armed with nuclear weapons may well calculate that, instead of destroying a city or military base, they may obtain the greatest political-military utility from one or a few such weapons by using them—or threatening their use—in an EMP attack.’’ The EMP Commission found that states such as Russia, China, North Korea, and Iran have incorporated EMP attack into their military doctrines, and openly describe making EMP attacks against the United States. Indeed, the EMP Commission was established by Congress partly in response to a Russian nuclear EMP threat made to an official Congressional Delegation on May 2, 1999, in the midst of the Balkans crisis. Vladimir Lukin, head of the Russian delegation and a former Ambassador to the United States, warned: ‘‘Hypothetically, if Russia really wanted to hurt the United States in retaliation for NATO’s bombing of Yugoslavia, Russia could fire an SLBM and detonate a single nuclear warhead at high altitude over the United States. The resulting EMP would massively disrupt U.S. communications and computer systems, shutting down everything.’’ China’s military doctrine also openly describes EMP attack as the ultimate asymmetric weapon, as it strikes at the very technology that is the basis of U.S. power. Where EMP is concerned, ‘‘The United States is more vulnerable to attacks than any other country in the world’’: ‘‘Some people might think that things similar to the ‘Pearl Harbor Incident’ are unlikely to take place during the information age. Yet it could be regarded as the ‘Pearl Harbor Incident’ of the 21st Century if a surprise attack is conducted against the enemy’s crucial information systems of command, control, and communications by such means as… electromagnetic pulse weapons… Even a superpower like the United States, which possesses nuclear missiles and powerful armed forces, cannot guarantee its immunity…In their own words, a highly computerized open society like the United States is extremely vulnerable to electronic attacks from all sides. This is because the U.S. economy, from banks to telephone systems and from power plants to iron and steel works, relies entirely on computer networks… When a country grows increasingly powerful economically and technologically…it will become increasingly dependent on modern information systems… The United States is more vulnerable to attacks than any other country in the world.’’ Iran—the world’s leading sponsor of international terrorism—in military writings openly describes EMP as a terrorist weapon, and as the ultimate weapon for prevailing over the West: ‘‘If the world’s industrial countries fail to devise effective ways to defend themselves against dangerous electronic assaults, then they will disintegrate within a few years… American soldiers would not be able to find food to eat nor would they be able to fire a single shot.’’ The threats are not merely words. The EMP Commission assesses that Russia has, as it openly declares in military writings, probably developed what Russia describes as a ‘‘Super-EMP’’ nuclear weapon—specifically designed to generate extraordinarily high EMP fields in order to paralyze even the best protected U.S. strategic and military forces. China probably also has Super-EMP weapons. North Korea too may possess or be developing a Super-EMP nuclear weapon, as alleged by credible Russian sources to the EMP Commission, and by open-source reporting from South Korean military intelligence. But any nuclear weapon, even a low-yield first generation device, could suffice to make a catastrophic EMP attack on the United States. Iran, although it is assessed as not yet having the bomb, is actively testing missile delivery systems and has practiced launches of its best missile, the Shahab–III, fuzing for high- altitude detonations, in exercises that look suspiciously like training for making EMP attacks. As noted earlier, Iran has also practiced launching from a ship a Scud, the world’s most common missile—possessed by over 60 nations, terrorist groups, and private collectors. A Scud might be the ideal choice for a ship-launched EMP attack against the United States intended to be executed anonymously, to escape any last-gasp U.S. retaliation. Unlike a nuclear weapon detonated in a city, a high-altitude EMP attack leaves no bomb debris for forensic analysis, no perpetrator ‘‘fingerprints.’’ Under present levels of preparedness, communications would be severely limited, restricted mainly to those few military communications networks that are hardened against EMP. Today’s microelectronics are the foundation of our modern civilization, but are over 1 million times more vulnerable to EMP than the far more primitive and robust electronics of the 1960s, that proved vulnerable during nuclear EMP tests of that era. Tests conducted by the EMP Commission confirmed empirically the theory that, as modern microelectronics become ever smaller and more efficient, and operate ever faster on lower voltages, they also become ever more vulnerable, and can be destroyed or disrupted by much lower EMP field strengths. Microelectronics and electronic systems are everywhere, and run virtually everything in the modern world. All of the civilian critical infrastructures that sustain the economy of the United States, and the lives of 310 million Americans, depend, directly or indirectly, upon electricity and electronic systems. Of special concern is the vulnerability to EMP of the Extra-High-Voltage (EHV) transformers, that are indispensable to the operation of the electric grid. EHV transformers drive electric current over long distances, from the point of generation to consumers (from the Niagara Falls hydroelectric facility to New York City, for example). The electric grid cannot operate without EHV transformers—which could be destroyed by an EMP event. The United States no longer manufactures EHV transformers. They must be manufactured and imported from overseas, from Germany or South Korea, the only two nations in the world that manufacture such transformers for export. Each EHV transformer must be custom-made for its unique role in the grid. A single EHV transformer typically requires 18 months to manufacture. The loss of large numbers of EHV transformers to an EMP event would plunge the United States into a protracted blackout lasting years, with perhaps no hope of eventual recovery, as the society and population probably could not survive for even 1 year without electricity. Another key vulnerability to EMP are Supervisory Control And Data Acquisition systems (SCADAs). SCADAs essentially are small computers, numbering in the millions and ubiquitous everywhere in the critical infrastructures, that perform jobs previously performed by hundreds of thousands of human technicians during the 1960s and before, in the era prior to the microelectronics revolution. SCADAs do things like regulating the flow of electricity into a transformer, controlling the flow of gas through a pipeline, or running traffic control lights. SCADAs enable a few dozen people to run the critical infrastructures for an entire city, whereas previously hundreds or even thousands of technicians were necessary. Unfortunately, SCADAs are especially vulnerable to EMP. EHV transformers and SCADAs are the most important vulnerabilities to EMP, but are by no means the only vulnerabilities. Each of the critical infrastructures has their own unique vulnerabilities to EMP: The National electric grid, with its transformers and generators and electronic controls and thousands of miles of power lines, is a vast electronic machine—more vulnerable to EMP than any other critical infrastructure. Yet the electric grid is the most important of all critical infrastructures, and is in fact the keystone supporting modern civilization, as it powers all the other critical infrastructures. As of now it is our technological Achilles Heel. The EMP Commission found that, if the electric grid collapses, so too will collapse all the other critical infrastructures. But, if the electric grid can be protected and recovered, so too all the other critical infrastructures can also be restored. Transportation is a critical infrastructure because modern civilization cannot exist without the goods and services moved by road, rail, ship, and air. Cars, trucks, locomotives, ships, and aircraft all have electronic components, motors, and controls that are potentially vulnerable to EMP. Gas stations, fuel pipelines, and refineries that make petroleum products depend upon electronic components and cannot operate without electricity. Given our current state of unpreparedness, in the aftermath of a natural or nuclear EMP event, transportation systems would be paralyzed. Traffic control systems that avert traffic jams and collisions for road, rail, and air depend upon electronic systems, that the EMP Commission discovered are especially vulnerable to EMP. Communications is a critical infrastructure because modern economies and the cohesion and operation of modern societies depend to a degree unprecedented in history on the rapid movement of information—accomplished today mostly by electronic means. Telephones, cell phones, personal computers, television, and radio are all directly vulnerable to EMP, and cannot operate without electricity. Satellites that operate at Low-Earth-Orbit (LEO) for communications, weather, scientific, and military purposes are vulnerable to EMP and to collateral effects from an EMP attack. Within weeks of an EMP event, the LEO satellites, which comprise most satellites, would probably be inoperable. Banking and finance are the critical infrastructure that sustain modern economies. Whether it is the stock market, the financial records of a multinational corporation, or the ATM card of an individual—financial transactions and record keeping all depend now at the macro- and micro-level upon computers and electronic automated systems. Many of these are directly vulnerable to EMP, and none can operate without electricity. The EMP Commission found that an EMP event could transform the modern electronic economy into a feudal economy based on barter. Food has always been vital to every person and every civilization. The critical infrastructure for producing, delivering, and storing food depends upon a complex web of technology, including machines for planting and harvesting and packaging, refrigerated vehicles for long-haul transportation, and temperature-controlled warehouses. Modern technology enables over 98 percent of the U.S. National population to be fed by less than 2 percent of the population. Huge regional warehouses that resupply supermarkets constitute the National food reserves, enough food to feed the Nation for 30–60 days at normal consumption rates, the warehoused food preserved by refrigeration and temperature control systems that typically have enough emergency electrical power (diesel or gas generators) to last only about an average of 3 days. Experience with storm-induced blackouts proves that when these big regional food warehouses lose electrical power, most of the food supply will rapidly spoil. Farmers, less than 2 percent of the population as noted above, cannot feed 310 million Americans if deprived of the means that currently makes possible this technological miracle. Water too has always been a basic necessity to every person and civilization, even more crucial than food. The critical infrastructure for purifying and delivering potable water, and for disposing of and treating waste water, is a vast networked machine powered by electricity that uses electrical pumps, screens, filters, paddles, and sprayers to purify and deliver drinkable water, and to remove and treat waste water. Much of the machinery in the water infrastructure is directly vulnerable to EMP. The system cannot operate without vast amounts of electricity supplied by the power grid. A natural or nuclear EMP event would immediately deprive most of the U.S. National population of running water. Many natural sources of water—lakes, streams, and rivers—would be dangerously polluted by toxic wastes from sewage, industry, and hospitals that would backflow from or bypass wastewater treatment plants, that could no longer intake and treat pollutants without electric power. Many natural water sources that would normally be safe to drink, after an EMP event, would be polluted with human wastes including feces, industrial wastes including arsenic and heavy metals, and hospital wastes including pathogens. Emergency services such as police, fire, and hospitals are the critical infrastructure that upholds the most basic functions of government and society—preserving law and order, protecting property and life. Experience from protracted storm-induced blackouts has shown, for example in the aftermath of Hurricanes Andrew and Katrina, that when the lights go out and communications systems fail and there is no gas for squad cars, fire trucks, and ambulances, the worst elements of society and the worst human instincts rapidly takeover. The EMP Commission found that, given our current state of unpreparedness, a natural or nuclear EMP event could create anarchic conditions that would profoundly challenge the existence of social order.

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**Delusion makes extinction inevitable**

**Loy 17** (David R., former Besl Professor of Ethics/Religion and Society at Xavier University, teacher in Sanbo Kyodan Buddhism, “Are Humans Special?” Tikkun, Vol. 32, No. 1, Winter 2017, http://www.davidloy.org/downloads/Loy%20Are%20Humans%20Special.pdf)

If we are special because of our potential, we must choose. We are free to derive the meaning of our lives from delusions about who we are—from dysfunctional stories about what the world is and how we fit into it—or we can derive that meaning from insight into our nonduality with the rest of the world. In either case, there are consequences.

The problem with basing one’s life on delusions is that the consequences are unlikely to be good. As well as producing poetry and cathedrals, our creativity has recently found expression in **world wars, genocides**, and weapons of mass destruction, to mention a few disagreeable examples. We are in the early stages of an ecological crisis that threatens the natural and cultural legacy of future generations, including a mass extinction event that may lead to the disappearance of half the earth’s plant and animal species within a century, according to E. O. Wilson—an extinction event that may include ourselves.

What needs to be done so that our extraordinary co-creative powers will promote collective well-being (collective in this case referring to all the ecosystems of the biosphere)? Must we evolve further—not biologically but culturally—in order to survive at all? From a Buddhist perspective our unethical tendencies ultimately derive from a misapprehension: the **delusion** of a self that is **separate** from others, a big mistake for a species whose well-being is not separate from the well-being of other species. Insofar as we are ignorant of our true nature, individual and collective self-preoccupation naturally motivates us to be **selfish**. Without the compassion that arises when we feel empathy—not only with other humans, but with the whole of the biosphere—it is likely that civilization as we know it will not survive many more generations.

In either case, we seem fated to be special. If we continue to devastate the rest of the biosphere, we are arguably the worst species on earth: a cancer of the biosphere. If, however, humanity can wake up to become its collective bodhisattva—undertaking the long-term task of repairing the rupture between us and Mother Earth—perhaps we as a species will fulfill the unique potential of precious human life.

**The aff’s focus on the sovereign as the source of political authority creates structural and institutional *dukkha* (or suffering). The alternative is to shed the ego and embrace a Buddhist political philosophy.**

**Purewall 19** (Randeep Purewall is a lawyer and a writer. He has studied Buddhism for over twenty years and graduated with a master’s degree in Politics and International Studies from the School of Oriental and African Studies. “Commentary: Let’s Envision a Buddhist Political Philosophy”, https://www.lionsroar.com/commentary-lets-envision-a-buddhist-political-philosophy/)

Natural Law

First, politics in Buddhist political philosophy would be understood in terms of the Buddhist view of existence. According to that view, all existence — individual and collective — is imperfect. All societies and communities are subject to change, conditioned by many interdependent, interrelated factors.

This contrasts with the positivist view in modern Western political philosophy. **The positivist view is a secular and rational view of the world that says that all things in the world can be observed factually without resorting to explanations of first or “ultimate” causes like God or nature**. In law and politics, positivism says that the sovereign (i.e. the ruler, government) is the source of all political authority **without having to refer to any natural law that exists independently or above such authority.**

The problem with positivism is that it reduces politics to a **mere function of power without considering any higher principles**, such as morality. Nazi Germany is an extreme example of the consequences of the positivist way of thinking. When the Third Reich declared that it was legal to discriminate against German Jews, Germany disregarded whether the Jews were subject to any higher law such as the natural rights of a human being.

From the Buddhist point of view, a political philosophy that ignores the natural law and disregards principles like the interdependence and unity of life **would only harm individuals and communities**. To illustrate this further, consider these principles in light of the Buddhist idea of non-self.

The Buddha said that the moral character of a ruler determines the moral character of society.

Buddhism teaches that whenever we identify with a self-contained entity like a particular class, nation or religion, we impose or project a static “self” onto an otherwise **dynamic and fluid world and create suffering**. The separation between “self” and all that is not “self” creates resistances, conflict, tension, discord, and disharmony. **Thoughts, words or actions which ignore this natural law create dukkha.**

Take, for instance, Donald Trump’s remark that certain U.S. congresswomen should “go back” to where they come from. Trump’s remark creates a limited “self” based on the idea of race, ethnicity, and place of origin. From this limitation arises the idea that these congresswomen (and anyone else affected by the remarks) are separate from Trump (and those like him). From this separation arises opposition between Trump (and those like him) and the congresswomen (and others) based on the idea of race, ethnicity, and place of origin. From this opposition, arises resistance, conflict, and suffering (e.g. frustration, indignation).

In this way, we can see how a political philosophy that disregards natural law in the form of such principles as interdependence and the unity of life can create suffering.

Morality

Second, in Buddhist political philosophy, politics would be a moral undertaking for any leader. By contrast, most modern Western political philosophies construe politics as “**morally neutral**” based purely on a leader’s **utilitarian considerations of power and public good.**

In Buddhism, to flourish is to live in accordance with the universal moral law known as dharma. To paraphrase Damien Keown, living in accordance with dharma and implementing its requirements (outlined in the Buddha’s Eightfold Path) **leads to happiness and fulfillment** among individuals and communities; **neglecting or violating dharma leads to suffering.**

In this way, a Buddhist political philosophy would simply be a moral philosophy — an extension of Buddhist ethics and morality into public life. As Gard points out, dharma concerns all beings, individual and collective, and a Buddhist political philosophy would interpret and expound the dharma socially.

The importance of morality in politics is illustrated in Buddhist philosophical literature. In the Anguttara Nikaya, the Buddha stresses the importance of giving, right speech, beneficial conduct, and impartiality (the sangahavatthu or ‘four means of support’) as the basis for building a healthy community.

In the Jatakas, a collection of fables in which the Buddha teaches moral lessons through human and animal incarnations, the Buddha expounds the principles of an ideal ruler. In one Jataka, the Buddha speaks about the obligations of a ruler (dasa-raja-dhamma) as including personal integrity, moral character, a concern for the welfare of all beings, non-violence, and non-opposition (avirodha) to the will of the people. In the Cakkavatti-sihanāda Sutta (Digha Nikāya. 154), the Buddha says that the moral character of a ruler determines the moral character of society and a decline in a ruler’s moral character results in society’s moral decline.

Karma

Third, a Buddhist political philosophy would explain the evolution of the world through karma. Since all existence is conditioned by interdependent factors, a Buddhist political philosophy would look to the relationship between various causes and conditions in explaining the rise, expansion, contraction, and disintegration of social and political phenomena

Modern Western political science also analyzes the causes of phenomena, but these causes are usually analyzed individually, **in isolation from other possible causes**. For instance, racism may be explained variously due to lacking education, interaction between different ethnic groups, or government policy on multiculturalism. A Buddhist political philosophy, applying the theory of karma, would suggest that all these causes and conditions play a role in the rise of racism.

This Buddhist theory of karma would also help explain how societies change over time. For instance, the election of Donald Trump would be explained historically as an example of different causes and conditions working together: a particular political system (the two-party system, the American electoral college), a particular society (which has experienced economic recession and the decline of the middle class since 9/11) and a particular culture (which celebrates social media celebrities). In this way, the theory of karma would explain history based on the Buddhist view of existence.

The Human Good

Fourth, a Buddhist political philosophy would have a distinctive conception of the human good and the means by which it would be attained. Buddhism is concerned with enabling individuals and societies to realize their capacity for happiness and goodness through wisdom, morality, and diligence. Its political philosophy therefore would seek to create a politics (whether Democrat or Republican, Liberal or Conservative) that alleviates the distress of the people through **morally skillful means, rather than pandering to their greed, hatred, and delusion.**

We have reached a point in the West where we risk losing our sanity and stability as a civilization in a **world seething with greed, hatred, and delusion**. I have presented a Buddhist political philosophy here as just one way of thinking differently about politics and international affairs in this situation. A Buddhist political philosophy would explain how and why we got here based on our human impulses, but it would also offer the same glimmer of hope offered by the Dharma: **that we flourish individually and collectively when we awaken to our basic capacity to embrace and live in accordance with things as they truly are.**

## 1NC – Adv 1

#### Biden announced he’s doing the aff

Gard July 22 "New US Presidential Executive Order targets liner operators and alliances" https://www.gard.no/web/updates/content/32067106/new-us-presidential-executive-order-targets-liner-operators-and-alliances

**On July 9, 2021, President Joe Biden took aim at the ocean shipping sector of the maritime industry**, and in particular international container lines and alliances, with the issuance of his Executive Order (E.O. 14036) **on Promoting Competition in the American Economy**. The E**.O. addresses liner shipping, along with other industries** such telecommunications, internet platforms and medical service providers, and is intended to promote fair competition in the American economy. **The E.O. references consolidation in the maritime shipping industry** during the past couple of decades, suggesting that such consolidation may disadvantage U.S. exporters. To this end, the E.O. encourages the Federal Maritime Commission (FMC) **to “vigorously enforce the prohibition of unjust and unreasonable practices”** in the context of detention and demurrage pursuant to the Shipping Act as clarified in the FMC interpretive rule published in 2020 (codified at 46 USC Section 545.5). **As interpreted, demurrage and detention encompass any charge assessed by regulated entities related to the use of marine terminal space or shipping containers not including freight charges.**

#### Faster growth and capital inflows drive up the dollar – depreciation now but the AFF reverses it.

Kisinbay 18 (Turgut Kisinbay, Ph.D. serves as a Director of Fixed Income Research on the Global Debt Team. He joined OppenheimerFunds, Inc. in 2011. Prior to joining the Firm, Dr. Kisinbay was an economist at the International Monetary Fund (IMF) focusing on monetary policy, financial sector reform and forecasting. His work on forecasting asset price volatility and business cycles has been published in academic journals. “Why We See the Dollar Continuing to Weaken”, https://www.oppenheimerfunds.com/advisors/article/why-we-see-the-dollar-continuing-to-weaken)

We think that dollar weakness will continue over the next two to three years. There are a number of reasons why we believe that, but before we discuss them, let us begin by examining the Fed rate-hikes story. First, there is no iron-clad rule mandating that the dollar must appreciate every time the Fed is in a hiking cycle. Historical evidence clearly shows that the dollar has depreciated during some Fed hiking cycles and appreciated during others. Exhibit 1 It is important to keep in mind these three points: Exchange rate dynamics, just like any other asset price, are influenced by a host of factors, including economic growth differentials that result in capital flows, current account deficits, and long-term valuations. There is never a single determinant. Exchange rates represent a relative price. Both domestic and international factors matter for exchange rates. Markets are forward looking and discount future developments. How do these three observations help us form our dollar outlook? Growth Differentials Affect the Dollar One of the key influences on the dollar has been the unexpected strength of the global economy over the last two years. When growth in the rest of the world gains momentum relative to the United States and growth differentials widen, the dollar is likely to depreciate. There are two main reasons for this: Capital flows to countries where growth and returns on investment are higher. Downturns in the global economy are also periods when global risk aversion rises and the U.S. dollar, which is viewed as a key safe-haven currency, benefits from capital flows. But as the global economy recovers, these flows reverse and the dollar depreciates. As we have previously discussed, the global economy is now in good shape and the scars of the 2008 global financial crisis have mostly healed. Growth in the rest of the world has picked up relative to the United States. The chart below shows the difference between U.S. growth, and world GDP growth, as calculated by the International Monetary Fund (IMF), and the relationship to the Real Effective Exchange Rate (REER). The forecasts suggest strong growth in the rest of the world relative to the United States, hence dollar weakness may continue in coming years. Moreover, while data on global asset managers is hard to come by, we believe that during the U.S. outperformance years, managers likely increased the weight of U.S. assets in their portfolios and reduced the weight of others, such as Eurozone and emerging market assets. We also believe that in the next few years those portfolios will be rebalanced, favoring rest-of-the world assets.

#### Increased rates and a stronger dollar will cause massive capital outflows and market revaluations in EM countries – collapses EM economies and causes political instability.

Zhenmin et al 19 (Under the general guidance of Liu Zhenmin, Under-Secretary-General for Economic and Social Affairs, and Elliott Harris, United Nations Chief Economist and Assistant-Secretary- General for Economic Development, and the management of Pingfan Hong, Director of the Economic Analysis and Policy Division (EAPD), this publication was coordinated by Dawn Holland, Chief of the Global Economic Monitoring Branch of EAPD. The report was edited by Mary Lee Kortes, The report is a joint product of the United Nations Department of Economic and Social Affairs (UN/DESA), the United Nations Conference on Trade and Development (UNCTAD) and the five United Nations regional commissions (Economic Commission for Africa (ECA), Economic Commission for Europe (ECE), Economic Commission for Latin America and the Caribbean (ECLAC), Economic and Social Commission for Asia and the Pacific (ESCAP) and Economic and Social Commission for Western Asia (ESCWA)), World Economic Situation and Prospects 2019, January 21, 2019)

Despite some recent corrections, overstretched asset valuations and high-risk behaviour remain concerns in global financial markets. The protracted period of abundant global liquidity and low interest rates fuelled an increase in investor risk appetite and an intensified search for yield, resulting in the build-up of financial imbalances across both the developed and developing economies.

Notably, the global stock of high yield bonds and leveraged loans has doubled in size since the global financial crisis (Goel, 2018), driven by low borrowing costs, high risk appetite, and looser lending standards. Instead of being channelled towards productive investment, a large share of the capital raised through leveraged financing has been used to fund share buy-backs and mergers and acquisitions. This has contributed to elevated valuations across several financial asset classes, most evidently in the United States. Despite high economic policy uncertainty, cyclically adjusted price-earnings ratios of listed companies in the United States remain well above long-term averages (figure I.23). In addition, corporate bond spreads, particularly those of high-yield bonds, appear very low after accounting for expected default rates (IMF, 2018a), suggesting a certain degree of underpricing of risk. In the current highly uncertain environment, particularly with shifting global financial conditions and rising trade tensions between China and the United States, investor behaviour remains highly sensitive to major data releases and policy announcements. Any unexpected developments could induce a sudden reversal of the risk-taking cycle, triggering sharp market corrections and a disorderly deleveraging process.

High uncertainty surrounding the monetary policy adjustment process in the developed economies, particularly the United States, is a potential trigger of a sharp tightening of global liquidity conditions. While inflation so far remains contained, there is a risk that the highly procyclical fiscal expansion and increase in import tariffs could spark a strong rise in inflationary pressures, prompting the Fed to raise interest rates at a pace much faster than expected. The rise in interest rates would reduce equity valuations and impact other financial assets, which could reverberate through the global financial system. This is likely to generate adverse spillover effects on the rest of the world, particularly the emerging economies.

There are several transmission channels through which monetary policy changes made by the Fed can significantly affect the emerging economies. First, a US monetary policy shock can generate large global spillovers through changes in cross-border bank lending to the private sector (Buch et al., 2018). Second, higher interest rates in the United States affect emerging bond markets through an increase in term premiums, and this transmission channel appears to have become more prominent in the post-crisis period (Albagli et al., 2018). Furthermore, as rising US interest rates exert upward pressure on the dollar, countries with a high exposure to dollar-denominated debt face greater refinancing and currency mismatch risks. Koepke (2016) found that the emerging economies face a substantially higher probability of a banking, currency or sovereign debt crisis when the Fed is tightening monetary policy.

The possible failure of policymakers to finalize post-Brexit legal and regulatory arrangements in a timely manner poses additional risks to financial stability, given the massive cross-border financial linkages between the United Kingdom of Great Britain and Northern Ireland and the EU. For instance, the Bank of England recently reported that firms based in the EU hold derivatives contracts with a notional value of £69 trillion at United Kingdom clearing houses, of which £41 trillion are due to mature after March 2019. In the absence of new legal and operational guidelines, EU corporates and banks could lose market access to cleared derivatives, potentially disrupting cross-border financial services. This could constitute a major shock to financial systems in the EU, with contagion effects on other regions, given the prominence of European banks in driving global cross-border financial flows. Shim and Shin (2018) showed that financial stress in developed-country banks is a key driver of capital outflows from the emerging economies, regardless of the strength of the economy’s macroeconomic fundamentals.

A further risk stems from the state of fiscal accounts in the EU. Italy, which already has an elevated level of public debt, has openly stated its intention for increased fiscal spending. This creates the potential for an open clash between the limits and guidelines on fiscal policy set by the EU and national fiscal policy stances. As a consequence, the EU may face a renewed need to refine and strengthen its fiscal policy framework.

While the turmoil in Argentina and Turkey is mostly due to idiosyncratic issues, concerns over contagion effects to other economies persist. During the year, the sharp depreciation in the Turkish lira had a knock-on effect on European financial markets, contributing to higher currency and equity volatility. Based on BIS data, Spanish banks have the largest exposure to Turkish borrowers, amounting to over 6 per cent of GDP. Banking sector exposure of other European countries is relatively limited, thus exemplifying the importance of investor confidence, regardless of fundamentals, in influencing financial market movements. Importantly, while financial market pressures were most severe in Argentina and Turkey, several large emerging economies, including Brazil, Indonesia, and South Africa, also experienced considerable financial market turbulence during the year. For these economies, the deterioration in growth prospects, large macroeconomic imbalances and high external financing needs contributed to the sharp deterioration in investor risk appetite. With rising interest rates and a strengthening dollar, an abrupt tightening of global financial conditions could exacerbate domestic fragilities and financial difficulties in some countries, potentially leading to higher risk of sovereign and corporate distress. Furthermore, the risk of a “sudden stop” in capital flows has increased, particularly for emerging economies with weak macroeconomic fundamentals, large external imbalances and low policy buffers. High indebtedness has become a prominent feature of the global economy. Across many developed and developing economies, public and private debt levels have risen to historical highs in the post-crisis period (figure I.24). In the current environment of rising interest rates, high leverage in an economy is a cause for concern, as increasing debt service costs pose a risk to debt sustainability and financial stability.

In the emerging economies, BIS figures show that non-financial corporate debt continued to rise in the first quarter of 2018, amounting to 107.7 per cent of GDP. While the recent increase in corporate debt has been the most evident in China, other large emerging economies, including Brazil, Chile and Turkey, have also experienced a visible rise in cor-porate debt levels. In many of these countries, the prolonged period of excess of liquidity contributed to the “financialization” of the corporate sector to exploit carry trade opportunities, with a large part of corporate debt channelled neither to productive investments nor to high-productivity sectors.

#### EM growth key to ILO & Democracy

Piccone 16 (Ted, is a nonresident senior fellow in the Center for Security, Strategy, and Technology in the Foreign Policy program at Brookings and the chief engagement officer at the World Justice Project. During his 11 years in residence at Brookings, he was a senior fellow and the Charles W. Robinson Chair, appointed the inaugural fellow of the Brookings-Robert Bosch Foundation Transatlantic Initiative in Berlin, and served as the acting vice president and director and deputy director of the Foreign Policy program, “Is the international liberal order dying? These five countries will decide”, https://www.brookings.edu/blog/order-from-chaos/2016/02/17/is-the-international-liberal-order-dying-these-five-countries-will-decide/)

The Sustainable Development Goals approved by world leaders last September set forth a list of ambitious but achievable targets designed to build on these successes, and climate change is finally getting the collective attention and action it deserves. The international machinery to address human rights violations has never been more responsive to the growing demands for monitoring and accountability of abuses.

Despite these more positive features of the international liberal order, its fate has never felt more precarious. Various geopolitical and economic factors—aggressive moves by China and Russia to stifle dissent and disrupt international norms as they cope with economic downshifts, as well as the spreading instability and conflict in the Arab world—exacerbate fears that we may be reaching a tipping point in which our collective efforts to build a more peaceful, democratic, and prosperous world will be replaced by a much more divisive and chaotic situation.

NEW KIDS ON THE GLOBAL POWER BLOC

In this sea of uncertainty stand five rising democracies: India, Brazil, South Africa, Turkey, and Indonesia. Their fortunes will likely play a decisive role in the world’s ability to sustain and strengthen the international liberal order.

The good news is that each of these diverse countries—which collectively represent 25 percent of the world’s population—has emerged from painful periods of dictatorship, apartheid, and colonialism to embark on a path toward more open societies, improved human development, and more widespread prosperity. Their average GDP growth rates over the past 30 years have been consistently above the global average and until 2014 regularly outperformed China on a per capita basis. Since their respective transitions to more liberal and competitive systems of political and economic governance, they have made major strides in securing political rights and civil liberties. They’ve also reduced debt and controlled inflation, and made significant improvements in key dimensions of human development (defined as a long and healthy life, access to knowledge, and a decent standard of living). Life expectancy improved, poverty rates dropped, literacy grew, and infant and maternal mortality fell significantly. Most importantly, they achieved these outcomes in tandem with democratization, underscoring the virtuous circle of political and economic liberalization and offering a positive antidote to the restrictive model of China’s state-dominant development.

On the negative side, it is increasingly clear that all five countries have a long way to go to secure democratic stability for their growing populations. Recent indicators are indeed worrisome, particularly in Turkey under President Recep Tayyip Erdoğan, where significant backsliding in freedom of the media and Internet and reconciliation with the minority Kurdish population are well documented. The entrenched power of the African National Congress in South Africa is breeding corruption and popular frustration with dashed expectations. A twin political and economic crisis in Brazil is raising serious doubts that its fractious political system can keep the country on course. And Prime Minister Narendra Modi’s reluctance to keep his Hinduvta supporters in check and govern on behalf of all Indians is complicating the country’s otherwise resilient economy.

Overall, compared with other democracies, these five are neither shining stars nor declining laggards. A sustained deterioration of their otherwise positive trajectories, however, would send a very bad signal about the ability of liberal democracies to deliver tangible benefits for their citizens.

#### Extinction

Harari ’18 [Yuval Noah; Professor of History @ Hebrew University of Jerusalem; “We need a post-liberal order now”; The Economist, https://www.economist.com/open-future/2018/09/26/we-need-a-post-liberal-order-now]

For several generations, the world has been governed by what today we call “the global liberal order”. Behind these lofty words is the idea that all humans share some core experiences, values and interests, and that no human group is inherently superior to all others. Cooperation is therefore more sensible than conflict. All humans should work together to protect their common values and advance their common interests. And the best way to foster such cooperation is to ease the movement of ideas, goods, money and people across the globe. Though the global liberal order has many faults and problems, it has proved superior to all alternatives. The liberal world of the early 21st century is more prosperous, healthy and peaceful than ever before. For the first time in human history, starvation kills fewer people than obesity; plagues kill fewer people than old age; and violence kills fewer people than accidents. When I was six months old I didn’t die in an epidemic, thanks to medicines discovered by foreign scientists in distant lands. When I was three I didn’t starve to death, thanks to wheat grown by foreign farmers thousands of kilometers away. And when I was eleven I wasn’t obliterated in a nuclear war, thanks to agreements signed by foreign leaders on the other side of the planet. If you think we should go back to some pre-liberal golden age, please name the year in which humankind was in better shape than in the early 21st century. Was it 1918? 1718? 1218? Nevertheless, people all over the world are now losing faith in the liberal order. Nationalist and religious views that privilege one human group over all others are back in vogue. Governments are increasingly restricting the flow of ideas, goods, money and people. Walls are popping up everywhere, both on the ground and in cyberspace. Immigration is out, tariffs are in. If the liberal order is collapsing, what new kind of global order might replace it? So far, those who challenge the liberal order do so mainly on a national level. They have many ideas about how to advance the interests of their particular country, but they don’t have a viable vision for how the world as a whole should function. For example, Russian nationalism can be a reasonable guide for running the affairs of Russia, but Russian nationalism has no plan for the rest of humanity. Unless, of course, nationalism morphs into imperialism, and calls for one nation to conquer and rule the entire world. A century ago, several nationalist movements indeed harboured such imperialist fantasies. Today’s nationalists, whether in Russia, Turkey, Italy or China, so far refrain from advocating global conquest. In place of violently establishing a global empire, some nationalists such as Steve Bannon, Viktor Orban, the Northern League in Italy and the British Brexiteers dream about a peaceful “Nationalist International”. They argue that all nations today face the same enemies. The bogeymen of globalism, multiculturalism and immigration are threatening to destroy the traditions and identities of all nations. Therefore nationalists across the world should make common cause in opposing these global forces. Hungarians, Italians, Turks and Israelis should build walls, erect fences and slow down the movement of people, goods, money and ideas. The world will then be divided into distinct nation-states, each with its own sacred identity and traditions. Based on mutual respect for these differing identities, all nation-states could cooperate and trade peacefully with one another. Hungary will be Hungarian, Turkey will be Turkish, Israel will be Israeli, and everyone will know who they are and what is their proper place in the world. It will be a world without immigration, without universal values, without multiculturalism, and without a global elite—but with peaceful international relations and some trade. In a word, the “Nationalist International” envisions the world as a network of walled-but-friendly fortresses. Many people would think this is quite a reasonable vision. Why isn’t it a viable alternative to the liberal order? Two things should be noted about it. First, it is still a comparatively liberal vision. It assumes that no human group is superior to all others, that no nation should dominate its peers, and that international cooperation is better than conflict. In fact, liberalism and nationalism were originally closely aligned with one another. The 19th century liberal nationalists, such as Giuseppe Garibaldi and Giuseppe Mazzini in Italy, and Adam Mickiewicz in Poland, dreamt about precisely such an international liberal order of peacefully-coexisting nations. The second thing to note about this vision of friendly fortresses is that it has been tried—and it failed spectacularly. All attempts to divide the world into clear-cut nations have so far resulted in war and genocide. When the heirs of Garibaldi, Mazzini and Mickiewicz managed to overthrow the multi-ethnic Habsburg Empire, it proved impossible to find a clear line dividing Italians from Slovenes or Poles from Ukrainians. This had set the stage for the second world war. The key problem with the network of fortresses is that each national fortress wants a bit more land, security and prosperity for itself at the expense of the neighbors, and without the help of universal values and global organisations, rival fortresses cannot agree on any common rules. Walled fortresses are seldom friendly. But if you happen to live inside a particularly strong fortress, such as America or Russia, why should you care? Some nationalists indeed adopt a more extreme isolationist position. They don’t believe in either a global empire or in a global network of fortresses. Instead, they deny the necessity of any global order whatsoever. “Our fortress should just raise the drawbridges,” they say, “and the rest of the world can go to hell. We should refuse entry to foreign people, foreign ideas and foreign goods, and as long as our walls are stout and the guards are loyal, who cares what happens to the foreigners?” Such extreme isolationism, however, is completely divorced from economic realities. Without a global trade network, all existing national economies will collapse—including that of North Korea. Many countries will not be able even to feed themselves without imports, and prices of almost all products will skyrocket. The made-in-China shirt I am wearing cost me about $5. If it had been produced by Israeli workers from Israeli-grown cotton using Israeli-made machines powered by non-existing Israeli oil, it may well have cost ten times as much. Nationalist leaders from Donald Trump to Vladimir Putin may therefore heap abuse on the global trade network, but none thinks seriously of taking their country completely out of that network. And we cannot have a global trade network without some global order that sets the rules of the game. Even more importantly, whether people like it or not, humankind today faces three common problems that make a mockery of all national borders, and that can only be solved through global cooperation. These are nuclear war, climate change and technological disruption. You cannot build a wall against nuclear winter or against global warming,

and no nation can regulate artificial intelligence (AI) or bioengineering single-handedly. It won’t be enough if only the European Union forbids producing killer robots or only America bans genetically-engineering human babies. Due to the immense potential of such disruptive technologies, if even one country decides to pursue these high-risk high-gain paths, other countries will be forced to follow its dangerous lead for fear of being left behind. An AI arms race or a biotechnological arms race almost guarantees the worst outcome. Whoever wins the arms race, the loser will likely be humanity itself. For in an arms race, all regulations will collapse. Consider, for example, conducting genetic-engineering experiments on human babies. Every country will say: “We don’t want to conduct such experiments—we are the good guys. But how do we know our rivals are not doing it? We cannot afford to remain behind. So we must do it before them.” Similarly, consider developing autonomous-weapon systems, that can decide for themselves whether to shoot and kill people. Again, every country will say: “This is a very dangerous technology, and it should be regulated carefully. But we don’t trust our rivals to regulate it, so we must develop it first”. The only thing that can prevent such destructive arms races is greater trust between countries. This is not an impossible mission. If today the Germans promise the French: “Trust us, we aren’t developing killer robots in a secret laboratory under the Bavarian Alps,” the French are likely to believe the Germans, despite the terrible history of these two countries. We need to build such trust globally. We need to reach a point when Americans and Chinese can trust one another like the French and Germans. Similarly, we need to create a global safety-net to protect humans against the economic shocks that AI is likely to cause. Automation will create immense new wealth in high-tech hubs such as Silicon Valley, while the worst effects will be felt in developing countries whose economies depend on cheap manual labor. There will be more jobs to software engineers in California, but fewer jobs to Mexican factory workers and truck drivers. We now have a global economy, but politics is still very national. Unless we find solutions on a global level to the disruptions caused by AI, entire countries might collapse, and the resulting chaos, violence and waves of immigration will destabilise the entire world. This is the proper perspective to look at recent developments such as Brexit. In itself, Brexit isn’t necessarily a bad idea. But is this what Britain and the EU should be dealing with right now? How does Brexit help prevent nuclear war? How does Brexit help prevent climate change? How does Brexit help regulate artificial intelligence and bioengineering? Instead of helping, Brexit makes it harder to solve all of these problems. Every minute that Britain and the EU spend on Brexit is one less minute they spend on preventing climate change and on regulating AI. In order to survive and flourish in the 21st century, humankind needs effective global cooperation, and so far the only viable blueprint for such cooperation is offered by liberalism. Nevertheless, governments all over the world are undermining the foundations of the liberal order, and the world is turning into a network of fortresses. The first to feel the impact are the weakest members of humanity, who find themselves without any fortress willing to protect them: refugees, illegal migrants, persecuted minorities. But if the walls keep rising, eventually the whole of humankind will feel the squeeze.

**No US-China war – nor accidental escalation**

Timothy **Heath 17**, senior international defense research analyst at the nonprofit, nonpartisan RAND Corporation and member of the Pardee RAND Graduate School faculty, and William R. Thompson, Distinguished and Rogers Professor at Indiana University and an adjunct researcher at RAND, "U.S.-China Tensions Are Unlikely to Lead to War", National Interest, https://nationalinterest.org/feature/us-china-tensions-are-unlikely-lead-war-20411?page=0%2C1

Graham Allison's April 12 article, “ How America and China Could Stumble to War ,” explores how misperceptions and bureaucratic dysfunction could accelerate a militarized crisis involving the United States and China into an unwanted war. **However**, the article **fails to persuade** because it neglects the key political and geostrategic conditions that make war plausible in the first place. Without those conditions in place, the risk that a crisis could accidentally escalate into war becomes far lower. The U.S.-China relationship today may be trending towards greater tension, **but the relative stability** and overall **low level of hostility** make the prospect of an accidental escalation to war **extremely unlikely.** In a series of scenarios centered around the South China Sea, Taiwan and the East China Sea, Allison explored how well-established flashpoints involving China and the United States and its allies could spiral into unwanted war. Allison’s article argues that given the context of strategic rivalry between a rising power and a status-quo power, organizational and bureaucratic misjudgments increase the likelihood of unintended escalation. According to Allison, “the underlying stress created by China’s disruptive rise creates conditions in which accidental, otherwise inconsequential events could trigger a large-scale conflict.” This argument appears persuasive on its surface, in no small part because it evokes insights from some of Allison’s groundbreaking work on the organizational pathologies that made the Cuban Missile Crisis so dangerous. However, Allison ultimately fails to persuade because he fails to specify the political and strategic conditions that make war plausible in the first place. Allison’s analysis implies that the United States and China are in a situation analogous to that of the Soviet Union and the United States in the early 1960s. In the Cold War example, the two countries faced each other on a near-war footing and engaged in a bitter geostrategic and ideological struggle for supremacy. The two countries experienced a series of militarized crises and fought each other repeatedly through proxy wars. It was this broader context that made issues of misjudgment so dangerous in a crisis. **By contrast**, the U.S.-China relationship today operates at a **much lower level of hostility** and threat. China and the United States may be experiencing an increase in tensions, but the two countries **remain far from the bitter, acrimonious rivalry** that defined the U.S.-Soviet relationship in the early 1960s. Neither Washington nor Beijing regards the other as its principal enemy. Today’s rivals may view each other warily as competitors and threats on some issues, but they also view each other as important trade partners and partners on some shared concerns, such as North Korea, as the recent summit between President Donald Trump and Chinese president Xi Jinping illustrated. The behavior of their respective militaries underscores **the relatively restrained rivalry**.

The military competition between China and the United States may be growing, but it operates at a **far lower level of intensity** than the relentless arms racing that typified the U.S.-Soviet standoff. And unlike their Cold War counterparts, U.S. and Chinese militaries are **not postured to fight each other in major wars**. Moreover, polls show that the people of the two countries regard each other with mixed views —a considerable contrast from the hostile sentiment expressed by the U.S. and Soviet publics for each other. Lacking both **preparations** for major war and a **constituency** for conflict, leaders and bureaucracies in both countries have **less incentive to misjudge crisis situations** in favor of unwarranted escalation. To the contrary, political leaders and bureaucracies currently face a **strong incentive** to **find ways of defusing crises** in a manner that avoids unwanted escalation. This inclination manifested itself in the EP-3 **airplane collision off Hainan Island in 2001**, and in **subsequent incidents involving U.S. and Chinese ships and aircraft**, such as the harassment of the **USNS Impeccable** in 2009. This does not mean that there is no risk, however. Indeed, the potential for a dangerous militarized crisis may be growing. Moreover, key political and geostrategic developments could shift the incentives for leaders in favor of more escalatory options in a crisis and thereby make Allison’s scenarios more plausible. Past precedents offer some insight into the types of developments that would most likely propel the U.S.-China relationship into a hostile, competitive one featuring an elevated risk of conflict. The most important driver, as Allison recognizes, would be a growing parity between China and the United States as economic, technological and geostrategic leaders of the international system. The United States and China feature an increasing parity in the size of their economies, but **the United States retains a considerable lead in virtually every** other **dimension of national power**. The current U.S.-China rivalry is a regional one centered on the Asia-Pacific region, but it retains the considerable potential of escalating into a global, systemic competition down the road. A second important driver would be the mobilization of public opinion behind the view that the other country is a primary source of threat, thereby providing a stronger constituency for escalatory policies. A related development would be the formal designation by leaders in both capitals of the other country as a primary hostile threat and likely foe. These developments would most likely be fueled by a growing array of intractable disputes, and further accelerated by a serious militarized crisis. The cumulative effect would be the exacerbation of an antagonistic competitive rivalry, repeated and volatile militarized crisis, and heightened risk that any flashpoint could escalate rapidly to war—a relationship that would resemble the U.S.-Soviet relationship in the early 1960s. Yet even if the relationship evolved towards a more hostile form of rivalry, **unique features of the contemporary world** suggest lessons drawn from the past may have **limited applicability.** **Economic interdependence** in the twenty-first century is much different and far more complex than in it was in the past. So is the **lethality of weaponry available to the major powers**. In the sixteenth century, armies fought with pikes, swords and primitive guns. In the twenty-first century, it is possible to eliminate all life on the planet in a full-bore nuclear exchange. These features likely **affect the willingness of leaders** to escalate in a crisis in a manner far differently than in past rivalries. More broadly, Allison’s analysis about the “Thucydides Trap” may be criticized for **exaggerating the risks of war.** In his claims to identify a high propensity for war between “rising” and “ruling” countries, he fails to clarify those terms, and does not distinguish the more dangerous from the less volatile types of rivalries. Contests for supremacy over land regions, for example, have historically proven the most conflict-prone, while competition for supremacy over maritime regions has, by contrast, **tended to be less lethal**. Rivalries also wax and wane over time, with varying levels of risks of war. **A more careful review of rivalries and their variety**, duration and patterns of interaction suggests that although most wars involve rivalries, many **rivals avoid going to war**. Misperceptions and strategic accidents remain a persistent feature of international politics, and it may well be that that mistakes are more likely to be lethal in periods of adjustment in relative power configurations. Rising states do have problems negotiating status quo changes with states that have staked out their predominance earlier. **Even so**, the probability of war between China and the United States is almost certainly **far less than** the 75 percent predicted by Allison. If the leaders of both countries can continue to find ways to dampen the trends towards hostile rivalry and maintain sufficient cooperation to manage differences, then there is good reason to hope that the risk of war can be lowered further still.

**Lone wolfs can’t be WMD threats**

Boaz **Ganor 17,** associate dean of the Lauder School of Government and executive director of the International Institute for Counter-Terrorism at the Interdisciplinary Center Herzliya, 8-7-2017, "Lone Wolf: Passing Fad or Terror Threat of the Future?," The Washington Institute, https://www.washingtoninstitute.org/policy-analysis/view/lone-wolf-passing-fad-or-terror-threat-of-the-future

A lone wolf is an individual who has become radicalized and, as a result, decides to carry out an act of terrorism. Many scholars have challenged the validity of the term, questioning whether lone wolves, or "personal initiative attackers," are indeed acting on their own. Yet while the lone wolf may be ideologically inspired by a terrorist organization, **he or she receives no operational or other support from such an organization and, thus, is indeed acting alone.** Although not a threat to be taken lightly, lone wolf attacks -- typically perpetrated with light weaponry such as knives, axes, or bulldozers **-- generally result in low casualty numbers**. Given that lone wolf attacks are a growing phenomenon, however, and that terrorists are always looking for new techniques, counterterrorism professionals must not underestimate the danger they pose to the public.

**No ag impact.**

Steven **Pinker 11**, Prof @ Harvard, Steven Pinker: Resource Scarcity Doesn’t Cause Wars, <http://www.globalwarming.org/2011/11/28/steven-pinker-resource-scarcity-doesnt-cause-wars/>

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

**Advantage 2**

**Extinction from warming requires 12 degrees, far greater than their internal link, and intervening actors will solve before then**

Sebastian **Farquhar 17**, master’s degree in Physics from the University of Oxford, leads the Global Priorities Project (GPP) at the Centre for Effective Altruism, et al., 2017, “Existential Risk: Diplomacy and Governance,” https://www.fhi.ox.ac.uk/wp-content/uploads/Existential-Risks-2017-01-23.pdf

**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.**

The probability of these levels of warming depends on eventual greenhouse gas concentrations. According to some experts, unless strong action is taken soon by major emitters, it is likely that we will pursue a medium-high emissions pathway.20 If we do, the chance of extreme warming is highly uncertain but appears non-negligible. Current concentrations of greenhouse gases are higher than they have been for hundreds of thousands of years,21 which means that there are significant unknown unknowns about how the climate system will respond. Particularly concerning is the risk of positive feedback loops, such as the release of vast amounts of methane from melting of the arctic permafrost, which would cause rapid and disastrous warming.22 The economists Gernot Wagner and Martin Weitzman have used IPCC figures (which do not include modelling of feedback loops such as those from melting permafrost) to estimate that if we continue to pursue a medium-high emissions pathway, the probability of eventual warming of 6°C is around 10%,23 and of 10°C is around 3%.24 **These estimates are of course highly uncertain**. It is likely that the world will take action against climate change once it begins to impose large costs on human society, **long before** there is warming of 10**°C**. Unfortunately, there is significant inertia in the climate system: there is a 25 to 50 year lag between CO2 emissions and eventual warming,25 and it is expected that 40% of the peak concentration of CO2 will remain in the atmosphere 1,000 years after the peak is reached.26 Consequently, it is impossible to reduce temperatures quickly by reducing CO2 emissions. If the world does start to face costly warming, the international community will therefore face strong incentives to find other ways to reduce global temperatures.

**Doing fine**

Ian **Livingston 18**, Senior Research Assistant - Center on 21st Century Security and Intelligence, Brookings Institution, 9-10-2018, "Why China isn’t ahead of the US Navy, even with more ships," Brookings, https://www.brookings.edu/blog/order-from-chaos/2018/09/10/why-china-isnt-ahead-of-the-us-navy-even-with-more-ships/

In fact, nothing of the sort is true. Leave aside the facts that the United States has some 60 allies and other close security partners to China’s one (which is North Korea, by the way). Or that by standard market exchange rates, U.S. GDP of some $19 trillion compares very favorably with China’s $13 trillion. Or that the annual U.S. defense budget of $700 billion still dwarves China’s $200 billion. Indeed, as one of us argued with Jim Steinberg in our 2014 book, Strategic Reassurance and Resolve, the fact that America’s military budget has been so much larger than China’s for so many years translates into what is still almost a **10:1 U.S. advantage** in our cumulative stock of modern weaponry. Beyond all that, even on the simple, **crude measure of the size of navies, the United States remains way ahead.** The reason is simple. Although China has (modestly) more seafaring vessels than the United States, ours are on average bigger—much bigger. That is true even now that China has deployed two mid-size aircraft carriers and a number of impressive destroyers. **If the size of a navy were the top indicator** of capability, presumably **the New York City Yacht Club** (or at least that fraction of it carrying firearms) **would possess the world’s most formidable armada.** We are of course being facetious, but the larger point is valid. If the United States Navy valued number of ships above all else, it could build more small boats with the same budget. But it does not. It deliberately values the size (and quality, and armament) of vessels over their sheer number. It thus chooses to build 100,000 ton flat-deck aircraft carriers, 40,000 ton smaller aircraft carriers, large amphibious ships for moving Marines, big surface combatants with sophisticated radar systems and advanced missile defense and land-attack capabilities, and large nuclear-powered submarines with long ranges. It chooses not to prioritize frigates, or other smaller boats like “littoral combat ships,” or mine warfare vessels. In fact, it defines “warship” in such a way that huge numbers of its own smaller vessels do not even make the tally when it comes to counting the size of the blue-water fleet. Yes, numbers of ships do matter—for maintaining presence in multiple places around the world, for having attrition reserves for wartime contingencies, for complicating enemy planning and targeting. The late John McCain was right to worry about the size and readiness of our Navy, just as President Trump and before him President Obama had been. In the 1990s and 2000s, we took our eye off Navy shipbuilding a bit too much, and most of the current remedial action is justifiable. But based on calculations the two of us have done in recent years, **the U.S. Navy still has a combined tonnage of at least twice that of China’s.** The lead has shrunk, from four million tons in the late 1990s to three million tons today, in rough numbers. And yes, our Navy has two major ocean areas to attend to, with both of them extending out to the Persian Gulf—the broader Atlantic and the Indo-Pacific regions. China can concentrate its military efforts mostly on the latter, and indeed mostly on the western Pacific, where it is closing the gap with America and its allies. That is an important concern, and one reason why Secretary of Defense Jim Mattis along with Joint Chiefs Chairman General Joe Dunford are surely right to refocus American military planning on great-power competition with China as well as Russia. However, let’s not overdo it, and let’s not obsess only about one potentially misleading metric of military capability. We need to avoid the twin perils of fatalistically persuading ourselves that China has already eclipsed us in great-power terms, or of thinking we need yet another huge military buildup at the risk of our fiscal solvency and long-term economic and military power to stanch the hemorrhaging of America’s strategic position. If you want to think about the size of navies, think mostly aggregate tonnage, not numbers of ships. By that measure, for what it’s worth, we are **still way ahead.**

**No readiness impact**

John **Mueller 16**, Woody Hayes Senior Research Scientist, Mershon Center for International Security Studies; Adjunct Professor, Department of Political Science, Ohio State University, 6/5/16, “Embracing Threatlessness: US Military Spending, Newt Gingrich, and the Costa Rica Option,” <http://politicalscience.osu.edu/faculty/jmueller/CNArestraintCato16.pdf>

The **U**nited **S**tates seems to be substantially **free from threats that require a great deal of military preparedness**.

To begin with, it really seems time to consider the consequences of the fact that a conflict like World War II is extremely unlikely to recur. Spending a lot of money for an eventuality—or fantasy—of ever-receding likelihood is highly questionable. Some envision threat in China’s rapidly-increasing prosperity. But, although its oft-stated desire to incorporate (or re-incorporate) Taiwan into its territory should be watched, armed conflict would be extremely—even overwhelmingly—costly to the country. And **Chinese leaders**, already rattled by internal difficulties, seem to **realize this**. Russia’s recent assertiveness bears watching, but it does not suggest that the game has been crucially changed. It might make sense to maintain a containment and deterrent capacity against rogue state

s in formal or informal coalition with other concerned countries. However, **the military requirements for the task are limited**. Humanitarian intervention with military force is unlikely due to a low tolerance for casualties in such ventures, an increasing aversion to the costs of nation-building, and the lack of political gain from successful ventures. Concern about nuclear proliferation is overwrought: long experience suggests that when countries obtain the weapons, they “use” them only to stoke their national ego and to deter real or imagined threats. Europe seems to face no notable threats of a military nature, the Taiwan/China issue remains a fairly remote concern, and Israel’s primary problems derive from the actions of sub-state groups. The military relevance of the terrorism “threat” has been substantially exaggerated, and it mainly calls for policing and intelligence work and perhaps for occasional focused strikes by small units.

# 2NC

### Adv CP

#### The United States federal government should

#### substantially increase regulations on anticompetitive shipping behavior by increasing environmental regulations of shipping emissions and shipping alliance emissions

#### apply these regulations internationally

#### Substantially increase its funding for modernization and upgrading of ports, including green and capacity investment

#### Shipping Alliances undermine all efforts to reduce container ship pollution

Alger et al 21, global environmental politics scholar at the University of British Columbia. (Justin, with Jane Lister a Senior Research Fellow and Associate Director of the Centre for Transportation Studies at the Sauder School of Business, University of British Columbia, and Peter Dauvergne is Professor of International Relations at the University of British Columbia, Feb 18, 2021, Corporate Governance and the Environmental Politics of Shipping, https://brill.com/view/journals/gg/27/1/article-p144\_7.xml?language=en

. Of course, the problem is that any gains in efficiency are more than offset by the industry’s rapid growth. As projected, shipping emissions roughly doubled from 1970 to 2018.15 The IMO also projects that shipping carbon emissions will rise between 50 and 250 percent by 2050 under a business-as-usual scenario.16 Fuel efficiency matters for minimizing the environmental impact of shipping, but any gains risk being overshadowed by rising aggregate emissions. There is a similar challenge with emissions reduction efforts in ports. Despite regulatory efforts in many cities to reduce air pollution from ports, the IMO projects that port emissions are still likely to quadruple by 2050.17 The 100 most polluted ports alone affect approximately 230 million people.18 Building larger, more fuel-efficient ships is not enough to address these threats to the environment and human health. Focusing strictly on carbon emissions also risks neglecting the myriad of other environmental impacts of the shipping industry. As ships burn the lowest-grade heavy fuel oil (bunker fuel), the emissions include not just carbon but also sulfur dioxide, hydrocarbons, and various forms of nitrogen oxide, all of which have substantial environmental and human health effects. Low-grade marine fuel contains, for example, 3,500 times more sulfur than road diesel.19 According to one study, 30 percent of atmospheric sulfur aerosol around major shipping routes is directly attributable to shipping, contributing to the occurrence of acid rain and more intense storms.20 Other threats include oil spills, invasive species, disposal of hazardous material, and noise, among others. These environmental threats from global shipping have all grown since the 1970s despite progress in reducing emission rates. These trends point to a global shipping industry that looks much different today than it did in the 1970s. Transnational regulation and governance are an increasingly pervasive feature of both world affairs and scholarly analysis. An analysis of global shipping in the twenty-first century needs to account for the growing influence of corporations in global governance. Corporations, in many ways, now exert greater influence than states over global issues of stability, equity, and efficiency. This is especially true within the shipping industry. 3 The Roots of Industry Authority The shipping industry is the oldest transnational business and the transmission belt of the global economy. Historically, shipping and geopolitical power have gone hand in hand. In the past, it has been in the interest of states to limit regulations on the high seas to facilitate open competition and economies of scale in trade. The prevailing norm for high seas governance has been freedom of the seas—a norm that shipping companies have worked to reinforce in their efforts to avoid state regulation and consolidate their position. The industry’s privileged position in the global economy has made it especially effective in influencing its own governance. The freedom of the seas norm is central to why the shipping industry continues to be so difficult for states to regulate.21 This difficulty is partly the result of state design. Historically, states have advocated for minimal regulations at sea in pursuit of their strategic and economic interests. The legal justification for freedom of the seas dates back to 1609, when Dutch jurist Hugo Grotius made the case that shipping routes and ocean resources were inexhaustible resources and therefore should be available to all states equally—an important geostrategic priority for the then Dutch Republic.22 Grotius naturally could not predict the scale of extractive activity centuries later, but his legal basis for freedom of access to shipping routes largely endures today. The norm featured prominently throughout the ten-year negotiations for the UN Convention on the Law of the Sea (UNCLOS) adopted in 1982. As the world’s preeminent maritime powers throughout the nineteenth and twentieth centuries, the United Kingdom and United States viewed freedom of the seas as essential to the health of their economies. They used their collective power to enshrine it in international law. The evolution of the shipping regime since—around issues such as jurisdictional rights, damage control, and technical barriers—similarly reflects the prerogative of states to ensure free movement of ships and commerce. The historical state-based governance of shipping has, in short, worked toward enhancing industry autonomy in the name of geopolitics and commerce. States actively promoting industry autonomy gave major industry players a lot of leeway over how to organize, through their own banks and insurance companies, and most notably through loosely regulated industry “conferences” (essentially cartels).23 These conferences coordinated on maintaining control over certain shipping routes, often deliberately deploying ships on the same schedules as non-members to push them out of the market.24 Pushing smaller competitors out of the market allowed these conferences to fix prices at a higher rate, among other predatory business practices. The conference system would not endure, however. The emergence of containerization in the latter half of the twentieth century reduced shipping costs, making the market more competitive for smaller companies.25 New antitrust laws targeting conferences in Europe and the United States at the beginning of the twenty-first century followed, further undermining their viability. These regulations were intended to break up what was increasingly an unfair, oligopolistic market, but they had the unanticipated effect of providing the impetus for the further centralization of authority in the industry. This centralization of power has taken two forms: an increase in mergers and acquisitions, and the formation of shipping alliances. The high fixed-variable cost ratio of the shipping industry makes consolidation an imperative for major shipping countries.26 With the benefits of coordinating routes and prices through conferences increasingly restricted by governments, major industry players have resorted to strategic mergers and acquisitions to achieve greater economies of scale. Figure 2 depicts the sharp rise in these mergers and acquisitions in the 1990s that has continued steadily since. Some of these mergers reflect a dramatic shift in industry composition. For example, the merger of COSCO and China Shipping in 2016—China’s two largest state-owned shipping conglomerates—made COSCO Shipping the world’s fourth-largest shipping company at the time (it has since risen to third). Strategic alliances also emerged to replace conferences, and these now dominate the shipping landscape. The market share of the major alliances leaped from 30 percent in 2011 to 80 percent in 2018, depicted in Figure 3. Just three alliances—Ocean Alliance, The Alliance, and 2M Alliance—now account for 80 percent of global capacity. Formed in 2017 following a reshuffling, these three alliances allow major carriers to coordinate to enhance their global service coverage and optimize operational costs by sharing resources. The major distinction between these alliances and the conferences of old is that alliance partners do not share commercial information, including pricing. But in practice, these alliances allow a select few large shipping companies to dominate the industry even further. Minimal government antitrust efforts and lingering liner shipping block exemptions from competition policy have enabled the ongoing formation of an oligopoly in global shipping—driven by the advent of megaships and by the steady increase in industry consolidation through mergers, acquisitions, and alliances that began in the 1990s.27 The industry has, in short, been highly effective in avoiding regulation or in finding creative ways to limit its efficacy. There is perhaps no clearer instance of this than the “flags of convenience” model, by which ships can choose which country’s flag to fly. This model allows ships to fly the flag of a country of its choice, including those with minimal safety and environmental regulatory requirements. Countries that ignore IMO resolutions have an outsized ability to undermine new standards. Rather than adhering to new rules—environmental or otherwise—ships often can simply switch flags and ignore them altogether. This system has endured because it benefits all parties: flag states get more traffic, non-flag states get cheaper shipping costs, and shipping companies get increased profits.28 One possible solution is for governments to adopt an exclusion model that prohibits port access to ships that fly flags of convenience.29 But progress has been slow. In 2017, the five largest shipping fleets by flag of registration were Panama, Liberia, the Marshall Islands, Hong Kong, and Singapore.30 This model continues to allow ships to pick and choose which country’s regulations to adhere to, vastly undermining the ability of the IMO and national governments to set standards.31 The freedom of the seas norm that states have long sought to reinforce has had perverse effects on global shipping governance. Mergers and acquisitions, conferences, alliances, and flags of convenience all contribute to an industry structure that has systematically reinforced the power of major corporations. For their part, states have struggled to identify the right balance between the geopolitical and commercial importance of freedom of the seas and the need to regulate the industry (environmental or otherwise). Even when states do introduce new rules, they tend to have unintended consequences. Antitrust efforts helped break up shipping conferences, but led to today’s structure of powerful alliances. From price fixing to alliances to regulatory evasion, major corporations have significantly enhanced their market dominance and, by extension, their political power over global shipping—an outcome with perhaps unexpected consequences for the environmental governance of the industry. 4 Environmental Governance of Global Shipping The consolidation of the industry since the 1970s and the freedom of the seas approach to shipping governance have allowed major companies to exert substantial influence over their environmental governance. Consolidation can benefit states looking to better regulate industry by, most notably, making it easier to design and target regulations in an industry with fewer larger firms. But consolidation also means a few firms have substantial market power that they can leverage to shape the content of state regulation, or oppose it outright. The industry has used that leverage in tangible ways to shape the environmental governance of shipping. Historically, that influence has translated into efforts to avoid environmental regulation. The shipping industry was one of only two industries exempted from emissions cuts in the 2015 Paris Agreement on climate change—a trend that continues its similar exemption from the 1997 Kyoto Protocol. Shipping is responsible for approximately 3 percent of global carbon emissions, which would put it in the top ten global emitters if considered a country, so its exemption is a major blow to the climate regime. Environmentalists lamented the shipping exception, decrying the “corporate capture” of the IMO and UN by shipping and air transport lobbyists. But the global shipping industry has been nigh untouchable for states looking to curb the sector’s climate change impact. This untouchable status is partly by design. In addition to an embedded freedom of the seas norm, the industry further benefits from the norm of liberal environmentalism, which emerged out of the negotiations and compromises leading up to the 1992 UN Conference on Environment and Development (UNCED), often referred to as the Rio Earth Summit.32 In Rio, states confirmed the need to better protect the global environment, but with the major caveat that efforts should not interfere with economic growth and development. Ever since, this compromise has defined the state-led governance of environmental issues from climate change to deforestation to biodiversity loss. The maritime industry agreed to support the Rio agenda only as long as it could set its own regulatory agenda.33 As the transmission belt of the global economy, it was simply too essential to all countries to risk disruption. Exemptions in Paris and Kyoto, and the so-called corporate capture of the IMO, therefore merely reflect the application of this norm to global shipping and its centrality in the global economy. That is not to say that state-led governance of shipping has not been strong and successful at times. For example, states took action on oil spills by imposing stricter spill prevention standards on the industry. Oil spills can seriously damage corporate reputation, much more so than diffuse, long-term environmental impacts such as emissions. They have a lasting, visible impact, and generate public outcry. The industry has therefore been responsive to tougher IMO resolutions and technical guidelines for oil spill prevention.34 Despite the cost of implementing stricter safety standards in ship design, the industry sees the value in ceding authority on certain issues to external organizations such as the IMO. Adhering to best practices, as defined by outside governance bodies, has led to a sharp reduction in spills since the 1970s, as depicted in Figure 4. But it also provides the industry with a scapegoat in the event of a spill. Rather than a focus on internal malpractice, many oil spills become a lightning rod for reviewing the international standards set by the IMO. Oil spills can be reduced in number and their impact mitigated, but they are an inevitability of ship bunkering (refueling) and oil transport. By ceding authority on oil spills, the industry has effectively deflected the burden of responsibility to governments and international bodies on a high-profile, potentially market-damaging issue. Similarly, in 2008 the IMO adopted a sulfur cap of 0.5 percent of fuel composition to come into effect on 1 January 2020—a sizable decrease from the previous 3.5 percent limit. This regulation applies to all new and existing ships, generally requiring that ships substitute cleaner, more expensive fuel, but also requiring retrofitting of tanks and engines in many older ships. Individual flag states are still responsible for sanctions in the event of noncompliance, but the IMO has adopted a particularly aggressive stance on sulfur emissions, raising its profile as an environmental priority and effectively ratcheting up pressure on industry. Given the pressure, major industry players are expected to comply, with a projected cost for the container shipping industry of between $ 5 billion and $ 30 billion, depending on market rates for fuel.35 Regulations such as those for oil spills and the sulfur cap demonstrate that state-led governance of shipping can be effective with industry buy-in, often gained through political pressure. States can and have put limitations on certain activities with real consequences for the industry. But new safety designs, ship retrofitting, and cleaner fuels are costly. Given the potential cost of new regulations, major shipping companies have not sat idly by, instead taking the initiative to better shape the environmental governance of their industry through self-regulation. 5 Environmental Self-Governance Following the lead of their big brand customers like Coca-Cola, IKEA, Walmart, and countless others, the major shipping companies are seeking to control their regulatory fate through self-governance and CSR initiatives. By voluntarily committing to sustainability, these companies can simultaneously reduce the impetus for government-led regulation, while setting the terms of debate for future regulation.36 When companies environmentally self-regulate, even with unambitious goals, they tend to dissuade voters, activists, and government officials alike from supporting more robust regulations.37 They also create benchmarks for the rest of the industry to follow and they influence the agenda for state-led governance. In doing so, the companies enhance their autonomy from government-imposed regulation, allowing them to shape the future of the industry and protect their profitability. Put simply, through CSR major shipping companies gain political authority to decide which environmental issues to address, and how to address them in a way that will not have an oversized effect on their bottom line. The cost of these self-imposed initiatives is a price well worth paying to avoid the potential losses associated with a rigorous state-led regulatory regime. One such example was the approach that the International Chamber of Shipping (ICS) took to IMO-imposed greenhouse gas emissions reductions. Just as the IMO was advancing with a 2017–2023 road map for reducing greenhouse gases, the ICS submitted an alternative proposal to the IMO that voluntarily permitted the organization to impose reductions beginning in 2023. The ICS proposal did not specify any reduction targets. The IMO accepted the industry proposal, feeling that industry buy-in was important for compliance. But the cost of this buy-in was high. The proposal marginalized and delayed action, with the IMO ultimately setting an intensity target for 2030 while pushing back the absolute emission reduction target to 2050—letting industry off the hook in the short term. The ICS effectively co-opted the IMO reductions targets. Their watered-down proposal was representative of many CSR initiatives—weak, voluntary industry commitments that fail to adequately address the environmental problem in question.38 In this case and others, the industry used its bargaining power to supplant a more ambitious, IMO-driven plan. To the IMO—an organization that struggles with compliance—having industry on board was more important than rigorous emissions targets. In this instance, small and large firms unified through the ICS to undermine the IMO plan but, increasingly, just a few firms are able to go it alone to similar result. More recently, major industry players are moving toward greater environmental self-governance, as exemplified by green ship certification schemes. Spearheaded by industry leaders, these voluntary CSR programs, such as RightShip, Clean Cargo, Green Award, Green Ship of the Future, Environmental Ship Index, and the Clean Shipping Index, establish benchmark criteria to assess vessels on their environmental performance. They mainly measure carbon emissions and fuel efficiency. Ships that pass the mark receive a positive ranking and green seal of approval that qualifies the vessel for market incentives such as reduced port fees and better slot allocation at port. These ratings also bestow a market advantage to companies with certified vessels by allowing them to appeal to cargo customers seeking more environmentally responsible transport. More importantly, the voluntary standards are providing the industry with the opportunity to shape environmental rules. Container shipping companies representing approximately 85 percent of the world’s ocean container shipping volume, for example, participate in the Clean Cargo Program, which includes a business Climate Call to Action agenda. 6 Environmental Self-Governance at Maersk Beyond industry-led certification, there are a select few companies that are proactively pushing for better environmental regulation, most notably Maersk (or what is more formally known as A.P. Møller—Mærsk A/S). Maersk’s sustainability initiatives and its advocacy for better environmental performance by the industry have earned it a positive reputation, even among industry critics. InfluenceMap’s report on corporate capture of the IMO, for example, specifically lauds Maersk for its transparency and progressive voice in an otherwise scathing report.39 As Maersk CEO Søren Skou puts it, “Companies can no longer stay on the sidelines when it comes to global issues.”40 Maersk has been proactive on environmental governance, and its efforts are transforming not only the company but the industry itself. Other companies and associations concentrated in Northern European countries are already starting to follow suit and support environmental action such as through the Trident Alliance lobby for strong sulfur fuel regulation and enforcement. Beyond gaining political influence, there is a powerful business case for Maersk’s support for stronger environmental governance. The business value, we argue, goes beyond the standard CSR “eco-business” from enhancing environmental efficiencies, reducing waste, and gaining more control of supply chains.41 Given the nature of the global shipping industry, higher environmental standards are giving Maersk a significant competitive advantage. New environmental regulations tend to raise the costs of shipping in an industry with already low profit margins, especially for smaller carriers that cannot take advantage of economies of scale. Companies such as Maersk that benefit from the cost savings of megaships and alliances are much better positioned to absorb these kinds of financial shocks than smaller companies. Maersk wields substantial power as the market leader in an increasingly centralized industry, allowing it to pressure governments and ports to make new environmental standards compulsory and ensure “level-playing-field” enforcement to guard their competitive margins. The inevitable outcome of rising operating costs is further industry consolidation through mergers and acquisitions, smaller companies put out of business, and rising barriers to entry for aspiring companies. By escalating environmental requirements and, therefore, risks and costs on its competitors, Maersk solidifies its industry dominance. Maersk’s position on sulfur emission limits in the Port of Hong Kong exemplifies how a powerful company exerts its influence to push for stronger environmental regulations to give it a competitive advantage. In 2012, the Port of Hong Kong cut port fees in half for ships that used fuel with no more than 0.5 percent sulfur content. Maersk, along with seventeen other companies, took advantage of the program. But in 2013 Maersk threatened to switch back to cheaper, dirtier fuel if the port did not make the cleaner fuel mandatory for all. Maersk claimed the cleaner fuel cost an additional $ 2 million per year, only 40 percent of which was made up by cost savings from reduced port fees. This increased cost, Maersk argued, put it at a competitive disadvantage relative to its major competitors in East Asia.42 Maersk, however, was already using low-sulfur content fuel on its ships in part because it needed to abide by European standards. Its threat to switch to dirtier fuel was therefore somewhat hollow, as was its calculation of the additional cost to Maersk. Maersk’s incentive was certainly to level the playing field and it did so by pushing the Port of Hong Kong to adopt the same standards Maersk was already using internally. Bowing to Maersk, its largest customer, the Port of Hong Kong made the reduced-sulfur content fuel mandatory on all ships in 2015. Maersk is used here as an illustrative example, but Nordic shipping companies in particular are increasingly employing tactics similar to Maersk’s pressuring of the Port of Hong Kong. While the majority of shipping companies, often represented by the International Chamber of Shipping, remain silent on environmental issues, some of the largest shipping companies have been anything but. There are two key reasons why some of the major players like Maersk are becoming more environmentally conscious.43 The first is that they are more inclined to long-term planning. They see competitive advantage in being ahead of the curve on environmental performance, allowing them to attract environmentally conscious customers. As IKEA, Nike, Walmart, and others commit to sustainable supply chains, their public image increasingly depends on reducing the environmental cost of shipping. The CEO s of companies like Amazon, Cargill, and Walmart consistently rank in the top 100—and frequently the top 20—in lists of the most influential people in global shipping. Transnational retailers are increasingly looking to shipping emissions as one way of reducing their environmental footprints and enhancing their sustainability credentials. Large shipping companies are therefore using their strong market positions to capitalize on this growing demand for green shipping. Maersk, for example, has established “carbon pacts” with its major suppliers, notably Tetra Pak, BMW, and AkzoNobel, to meet the growing demand for greener ocean transport. Such pacts are also, however, a highly strategic means to lock customers into a long-term business relationship. The second reason is that companies such as Maersk tend to be more technologically advanced than their competition. The better environmental performance of these companies is due in large part to this technological prowess. This prowess not only includes their ability to design and build more fuel-efficient megaships, but also to conduct industry-leading research and development into the low- or zero-emissions vessels of the future. Many of these vessels will use cleaner fuels such as liquefied natural gas (LNG) and hydrogen, while others use advanced battery, fuel cell, wind, and solar technology. Whereas most shipping companies focus on operational measures such as improved maintenance and slow steaming for better fuel efficiency to address sustainability, the major industry sustainability leaders are pursuing fundamentally new ship designs. Being ahead of the curve with these advancements gives the big players an incentive to push for stricter environmental standards. Any new environmental regulations would have a greater impact on competitors lagging behind on these technologies. While the main target of these tactics may be major competitors (i.e., large Chinese shipping companies), the increased costs to smaller shipping companies are, at best, collateral damage. At worst, they represent systematic efforts by the world’s largest shipping companies to force their smaller competitors out of the market. The efforts of Maersk to use sustainability to enhance its market position is increasingly common in environmental governance. Corporations regularly look to co-opt environmental governance to set the terms for it.44 But as Strange noted in 1976, global shipping is unique in its geopolitical and commercial importance in the international system. The industry’s Paris exemption, as noted above, is perhaps the clearest indication of its exceptional status. The source of Maersk’s power is not just market dominance, but specifically market dominance in an industry that is essential to the majority of global commerce. The ongoing trend toward greater industry consolidation, particularly over the past decade, has only heightened the influence of major players. Put simply, major players such as Maersk are leveraging the industry’s status as well as their market dominance to dictate the direction and scope of environmental governance, significantly enhancing their competitiveness along the way. 7 Conclusion: The Path to Sustainability? The elephant in the room is whether, on balance, industry-driven governance is an effective mechanism for improving the overall environmental performance of the container shipping industry. It certainly is leading to short-term incremental improvements, but the answer is murkier with respect to strategic long-run advances. The progressive stance of companies such as Maersk on reducing greenhouse gas emissions is an important normative shift within the industry. It is certainly desirable that some of the largest companies in the world’s oldest transnational industry are acknowledging their environmental impacts. Such efforts are certainly better than avoidance and obfuscation, as has been common in the past. In addition, many of the technological advances in shipping are helping to decrease environmental consequences. The shipping industry is not going anywhere, so these advances are necessary if it is to become more sustainable. Yet we need to keep in mind that corporate self-governance of environmental matters is further consolidating power and authority within the shipping industry. Concentration is happening on two fronts. First, industry self-governance is co-opting governance from state-led processes. Industry increasingly decides which problems to address and how to address them. These decisions tend to lead to marginal, incremental steps that benefit business by minimizing any impact on profitability. Fuel efficiency gains, for example, do not compensate for rapid growth in global shipping. On aggregate, the environmental impact of the industry is rising despite better efficiency. As noted, international shipping currently accounts for 3 percent of global greenhouse gas emissions. One European Union study predicts that this percentage will rise to 17 percent by 2050, if left unregulated.45 Private governance alone is not enough to reduce this impact meaningfully. The problem is compounded because shipping is a derived demand industry, so its impact also depends on unregulated global consumption levels and supply chains.46 The current industry-led approach nonetheless risks being a linear solution to an exponential problem. Second, major industry players in container shipping are using environmental regulation as a tool to enhance their market dominance, leading to even greater consolidation of the industry. It is not necessarily problematic for industry leaders like Maersk to raise the bar of environmental performance and force laggards to follow suit. But as noted above, this could be problematic for global shipping because smaller companies cannot keep up in an already centralized industry with low profit margins, aggravating already existing inequities common across the international political economy. Sustainability has become, in part, a competitive tool for some corporate players to make the industry even less democratic. It can raise costs that are more easily absorbed by large companies, put a premium on economies of scale, and increase barriers to entry: all further enhancing the power and authority of major companies to dictate governance. Industry sustainability initiatives are, unexpectedly, hastening global shipping’s march toward becoming a global oligopoly, if it is not already there. We could arguably consider this trade-off between consolidation and a commitment to environmental self-governance a good thing for the industry’s performance. If it meant sustainability in global shipping, then perhaps the case could be made that a less democratic industry is an acceptable cost. The prevailing question is whether a few large container shipping companies, increasingly self-regulating, will be willing to make greater sacrifices for sustainability to prevent the bleaker projections of the industry’s environmental impact from becoming reality.

#### Ports are hotspots for future climate investment

UNEP 21, United Nations Environmental Programme (August 5, 2021, 5 EXAMPLES OF BEST PRACTICE TO SUSTAINABLY FINANCE THE PORT SECTOR, <https://www.unepfi.org/news/themes/ecosystems/5-examples-of-best-practice-to-sustainably-finance-the-port-sector/>

The blue (ocean) economy offers many opportunities for private finance to lend and invest in a sustainable and nature-positive way. Here we look at some of the leading examples of best practice in social and environmental sustainability across the port sector which banks, insurers and investors can seek out. Ports are gateways for development, global trade and maritime innovation, and being located at sea level, they are on the front lines of climate change. Ports are also clusters of companies and hubs of economic activity. With strong scale and scope advantages they are ideal hubs for sustainable maritime innovation and have become a key part of development strategies employed by many nations (Rodrigue and Notteboom 2020). To further encourage the sustainable development of the sector, we have listed 5 examples of innovative best practice in ports that you might not know about. Check out Turning the Tide, UNEP FI’s detailed guidance on financing for the sustainable blue economy for more examples and how they may be material to your institution. The guide also includes an overview of activities to challenge or to avoid financing altogether, based on their sustainability credentials and overall risk. The recommendation may be to challenge certain activities, even where best practice is present in other areas. 1. Green transport Ports are the gateways between land and sea, and can offer opportunities for linking the blue economy with the green economy. Seek out ports or companies that provide green port-hinterland connections that are less reliant on additional travel or offer alternatives like rail terminal development. 2. Green technology Ports can be a hub for sustainable innovation and a centre for spinning off new business opportunities. Seek out ports that have skills and systems available to support green port technologies, for example in funding green technology development, as in the case of the Maritime and Port Authority of Singapore’s Maritime Decarbonisation Centre. Another green port initiative in Singapore is led by ship management company Eastern Pacific Shipping (EPS) and entrepreneur network Techstars. The duo announced a joint-venture project to launch a global start-up accelerator, the “EPS MaritimeTech Accelerator Powered by Techstars”. Digital technology is transforming the maritime space, making it possible to advance and monitor sustainability goals in everything from port operations to fuel efficiency and sustainable fishing. A shortlist of start-up companies was chosen for an intensive three-month programme of research and development, mentorship, and collaboration. The companies then pitched their business to an audience of venture capitalists, corporate innovation leaders and industry experts (Port Technology 2019). “The maritime world has traditionally lagged behind other sectors when it comes to embracing and leveraging the power of digital solutions and new technology,” says Dhritiman Hui, the new managing director of the mentorship-driven Techstars accelerator program. “Now, the confluence of new regulation, an influx of tech-savvy entrepreneurs interested in the space, and large, deep-pocketed VC funds, intrigued by the size and the possibilities of the maritime sector, are threatening to shift that paradigm.” 3. Spatial management Ports are heavily trafficked areas with vessels arriving and departing throughout the day. This can cause impacts on wildlife and habitats. Seek out ports with policies and practices in place that protect vulnerable species and habitats and adapt to known animal aggregation migration routes – for example along the California coast annual incentives are offered for vessels to reduce speed in and around ports to avoid fatal collisions with whales and reduce noise pollution. 4. Supply chains How ports are powered and supplied carries significant environmental impacts, and when done sustainably can set an example for their hinterlands and associated ecosystem of businesses. Focusing on renewable energy, utilising waste heat, carbon capture and storage as well as improving energy efficiency are all steps that can be taken, as demonstrated by the Port of Rotterdam. Seek out ports or associated companies using green supply chains for renewable energy, waste management, and sustainable sourcing. 5. Emissions incentives Ports can incentivise their visiting ships to move towards best practice on e.g. carbon emissions, for example by offering incentives for good emission ratings through discounted port fees as done by a number of ports worldwide through the Environmental Ship Index. Seek out ports that offer lower fees or other incentives to attract ships with good emissions ratings.

#### Infrasturcture is key

EPA 21, Environmental Protection Agency (Ports Primer: 2.1 The Role of Ports, <https://www.epa.gov/community-port-collaboration/ports-primer-21-role-ports>)

In addition to serving as economic drivers and transportation hubs, ports play an important role in national defense. Fifteen of our commercial seaports have been named Strategic Seaports by the U.S. Department of Defense (DOD) (see the map at right). These ports can help to support military deployments because of their large staging areas, connections to rail infrastructure and ability to load non-containerized cargo. Ports can also use these capabilities to support emergency relief activities, such as from the Federal Emergency Management Agency, for natural disasters. The DOD is particularly reliant on Strategic Seaports during military surge operations. For example, during Operation Iraqi Freedom, the DOD used these ports to load combat vehicles and aircraft. These operations require Strategic Seaports to have adequate rail infrastructure, significant staging areas for military cargo and workers skilled in handling non-containerized military equipment. As our commercial seaports continue to experience increasing levels of commercial containerized shipping, port staging areas and rail capacity to support military operations may be strained.

## Exchange Rates DA

#### Turns every impact – global state failure and instability

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BROADER GOVERNANCE IMPLICATIONS Beyond the pandemic’s effects on democracy, a range of governance ramifications may emerge in the months ahead. BASIC GOVERNANCE VIABILITY AND REGIME STABILITY The pandemic will exert enormous pressures on governance institutions in heavily affected countries—especially on health systems, but also on many other essential government functions, from education and food supply chains to law enforcement and border control. Even in comparatively wealthy states, like Italy, Spain, and the United States, health systems in the worst-affected areas have already cracked under the weight of the pandemic. **Crisis responses will inevitably require triage** well beyond the health sector, **diverting** **government** attention and **resources from other vital functions and challenges**. This problem will be exacerbated as more and more politicians, government leaders, and civil servants test positive for the virus, rendering governments less able to operate just when they need to be working overtime. The specter of the pandemic has also forced legislatures and government agencies to curtail operations or work remotely, resulting in inevitable losses of efficiency. As the virus spreads more widely in weak states, these governance challenges will be even more pronounced. **The acute public health emergency** **will be on a collision course with an abject lack** **of government capacity,** frail institutions, limited government reach, and low citizen trust in leaders (and corresponding reluctance to heed public health directives). Social distancing will be difficult to observe in crowded settlements, especially if residents are reliant on informal work to survive. At the same time, **governments in many developing countries will struggle to mobilize adequate resources to ease** the effects of an **economic recession.** Robust international assistance efforts will be essential, but insufficient implementation capacity may hinder their effectiveness. In countries already suffering from protracted conflict or instability, the pressures of the pandemic and **resultant cascade of governance failures could lead to at least partial state collapse.** PRESSURE ON SOCIOPOLITICAL COHESION The pandemic will strain basic sociopolitical cohesion in many states. The differential effects of the health crisis along key axes—rich vs. poor, urban vs. rural, region vs. region, and citizen vs. migrant—may sharpen existing sociopolitical divides. The pandemic may compound those strains by exacerbating political polarization where it already exists. From India and Bolivia to Poland and the United States, many democracies are already suffering from rising animosity and tensions between contending political camps. As the crisis worsens, opposing sides may disagree about the gravity of the pandemic or about appropriate government responses—a dynamic that could be intensified by people’s greater reliance on online communication while they remain mostly isolated in their homes, and by governments using the crisis to advance partisan agendas. In the United States, for example, partisanship has heavily shaped perceptions of the severity of the crisis and individuals’ trust in the government’s response. In Brazil, President Jair Bolsonaro’s dismissal of the seriousness of the crisis has inflamed an already fierce political divide. At the same time, the “wartime” imperative to combat the pandemic could invoke feelings of shared sacrifice and collective mission that heal rather than aggravate societal and political divisions. But such a rallying effect likely requires political leaders to rise to the challenge and take a unifying approach, which goes against the populist playbook in use in many countries. Tracking leadership styles and messages will be key to understanding the longer-term effects of the pandemic on sociopolitical cohesion. HEIGHTENED CORRUPTION Government responses to the pandemic are likely to exacerbate graft and corruption in many countries. Crises involving urgent medical needs and scarce supplies inevitably present opportunities for smuggling, graft, price-gouging, and fraud. Corruption undermines the effectiveness of public health responses, particularly if valuable resources are diverted from high-need areas or citizens are denied treatment if they refuse to pay bribes. Both domestic actors and international partners assisting with public health responses should anticipate these risks and avoid the tendency to adopt an “anything goes in an emergency” attitude. In the medium term, the perception and reality of heightened corruption may increase popular discontent with governments. However, the crisis could also end up spurring new anticorruption measures. If corruption spikes rapidly when governments implement crisis measures, widespread public outrage may catalyze reforms that improve health governance and public accountability. More immediately, the prospect of high-stakes corruption may also mobilize civil society, governments, and international actors to take preventive steps, especially in places that are still less affected by the pandemic. In the United States, for example, legislators heeded calls for increased oversight in the new economic stimulus package. Civil society groups in Nigeria are urging government authorities to institute corruption safeguards as the country braces for the coronavirus. Possible additional measures may include concerted diplomatic pressure for greater oversight over aid flows or increased adoption of recommendations already developed by advocacy groups. LOCAL-NATIONAL DISCONNECT The virus may reshape dynamics between national and regional or local government actors. Local officials are on the front lines of the crisis response, sometimes reinforcing and sometimes competing with messages from national leaders. In Afghanistan, where the central government’s presence in the periphery is limited, some provincial governors have been shoring up its policies and bolstering its response efforts. The governor of Nangarhar Province quickly set up an emergency aid fund and publicly dispelled myths about curing the virus, while other governors have supplied basic food packages to encourage infected men to stay home from work. Elsewhere, the virus response has exacerbated friction between local and national officials. In Hungary, where the opposition party controls several major cities, the central government unveiled a measure that would dilute mayors’ decisionmaking authority during an emergency. Local leaders quickly attacked the plan as one that would undermine the coronavirus response, and the government eventually walked it back. In Turkey, the pandemic has renewed long-standing tensions between President Recep Tayyip Erdoğan and the opposition-party mayor of Istanbul. Contrary to Erdoğan’s directives, the mayor has advocated a lockdown of Istanbul and launched his own fundraising campaign to galvanize the response, prompting national leaders to block the effort. In the United States, the pandemic response has intensified frictions between Trump and several Democratic state governors critical of his administration’s response. These trends could change internal power relations in various places, whether by enhancing local-level leaders’ legitimacy at the expense of national officials or worsening governance fragmentation. Where friction between national governments and opposition-party local leadership tracks ideological, regional, and rural-urban lines, it may exacerbate preexisting political polarization. ENHANCED ROLES OF NONSTATE ACTORS The virus may also reshape relationships between nonstate actors and governments, with important implications for government legitimacy and claims to sovereignty. Where governments enjoy low levels of citizen trust, cooperating with nonstate systems of governance may be essential to ensuring an effective crisis response. In Sierra Leone, for example, local chiefs were highly influential in containing the spread of Ebola. The Taliban in Afghanistan are already committing themselves to cooperating with health officials from international organizations like the World Health Organization that typically collaborate with sovereign governments. Arab governments are mobilizing official Islamic institutions and authorities to help them manage the crisis, which may help them compensate for low levels of public trust in official communications and directives—while potentially also reinforcing government control over the religious domain. However, nonstate actors’ enhanced role in implementing crisis responses may also strengthen their legitimacy and authority in the eyes of local communities, thereby entrenching their political influence. In Rio de Janeiro, for example, drug trafficking gangs have imposed a coronavirus curfew in the city’s favelas and handed out soap to local residents, while condemning the Brazilian government’s lack of action. In Lebanon, the paramilitary organization Hezbollah has reportedly mobilized a remarkable 25,000 people, including medics, to combat the virus, in addition to organizing new testing centers and ambulances and repurposing an entire hospital for the crisis. Although the group insists that its efforts are meant to “complement the government apparatus”—Hezbollah is part of the government coalition—the response stands in notable contrast to the struggles of the official Lebanese administration. In Afghanistan, the Taliban have launched a coronavirus awareness campaign in areas of the country under their sway; whereas the Kurdish-led region of northeast Syria, which maintains autonomy from the regime of President Bashar al-Assad, has initiated curfews, coordinated aid delivery, and stood up isolation wards to combat the virus. As in many situations of acute crisis, rapid and effective efforts by nonstate actors to enforce order or deliver services can foster or reinforce alternative systems of governance, particularly if the government is seen as absent, ineffective, or divisive. On the other hand, different regimes may try to use the crisis to shore up their control over nonstate entities. It will be important to monitor these: in fragile or low-income states, nonstate actors’ heightened roles in crisis response—or, alternatively, their efforts to impede effective responses—will likely reshape citizens’ perceptions of state legitimacy and their expectations of the state. TIME TO PREPARE Looking ahead, all domestic and transnational actors concerned with democracy’s future must closely monitor the wide-ranging, fast-moving political effects of the pandemic, rapidly devise responses to lessen potential harm, and seize any positive opportunities the crisis may present. **Coming soon is a second**, **perhaps even bigger wave of political disruption that will be caused by the unfolding global economic crisis**. Potentially devastating increases in economic inequality, unemployment, debt, and poverty, as well as pressures on the stability of financial institutions, will put enormous strains on governance systems of all types. After the global financial crisis that erupted in 2008, few foresaw the very long tail of negative political consequences. Yet that crisis ultimately ushered in the rise and spread of illiberal populism, fragmentation of party systems, and consolidation of several authoritarian regimes—long after economic recovery was under way. **Amid a new crisis even more daunting in scale,** there is a natural tendency for governments and individuals alike to be consumed by the urgency of near-term domestic fallout from the pandemic. But just as the virus’s contagion respects no borders, its political effects will inevitably sweep across boundaries and continue to echo long after the health emergency has eased. Now is the time to get ready.

#### Turns china – kills economy

Lee 18 (2/7, Justina, Bloomberg, “Dollar Will Stay Weak If China Has Its Way, Morgan Stanley Says”, https://www.bloomberg.com/news/articles/2018-02-07/dollar-will-stay-weak-if-china-has-its-way-morgan-stanley-says)

As China’s currency trades near to its highest level against the greenback since the 2015 devaluation, don’t expect the government to engineer a reversal any time soon, according to Morgan Stanley. That’s because Chinese policy makers are now embracing a strong yuan as it helps boost consumption and draw inflows, Hans Redeker, London-based global head of foreign-exchange strategy at the U.S. bank, said Tuesday. Thanks to China’s position as the world’s largest reserves holder and trade partner, that means the dollar’s weakness will persist. “The rising renminbi has a messaging function into the region if not globally,” Redeker said. “It suggests that China sees advantages in a weak U.S. dollar -- reverse of renminbi strength -- as the weak U.S. dollar helps keep the global economy via credit supported.” China -- with its history of intervening in currency markets -- has shown a remarkable appetite for a stronger yuan so far. While the nation abruptly devalued the yuan two years ago, currency strength may now be in its favor as it seeks to stem a three-year tide of outflows. With global demand supporting trade, the government may also be less worried about the exchange rate’s drag on exports. A weak dollar is where Chinese and U.S. interests could overlap, says Morgan Stanley. The U.S. may see dollar weakness as “the quickest and most effective way” to boost competitiveness, strategists led by Redeker wrote in a Feb. 2 note. While a strong yuan risks igniting one-way speculation and dragging down exports, China has embraced it for several reasons, according to Redeker: A weak dollar eases global liquidity, helping to keep the world economy strong, which allows China to pursue its deleveraging strategy Yuan strength slows portfolio outflows and attracts inflows Currency gains support consumption. When the yuan was falling in 2014, China was pursuing a supply-oriented policy. Now it needs a stronger exchange rate because its strategy is more demand-oriented

#### Turns all leadership in long term because of debt burden

Martin et al. 17 (September, Fernando Eguren Martin, Mayukh Mukhopadhyay and Carlos van Hombeeck of the Bank of England’s Global Spillovers and Interconnections Division, “The global role of the US dollar and its consequences”)

The US dollar is widely used in international trade and finance. It is the currency of choice for cross-border bank lending and international debt issuance, particularly for emerging market firms. It is also the dominant invoicing currency for trade transactions between non-US countries. Its global acceptance means that it has achieved ‘reserve currency’ status, which means that it is widely used as a store of wealth, accounting for more than half of the foreign exchange reserves of central banks and about half of the external assets of non-US countries. These global roles of the US dollar form channels through which changes in its value can have consequences outside US borders. These go beyond the standard effect on bilateral trade flows with the United States. The traditional external trade channel would imply that when the US dollar appreciates against another country’s currency, the products of that country become more competitive relative to US products, boosting its exports and output. But if its exports are invoiced in dollars, that gain in competitiveness may not materialise. And if companies have borrowed in dollars, the amount of domestic currency needed to repay that debt will have increased, raising the burden of the debt, and acting as a drag on growth. By contrast, those who hold dollar assets, for example governments with large US dollar reserves, will experience a gain in wealth, which might support spending and hence growth. These various channels mean that it is not straightforward to estimate the impact of an appreciation of the dollar on the output growth of the rest of the world. Excluding the direct effects of what is causing the appreciation in the first place, such as tighter US monetary policy or shifts in investors’ risk sentiment, we find empirically that periods of US dollar appreciation are associated with lower real output growth in the rest of the world, both in advanced and emerging market economies. This result is in contrast to the boost that might be expected from the traditional external trade channel. The size of this effect is significant: a 10% US dollar appreciation on average takes 1.5 percentage points off emerging market economies’ real output growth (summary chart).

#### Extinction

Albertson 16 – Andrew Albertson, Senior Advisor for Governance at the International Peace and Security Institute, Truman Project Fellow, MSFS Degree from Georgetown University, and Ashley McIlvain Moran, Associate Director of the Robert S. Strauss Center for International Security and Law, MALD in Comparative Law and Development Economics from the Fletcher School of Law and Diplomacy and PhD Candidate in Comparative Constitutional Law at the University of Texas, “A Call for A New Strategic Approach to Fragile States”, May, p. 1-3

This paper argues that the changing national security landscape requires a comprehensive, strategic approach toward fragile states, defined as those at the highest risk of coups, conflicts, or mass atrocities. Threats to American national security including terrorism, pandemics, and the spread of violence and conflict emanate increasingly from fragile states. State fragility has also emerged as a leading impediment to human development, trapping many of the world’s poorest individuals and states in a cycle of poverty and violence. In the absence of a more proactive strategy towards fragile states, a growing portion of U.S. assistance and military resources are now spent responding to conflicts and atrocities after they occur – an approach that is both costly and ineffective.

In the wake of 9/11, the United States significantly expanded its focus on the links between state weakness in the developing world and threats to U.S. security. The 2002 National Security Strategy highlighted that “weak states, like Afghanistan, can pose as great a danger to our national interests as strong states.” But while the U.S. government developed new strategies to aid poor but well-governed states and to coordinate reconstruction efforts in the wake of conflicts, it has yet to develop and implement an effective framework for responding to fragile countries on the brink of crises. This represents a significant gap and misalignment of U.S. resources against 21st century challenges.

From Southeast Asia to West Africa to Central America, many fragile states are key U.S. security partners that collaborate in efforts to counter violent extremism, disrupt transnational crime and trafficking networks, and promote regional stability. The United States has critical security interests and engagements with these states, which can and should be reconciled with U.S. investments in fostering stable development and effective governance. As the next U.S. administration takes office, the time is ripe for a new strategic approach toward fragile states.

This is the first in a series of four briefs proposing a strategic framework for understanding and responding to fragile states. This series will include:

• The case for prioritizing fragile states and investing in the prevention of state crises,

• An examination of key definitional issues and the state of research on the factors that contributes to state fragility,

• Options for addressing fragility in partner states through development, diplomatic, and military engagement, and

• Specific bureaucratic and legislative reforms necessary to implement the strategy.

WHY FRAGILE STATES?

From the collapse of Syria and the rise of the Islamic State of Iraq and the Levant (ISIL), to the Ebola outbreak in West Africa, to the terrors of Boko Haram in Nigeria, the consequences of state fragility are confronting Americans today in dramatic new ways. The complex web of state fragility and its consequences poses an increasingly serious challenge to American security, making the reconsideration of America’s current approach to fragile states a security, fiscal, and moral imperative.

When fragility is not addressed – or addressed insufficiently – crises ensue. States that collapse or lose control over security within their borders become breeding grounds and safe havens for brutally violent extremist groups, like ISIL, which often move on to threaten neighboring states and the world at large. As the conflicts in Ukraine and Yemen illustrate, internal fragility can also make weak states susceptible to interventions by regional powers that use political manipulation and proxy military forces to expand their own influence. State fragility can have spillover effects, as well; rising violence in Central America and the conflict in Syria have produced dramatic numbers of migrants and refugees. In states undermined by ethnic and religious tensions, government repression can quickly spiral into large-scale violence, whether state-sponsored atrocities against a beleaguered minority or the emergence of insurgencies and violent extremists.

Further from the headlines, but equally important, are the grinding, incremental pressures that state fragility places on U.S. military capacity to operate in concert with coalition partners in vital regions of the world. Institutional weaknesses today in U.S. partner states such as Tunisia and Thailand not only undermine the performance of those governments in addressing security challenges; indeed, they also increase the risk that partner state regimes could collapse and be replaced by governments antithetical to long-term U.S. security interests. Key U.S. security partners, including Egypt, Mali, and Yemen, suffered political breakdowns in recent years, and several more are at risk of destabilization, underscoring the very real threat state fragility poses to key U.S. security alliances.

In addition to these national security challenges, the United States also faces fiscal constraints that compel a reconsideration of the current approach. In 2015, CIA Director John Brennan remarked that, over the past three years, there have been “more outbreaks of instability than at any point since just after the collapse of the Soviet Union, matching the rate we saw during the period of decolonization in the 1960s.”ii Since 9/11, the United States has devoted over $455 billion in aid to countries immersed in or recovering from fragility-related crises. Even more will be spent managing the expanding crises in Libya, Yemen, South Sudan, and Syria. The United Nations (UN), also stretched thin, reports that its responses to those four countries represents the first time in history it has simultaneously dealt with four “Level 3” crises – the UN classification for the most severe, large-scale emergencies. For the U.S., the implication is clear: up-front investments to prevent crises would save lives, reduce the burden on taxpayers of costly responses to catastrophes, and reserve military action for only truly unavoidable conflicts.

#### Dollar down because of rates – fast growth swings it

CNBC 3/23/21 (“Dollar slide continues, yuan rally gets attention”, https://www.cnbc.com/2021/05/25/forex-markets-dollar-us-federal-reserve.html)

The dollar extended its nearly two-month slide against major peers on Tuesday as U.S. interest rates fell on U.S. Federal Reserve arguments for easy monetary policy despite current inflationary forces. The dollar weakness came as U.S. Treasury yields fell to fresh multi-week lows and the yield curve flattened after an auction of two-year notes attracted solid demand. Benchmark 10-year Treasuries fell as low as 1.56% on Tuesday afternoon. Interest rates in many other countries have climbed in the past month and made their currencies more competitive against the dollar, said Marc Chandler, chief market strategist at Bannockburn Global Forex in New York. The current outlook is for that difference to continue, he added. “The Federal Reserve seems to be behind several other central banks in adjusting and recalibrating monetary policy.” Since the end of March the dollar has declined on the belief that low U.S. rates will drive cash abroad to capture gains now that other economies are beginning to recover more quickly from the pandemic. The dollar index against major currencies was off 0.2% in the afternoon in New York at 89.646. Early in the day it fell to 89.533, the lowest since Jan. 7. The euro climbed to January levels and was last up 0.3% on the day at $1.2253. Early in the day, China state-owned banks were seen trying to curb a yuan rally which carried the onshore yuan to 6.4016 per dollar, the strongest since 2018. China’s major state-owned banks, four sources said, were seen buying U.S. dollars at around 6.4 yuan in the Asian afternoon in a move viewed as an effort to cool a yuan rally led by its offshore counterpart. Strategists have said the dollar is likely be weak against many currencies until markets see stronger U.S. economic data and interest rates. Stronger data could come on Friday with new readings on U.S. core consumer prices in April and a survey of purchasing managers. Comments from Fed officials are keeping down U.S. yields, said Jeremy Stretch, head of G10 FX strategy at CIBC. “That’s maintaining the weaker dollar narrative.” Dovish comments from Fed speakers continued on Tuesday with a speech by Charles Evans, president of the Federal Reserve Bank of Chicago, who said recent inflation reports reflected only a “burst of post-pandemic relative price level adjustments.” Two other Fed officials made similar statements on Monday. The British pound, which had run up about 2% against the dollar since April, was stalled at $1.4149 as though it could not break through $1.42. Sterling needs fresh evidence of British economic strength to get back to the 2021 high of $1.4240 reached in February, traders and analysts said. Cryptocurrencies Bitcoin and Ether were off about 3% for the day in the afternoon in New York.

#### Policies that improve productivity or attract investment force up the currency

Howell 16 (Michael, Managing Director at Cross Border Capital, “Has The U.S. Dollar Really Peaked? What Do Capital Flows Tell Us?”, https://seekingalpha.com/article/3979221-u-s-dollar-really-peaked-capital-flows-tell-us?page=2)

Has the US Dollar Really Peaked? What Do Capital Flows Tell US? The biggest question facing investors in 2016 concerns the US dollar. After four years of US dollar strength, the greenback has visibly faltered. Based on relative liquidity trends and likely capital flows, we judge that the dollar has peaked. This has little to do with the pace of prospective Federal Reserve tightening and much more to do with the fall in the underlying cash generating abilities of the US economy. Set against the growing likelihood of a Fed rate rise as early as June/ July 2016 that are being fueled by gathering domestic inflation pressures and indications of a strong Q2 GDP print, many investors are re-positioning back into the US dollar. We are wary of making this move because capital flows appear to be pointing toward a more fundamental shift the other way. Our reasoning behind further US dollar weakness links back to the key factors that lie behind currency movements and the late-position of the US economy in the business cycle. We believe that faltering productivity performance, as reflected in downward pressure on US corporate cash flows are likely to push down the US real exchange rate. In terms of its impact, the US dollar matters far more than the still large size of the US economy. We think of a strong US dollar as exerting a negative drag on World economic growth. This may arise because a strong US dollar often reflects a domestic US policy tightening and hence weaker spending. However, it seems more likely that the US dollar consistently acts through the liquidity cycle, with surplus US dollars (frequently signaled by currency weakness) serving to stimulate Global Liquidity as cross-border banks take-up cheap wholesale funding and recycle this cash. Thus, a strong US dollar is often synonymous with a 'risk-off' regime in World financial markets. National exchange rates depend positively on an economy's productivity performance and negatively on Central Bank money printing, because this increases currency supply. Put another way, the 'real' exchange rate, defined as the nominal exchange rate deflated by some price index is determined by productivity trends. It follows that strong and productive economies either have high exchange rates or high price levels. The trade-weighted US dollar index has seen three major peaks since the mid-1970s, the latest very recent, set on top of a long downtrend. This downtrend can be explained by America's relatively poor long-term productivity performance: the upward spikes owe something to periods of tight money (early-1980s and mid-1990s) and something to cyclical productivity surges (post-2012). In other words, the recent US dollar rally is unusual given that it has largely overlapped a period of Fed QE (quantitative easing). Using Liquidity Data to Measure 'Induced' Capital Flows We use liquidity data to identify future real exchange rate (RXR) movements because changes in productivity quickly show up through fluctuations in our published indexes of private sector liquidity (NASDAQ:PSL). Therefore, nominal exchange rates should be determined by the gap between private sector liquidity and Central Bank liquidity (NYSE:CBL), This corresponds to a simple supply and demand model, where the gap between private sector and Central Bank liquidity can be thought of as a measure of the improving 'quality' of liquidity and gauge prospective 'induced' capital flows. Productivity changes raise the return on capital and induce capital inflows, which in turn strengthen currencies. We can monitor the impact of productivity change through its direct effects on private sector cash flows. Increases in the latter by raising the supplies of dollars are more likely to weaken the US unit. In other words, the gap between private sector liquidity and Central Bank liquidity (PSL-CBL) is a key predictor of future nominal currency movements.

#### More growth necessitates rate hikes

Naroff 10/10/21 (Joel, The Inquirer, “Why consumers and businesses will likely see higher interest rates: It has to do with a strong economy”, https://www.inquirer.com/business/rates-fed-economy-policy-20211010.html)

Strong growth coupled with high inflation point out the tensions in the Fed’s mandate: Sometimes, a rapidly expanding economy can trigger price increases. When you add a global supply chain meltdown to the robust economic activity, you have real consumer price problems. Inflation is running well above the Fed’s target of a 2% average. So, what does a good Central Bank do when the economy no longer needs its assistance and inflation starts showing its ugly head? Raise rates. And that is the path on which the Fed has embarked. When the pandemic hit and the economy crashed, the Fed used every tool at its disposal. It lowered the rate it controls, the federal funds rate, to near zero, and all other rates followed. The Fed also opened the liquidity spigot, buying massive amounts of securities. It has added more than $4 trillion to its balance sheet and ultimately the economy. One reason the stock market has surged is the enormous influx of funds wound up not just in the economy, but in the financial markets, as well. With the recovery well-established, it was time to rethink policy. At the September meeting of the Federal Open Market Committee (FOMC), the Fed’s rate-setting group, it was announced that “if progress continues broadly, as expected, the committee judges that a moderation in the pace of asset purchases may soon be warranted.”

#### Unexpected rate hike immediately collapses the economy - causes 10-20% stock decline

Bizouati-Kennedy 21. Yaёl Bizouati-Kennedy. Former full-time financial journalist and has written for several publications, including Dow Jones, The Financial Times Group, Bloomberg and Business Insider. She also worked as a vice president/senior content writer for major NYC-based financial companies, including New York Life and MSCI. “"Consequences of an Unnecessary Interest Rate Hike"” <https://www.yahoo.com/now/consequences-unnecessary-interest-rate-hike-183407629.html>

While the Federal Reserve said it would keep rates steady until 2023, albeit planning to raise them earlier in the year at its much-anticipated Federal Open Market Committee meeting last month, Fed officials seem increasingly divided as to when the hike would start. In its quarterly projections published after the meeting, 13 of 18 officials saw a likely need for higher rates by the end of 2023, with seven of them seeing a need to begin raising rates as soon as next year, according to Bloomberg. This represents a notable shift from March’s projections, when 11 of 18 officials expected there would be no need for rate increases before 2024, and only four thought tightening would be needed in 2022, according to Bloomberg. Some observers are warning of the unnecessary consequences and issues an earlier rate hike could trigger, **including slowing down the economic recovery** and putting pressure on home prices. Jay Hatfield, founder and CEO of Infrastructure Capital and portfolio manager of PFFA, tells GOBankingRates that if the Fed surprises the market with faster than expected taper of quantitative easing, or even a rate hike, **it could limit the economic recovery** **as the stock market would likely decline 10-20% with negative implications for financial conditions**, **consumer spending and business investment.** “We do expect inflation to continue to surprise to the upside, but the Fed’s abandonment of its rigid 2% inflation target and newfound focus on its dual mandate, make a premature tightening unlikely,” Hatfield adds. The Fed indeed also significantly raised its inflation forecast, as according to meeting participants’ projections, the inflation forecast is up 3.4% from 2.4% in March, based on Fed data. Jonathan Wiley, vice president and head of investments at Arch Global Advisors, agrees, telling GOBankingRates that if the Fed decides to hike too quickly, there is a risk of them choking off the rebounding economy. “While there is clamoring for interest rates to rise soon to stem off inflationary pressures, we take the position that any price increases will only be transitory, as there are base effects. Falling yields on the 10-year of late would indicate as much. Further large, stimulative government expenditures could possibly change our opinion. However, progress remains slow in Washington. There is a delicate [Nik] Wallenda-like balancing act taking place, failing to signal properly can spook the markets as well,” he adds.

#### Only a huge shock could dethrone the dollar.

Simon Constable 18, fellow at The Johns Hopkins Institute for Applied Economics, Global Health and the Study of Business Enterprise., 5-23-2018, "Why China's Yuan Is No Imminent Threat To The Dollar," Forbes, https://www.forbes.com/sites/simonconstable/2018/05/23/no-china-isnt-going-to-unseat-the-might-dollar-anytime-soon/#6b0cdaf97d65

Unfortunately, for author of the last of those, the dollar is under no more imminent threat to its supremacy than a mouse is to a tiger. Here's why: Better Dollar Ecosystem The reserve currency is part of an ecosystem of financial systems. The dollar is the paper money that we all know. But there is also the bond market, the commodity market, and the foreign-exchange markets. All of these markets work together to the benefit of anyone using dollars as opposed to any other currency. Imagine you are an oil trader. You buy your oil in dollars (because all commodities are priced in dollars) load it onto a tanker that you purchased with dollars, and then you financed both the ship and the cargo with a loan denominated in dollars. Finally, when you deliver the oil to the customer you get paid in dollars. Of course, the first response would be to say that if you can do that with dollars then surely you can do that with another currency, such as the yuan. Theoretically yes. But in practicality, no you can't. "There is simply not enough liquidity in all the other currencies combined to switch away from the dollar," says Jeff Christian, veteran financial markets expert and founder of New York-based commodities consulting firm CPM Group. Consider these financial markets statistics. The debt market is dominated by securities denominated in dollars. More than half (51%) of the liabilities are in dollars with 28% in euros. The remainder of the total comprises all other currencies combined, according to data from the Bank of International Settlements. The Chinese yuan doesn't get an individual mention. The market for interest rate derivatives is dominated by the dollar. Around 70% of the transaction volume is in dollars, with all other currencies combined making up the remainder, according to BIS data. The foreign exchange market is dominated by the dollar with almost half of all transactions (44%) by volume involving the dollar, according to the latest (2016) triennial survey from the BIS. The data shows 88% but the total of all currencies comes to 200%. The dollar's dominance in all these subsector markets means there is more liquidity and hence more efficiency in each of the markets. That efficiency means there is little financial reason to look elsewhere for loans or derivatives. If nothing else, the mantra of business has long been, "if it ain't broke don't fix it." Chief financial officers know that the dollar market is the biggest and most efficient, so that is what they use. Self-fulling maybe, but that is a fact of life. There's little reason for them to change. Big Shock Needed That inertia in the habits of business means that it takes an awful lot to unseat the doiminant reserve currency. "It would take a seismic-sized shock to unseat the U.S. dollar," says Robert Wright, professor of political economy at Augustana University in Sioux Falls Sout Dakota, and also an economic historian. We don't have a lot of history of currency regimes chnaging. But there is some evidence from when the British pound sterling got unseated by the U.S. dollar. Even during the late 19th century, the U.S. economy was clearly rivaling that of the United Kingdom (not including its colonies and possessions.) However, size wasn;t enough. It took until 1944 for the U.S. dollar to unseat the pound, and it did indeed involve some cataclysmic shocks. To begin with, there was WWI of 1914-1918 in which Britain lost up to 100,000 men a month. Not only was a huge portion of a generation of men killed, but there was a vast financial cost to the country also. Following that, in the 1920s, an attempt was made by Britain to peg its currency back to gold at the same rate it had been before the war. The result was massive industrial action. Then came the Great Depression and after that WWII with all the associated destruction and death. In short, there was a lot of economic and geopolitical upheaval necessary in order to unseat the pound from its role of King of currencies. I have written similar commentary in the past, but somehow some people just aren't getting the message. The dollar will be with us for long time yet.

### 2nd adv defense

## 1st adv

#### Slow growth inev in long term

Duprat 21. Marie-Hélène Duprat - Senior Advisor to the Chief Economist at Societe Generale. “COVID-19 and Secular Stagnation” https://www.societegenerale.com/sites/default/files/documents/2021-01/COVID-19-and-Secular-Stagnation-EN.pdf

Despite extraordinary fiscal and monetary policy support, the COVID-19 pandemic, along with the measures taken to contain it—including unprecedented lockdowns and economic shutdown—has plunged the world economy into the deepest recession in modern history. In addition to its toll on public health and momentous short-term output losses, **the pandemic has already left an indelible mark on the global economy**. This paper suggests that, absent a more audacious policy action plan, the COVID-19 shock will leave deep and lasting scars on the global economy by exacerbating preexisting vulnerabilities, eroding potential output, and strengthening the forces of “secular stagnation”. **This is** partly **because of an anticipated long-term shift in behaviours and beliefs**. Indeed, the COVID-19 shock **is likely to trigger a structural increase in risk aversion** in the private sector **that will operate both to raise precautionary household savings** **and to reduce business investments**, **leading to a chronic deficiency of aggregate demand that will prevent economies from fulfilling their potential**. Moreover, the pandemic is giving a tremendous boost to the digital transition, which will contribute to widening social inequalities, themselves a force of secular stagnation in that they lead to the increased propensity of populations to save.

#### Secular stagnation will come back

Duprat 21. Marie-Hélène Duprat - Senior Advisor to the Chief Economist at Societe Generale. “COVID-19 and Secular Stagnation” https://www.societegenerale.com/sites/default/files/documents/2021-01/COVID-19-and-Secular-Stagnation-EN.pdf

Conclusion **The COVID-19 pandemic is bound to leave long-term legacies** that will affect private savings, aggregate demand, and economic growth. In response to the crisis, both consumers and firms are altering their behaviours, and many of these behavioural shifts are expected to persist for years to come. Populations may well become more risk averse, leading to a rise in the relative supply of (precautionary) savings, when the underlying pace of growth will decline, making investment less attractive. As societies become ever more unequal, the collective propensity to consume will likely decline, reducing aggregate demand and slowing growth. As a result, there is a real risk that the **COVID-19 shock worsens the already existing problem of excess private savings,** thus pulling the natural rate of interest further down and strengthening the forces of secular stagnation. But secular stagnation may not be a foregone conclusion, as policymakers do have tools and policies at their disposal to combat it. In this regard, the COVID-19 shock and the extraordinary fiscal response to it may prove to be a game-changer, as these challenging times present a formidable window of opportunity to rethink narratives, to review incentives and policies, and to reform policymaking. A rethinking of the role of fiscal policy, together with the implementation of a set of adequate incentives and reforms in the current circumstances, has the potential to create a framework for a healthy, long-term, inclusive and environmentally sustainable economic growth. And of course, if the long-awaited productivity shock from digital transformation were to materialise, the risk of secular stagnation would melt away.

**No retal**

---Technical barriers, op costs, organizational schisms, deterrence

Christopher **McIntosh &** Ian **Storey 18**. McIntosh is visiting assistant professor of political studies at Bard College; Storey is a fellow at the Hannah Arendt Center for Politics and Humanities at Bard College. 06/01/2018. “Between Acquisition and Use: Assessing the Likelihood of Nuclear Terrorism.” International Studies Quarterly, vol. 62, no. 2, pp. 289–300.

When looked at in isolation, each of the three areas of potential loss presents significant disincentives for immediate attack. In combination—as they would be considered in practice—the higher strategic value of available alternatives appears decisive. In other words, even if one reads our analysis as affirming the importance of nuclear acquisition, when considering competing options and the dangers that attach to any detonation attempt, nuclear attack is highly unlikely. Strategic Opportunity Costs Future opportunities available for “using” a nuclear weapon are effectively foreclosed depending on the aggressiveness of the option a group chooses. The two-by-two matrix of nuclear strategies in Figure 1 is only a rough guide encompassing many possible permutations in the nuclear sphere. The organization always retains **non-nuclear options**, even once they **acquire nuc**lear weapon**s**. As evidenced by the Cold War and in Kargil, the stability-instability paradox holds empirical weight. Nuclear acquisition by two opposing actors does not necessarily foreclose conventional and/or asymmetric attacks (Cohen 2013; Kapur 2005). Given the unique relationship between a state and terrorist organization, we can expect similar and even exacerbated levels of instability. This can expand even beyond aggression. Remaining options range all the way from the pacific—pursuing negotiations, cooption, entrance into the legitimate political arena (for example, Sinn Fein)—to heightened conventional attacks and the usage of non-nuclear forms of WMDs. This last point is worth emphasizing. Even in the **remote case** where an actor **successfully acquires a nuc**lear weapon and **primarily seeks raw** numbers of **casualties**—whether due to outbidding or audience costs—**other** forms of **WMDs are** likely to be **more appealing**. As **Aum Shinrikyo** indicates, this is particularly the case for the group that overcomes the inevitable political and technological hurdles (Nehorayoff et al. 2016, 36–37). For these groups, chemical, biological, and radiological weapons (**CBRW**) are considerably easier to **acquire**, **use**, and **stockpile**. This is especially true when considered **over time**, rather than a single operation.18 While there are certainly downsides to CBRWs vis-à-vis nuclear weapons (delivery may paradoxically be easier and the maintenance risks comparatively smaller), they are undoubtedly **easier to procure and produce** (Zanders 1999). More importantly, CBRWs are **perceived** as easier to produce and thus likely to be viewed by **targets** as **iterable**. Unlike a **nuclear** attack, CBRW threats are **more credible** because a single CBRW attack can likely precipitate an indefinite number of **follow-ups**. In addition to the problem of iterability, a terrorist organization must always worry about the possible **ratchet effect** of an attack—a problem Neumann and Smith (2005, 588– 90) refer to as the “escalation trap.” A terrorist organization is different than a state at war because it manipulates other actors primarily through **punishment**. Campaigns are a communicative activity designed to convince the public and the leaders that the status quo is unsustainable. The message is that the costs of continuing the target state’s policy (such as the United States in Lebanon, France in Algeria, or the United Kingdom in Northern Ireland) will eventually outweigh the benefits. Once an organization conducts a nuclear attack, it **lacks** options for **an encore**. Not even the **most nightmarish scenarios** involve an indefinite supply of weapons. If a **single** attack plus the threat of one or two others does not induce capitulation, the organization might unwittingly **harden the target** state**’s resolve**. The attack could raise the bar such that any future non-nuclear attack constitutes a **lessening** of costs vis-à-vis the status quo. There are also heavy opportunity costs involved in **pursuing**, developing, and maintaining a nuclear capacity, let alone actually **deploying** and **delivering**

it. As Weiss puts it, “even if a terror group were to achieve technical nuclear proficiency, the time, money, and infrastructure needed to build nuclear weapons creates significant risks of **discovery** that would put the **group** at **risk of attack**. Given the ease of obtaining conventional explosives and the ability to deploy them, a terrorist group is **unlikely to exchange** a big part of its operational program to engage in a **risky nuclear development effort** with such **doubtful prospects**” (Weiss 2015, 82). Organizational Survival Terrorist organizations are not monolithic entities, nor are they wholly self-sufficient actors. Historically speaking, these groups consider the public reception of their attacks in a complex manner. As Al Qaeda, the Palestine Liberation Organization (PLO) of the 1970s, the IRA, and anarchist groups of the nineteenth and twentieth centuries all demonstrate, these groups’ thinking about public reception is nuanced and complex, regardless of time or place. We focus on two types of audiences that would be affected by decisions to attack: those internal to the group itself, and their own broader public. While many claim that terrorists are undeterrable, the argument misconstrues the relational dynamics between a terrorist organization, target state, international community, and the internal dynamics of the organization itself (Talmadge 2007). It is undoubtedly the case that deterring a terrorist organization in the traditional sense is difficult (Whiteneck 2005; Mearsheimer and Walt 2003). Many lack a recognized territorial base, work on the fringes of the global economy, and are internally structured to be difficult to combat directly. Nearly all possess some permutation of these factors. Combined with the symbolic importance of even relatively small terror attacks—especially given the role of international media—physically denying a group the ability to conduct attacks is uniquely challenging. It is minimally a vastly different proposition than precluding a state’s ability to successfully invade its neighbor or conduct ongoing missile strikes.19 Despite these concerns, there are important reasons deterrence can and empirically does work in the case of terrorist organizations. This is especially possible when the state-terrorist relationship is not zero-sum and the target retains some influence over the realization of the group’s eventual goals (e.g., by denying the group access to territory or withholding international recognition) (Trager and Zagorcheva 2006, 88–89). Nuclear attack presents two significant threats to the organization’s continued existence: internal threats of disintegration and external threats to their continued operations and survival. Terrorist organizations are not unitary, homogenous organizations. This is especially true for groups possessing the size and competence likely necessary for operational nuclear capacity. As many have noted, the terrorist organizations of the present are vastly different from those Marxist- Leninist groups that terrorized Europe and the United States in the 1970s and early 1980s. There is a well theorized psychological value of the organization to individual terrorists themselves (Post 1998), but there is more to the organizational valuation of survival than captured in this atomistic picture. Modern, large-scale terrorist organizations are typically heavily intertwined with the social fabric of the groups from which they originate (Cronin 2006; Hoffman 2013). Beyond significant networks of financial connections, accounts, and moguls (Hamas, for example, draws funding from a massive international system of mosque-centered charities, while the IRA’s extensive connections to the Irish diaspora in the United States were well documented), many terrorist organizations build extensive networks of sub-organizations that tie them to the communities in which they are based. Hezbollah, like the IRA, is internally divided between a military arm and a political arm and has run an extensive network of community schools, medical care centers, and religious outreach groups. Together they are designed to embed the organization in the social life of (predominantly southern) Lebanon’s Muslim population and provide Hezbollah with fresh recruits (Parkinson 2013). The group’s persistence as a dominant political force in southern Lebanon nearly two decades after the initial Israeli decision to withdraw demonstrates terrorist organizations grow to exceed their initial military objectives. The spread of Al Qaeda and its affiliates has followed a similar path. Maintaining the continued support of these multiple audiences is therefore a crucial consideration for these organizations. While these audiences could conceivably be more casualty-acceptant than the individuals deciding the group’s operations, the broader public will usually moderate extreme behavior. The literature assessing so-called “radical- ization” and violence by individual actors emphasizes that there isn’t a one-to-one relationship between ideological extremism and acceptance of extraordinary violence in pursuit of those goals (McCauley and Moskalenko 2014; Jurecic and Wittes 2016). It is important to resist the assumption that a politically extreme ideology automatically corresponds to shared assumptions regarding casualty-acceptance. Some argue that the move toward “mass-casualty” terrorism **obviates** these concerns. Aside from the fact that the trend line is either **flat or receding** in terms of the death toll of individual attacks (even if campaigns themselves might be becoming deadlier), there is an **orders of magnitude distinction** in casualties between a nuclear attack and even the 2001 attack in the **U**nited **S**tates. While the psychological restraints on nuclear use among states do not translate precisely to this context, there is good reason to believe that transgressing the longstanding **nuclear taboo** would have dramatic and negative effects on **broader public support**. In an urban environment, the media would inevitably capture the attack and its gruesome after-effects in photography or video. This imagery would be inconceivable, ubiquitous, and inescapable. Even if supporters accept a **highly retributive mentality**, or as Hamid (2015) argues about the Islamic State, **actively accept** the potential of **death**, this would pose a severe problem for **all but the most extreme** supporters.20 Beyond these supporters, a nuclear attack affects the **internal dynamics** of the terrorist organization in multiple ways. There could be **divisiveness** regarding the most effective **use** of the weapon. This would be magnified by the scale of the opportunities and perceived opportunity costs. Such debates have the potential to **splinter the organization** as a whole (Cronin 2009, 100–02). Factional conflict in terrorist organizations appears frequently over questions of goals and tactics (Crenshaw 1981; Chai 1993). A decision to attack with a nuclear weapon risks considerable **internal alienation** over a variety of issues—targeting decisions, method of attack, campaign goals, potential deaths of supporters, and the domestic and international response (Mathew and Shambaugh 2005, 621–22). Finally, a nuclear attack would exponentially raise the threat to each individual who composes the extended organization. Post-nuclear attack, the greatest strengths of a terrorist organization—its lack of material territory, economy, or overt institutions and reliance on individuals—could turn into its greatest **weaknesses** (Eilstrup-Sangiovanni and Jones 2008). Currently, a wealthy **financier** found to have ties to a terrorist group would be **monitored** for intelligence, arrested, and brought up on criminal charges. Post-nuclear attack, the consequences would be **immediate** and **rather worse**. Externally, in a world post-nuclear attack, international **coop**eration would be **instant and deep**. One of the only international treaties to even define a terrorist in international law post-2001 has been the Nuclear Terrorism Convention (Edwards 2005). A nuclear attack would be far outside the norm of international politics. It would disrupt the dominance of state-actors and likely stimulate unparalleled cooperation to apprehend the responsible parties to prevent future attacks. Moreover, many large terrorist organizations require (some) tacit acquiescence by a host state. Even those with hostile host states have territory where they remain relatively unaffected by local governments (Korteweg 2008). Post-nuclear attack, these host states face an enormous incentive to find the actors responsible before the target state does. After an attack, regimes would find it difficult to claim that they “didn’t know” or “couldn’t stop them.” Claims of corruption or ineffective institutions would be unlikely to find much sympathy. Faced with potential organizational extinction itself, a host state/government will likely be much less committed to the survival of the terrorist group. This is likely to vary significantly from how they might otherwise behave after a more conventional attack. For these states, there would be a real fear of “Talibanization” and ruthless attempts at regime change post-attack. From the perspective of the group, it would know that it could be facing a unified international community and the removal of tacit state support. It would take a **particularly confident leadership** to presume it could continue to function post-attack without massive disruptions. Most strategic actors are **risk-averse** when facing the potential of **complete elimination**. There is little reason to believe **terrorist** group**s** would act any differently.

#### Leadership’s irrelevant.

Christopher **Fettweis 17**. Associate Professor of Political Science at Tulane University. “Unipolarity, Hegemony, and the New Peace,” Security Studies, 26:3, 423-451, 5-8-2017, http://dx.doi.org/10.1080/09636412.2017.1306394

Conflict and Hegemony by Region Even the most ardent supporters of the hegemonic-stability explanation do not contend that US influence extends equally to all corners of the globe. The United States has concentrated its policing in what George Kennan used to call “strong points,” or the most important parts of the world: Western Europe, the Pacific Rim, and Persian Gulf.64 By doing so, Washington may well have contributed more to great power peace than the overall global decline in warfare. If the former phenomenon contributed to the latter, by essentially providing a behavioral model for weaker states to emulate, then perhaps this lends some support to the hegemonic-stability case.65 During the Cold War, the United States played referee to a few intra-West squabbles, especially between Greece and Turkey, and provided Hobbesian reassurance to Germany’s nervous neighbors. Other, equally plausible explanations exist for stability in the first world, including the presence of a common enemy, democracy, economic interdependence, general war aversion, etc. The looming presence of the leviathan is certainly among these plausible explanations, but only inside the US sphere of influence. Bipolarity was bad for the nonaligned world, where Soviet and Western intervention routinely exacerbated local conflicts. Unipolarity has generally been much better, but whether or not this was due to US action is again unclear. Overall US interest in the affairs of the Global South has dropped markedly since the end of the Cold War, as has the level of violence in almost all regions. There is less US intervention in the political and military affairs of Latin America compared to any time in the twentieth century, for instance, and also less conflict. Warfare in Africa is at an all-time low, as is relative US interest outside of counterterrorism and security assistance.66 Regional peace and stability exist where there is US active intervention, as well as where there is not. No direct relationship seems to exist across regions. If intervention can be considered a function of direct and indirect activity, of both political and military action, a regional picture might look like what is outlined in Table 1. These assessments of conflict are by necessity relative, because there has not been a “high” level of conflict in any region outside the Middle East during the period of the New Peace. Putting aside for the moment that important caveat, some points become clear. The great powers of the world are clustered in the upper right quadrant, where US intervention has been high, but conflict levels low. US intervention is imperfectly correlated with stability, however. Indeed, it is conceivable that the relatively high level of US interest and activity has made the security situation in the Persian Gulf and broader Middle East worse. In recent years, substantial hard power investments (Somalia, Afghanistan, Iraq), moderate intervention (Libya), and reliance on diplomacy (Syria) have been equally ineffective in stabilizing states torn by conflict. While it is possible that the region is essentially unpacifiable and no amount of police work would bring peace to its people, it remains hard to make the case that the US presence has improved matters. In this “strong point,” at least, US hegemony has failed to bring peace. In much of the rest of the world, the United States has not been especially eager to enforce any particular rules. Even rather incontrovertible evidence of genocide has not been enough to inspire action. Washington’s intervention choices have at best been erratic; Libya and Kosovo brought about action, but much more blood flowed uninterrupted in Rwanda, Darfur, Congo, Sri Lanka, and Syria. The US record of peacemaking is not exactly a long uninterrupted string of successes. During the turn-of-the-century conventional war between Ethiopia and Eritrea, a highlevel US delegation containing former and future National Security Advisors (Anthony Lake and Susan Rice) made a half-dozen trips to the region, but was unable to prevent either the outbreak or recurrence of the conflict. Lake and his team shuttled back and forth between the capitals with some frequency, and President Clinton made repeated phone calls to the leaders of the respective countries, offering to hold peace talks in the United States, all to no avail.67 The war ended in late 2000 when Ethiopia essentially won, and it controls the disputed territory to this day. The Horn of Africa is hardly the only region where states are free to fight one another today without fear of serious US involvement. Since they are choosing not to do so with increasing frequency, something else is probably affecting their calculations. Stability exists even in those places where the potential for intervention by the sheriff is minimal. Hegemonic stability can only take credit for influencing those decisions that would have ended in war without the presence, whether physical or psychological, of the United States. It seems hard to make the case that the relative peace that has descended on so many regions is primarily due to the kind of heavy hand of the neoconservative leviathan, or its lighter, more liberal cousin. Something else appears to be at work.

#### No interdependence impact.

Joel **Einstein 17**. Australian National University. 01-17-17. “Economic Interdependence and Conflict – The Case of the US and China.” E-International Relations. <http://www.e-ir.info/2017/01/17/economic-interdependence-and-conflict-the-case-of-the-us-and-china/>

In 1913, Norman Angell declared that the use of military force was now economically futile as international finance and trade had become so interconnected that harming the enemy’s property would equate to harming your own.[1] A year later Europe’s economically interconnected states were embroiled in what would later become known as the First World War. Almost a century later Steven Pinker made a similar claim. Pinker argues, “Though the relationship between America and China is far from warm, we are unlikely to declare war on them or vice versa. Morality aside, they make too much of our stuff and we owe them too much money.”[2] His argument rests upon the liberal assumption that high levels of trade and investment between two states, in this case the US and China, will make war unlikely, if not impossible. It is this assumption that this essay seeks to evaluate. This essay is divided into three sections. The first briefly outlines the theory that economic interdependence results in a reduced likelihood of conflict, breaking the theory down into smaller components that can be examined. In the second section, this essay suggests that the premise ‘more trade equals less conflict’ is simplistic. It does not take into account many of the variables that can influence the strength of economic interdependence’s conflict reducing attributes. Within this section, the essay considers: the extent to which conflict cuts off trade, theories arguing that how and what a state trades matters, Copeland’s theory of trade expectations and the differences between status quo and revisionist states. The final section deals with the realist perspective, concentrating on arguments pertaining to the primacy of strategic interests and arguments that economic interdependence will increase the likelihood of conflict owing to a reduction of deterrence credibility. Each section will be related back to the US-China relationship with a view to assessing Pinker’s claim. The essay will conclude that economic interdependence does reduce the likelihood of conflict but is insufficient on its own to completely prevent it. To calculate the likelihood of conflict correctly one would need to factor in the nature of the economic interdependence alongside the strength of the strategic interests at stake. Economic Interdependence and Conflict The theory that increased economic interdependence reduces conflict rests on three observations: trade benefits states in a manner that decision-makers value; conflict will reduce or completely cut-off trade; and that decision-makers will take the previous two observations into account before choosing to go to war. Based on these observations, one should expect that the higher the benefit of trade, the higher the cost of a potential conflict. After a certain point, the value of trade may become so high that the state in question has become economically dependent on another. Proponents of this theory argue that if two states have reached this point of mutual dependence (interdependence), their decision-makers will value the continuation of trade relations higher than any potential gains to be made through war.[3] It is on this argument that Pinker rests his statement that the economic relationship between the US and China precludes war. One can see evidence of this when analysing US views on China as trade rises. A 2014 Chicago Council on Global Affairs survey indicates that only a minority of Americans see China as a critical threat, compared to a majority in the mid-1990s. This number is even higher when analysing Americans who directly benefit from trade with China.[4] As compelling as this argument may be, high levels of economic interdependence have not always resulted in peace. The decades preceding WW1 saw an unprecedented growth in international trade, communication, and interconnectivity but needless to say, war broke out.[5] This instance alone is not enough to disprove Pinker’s logic. War may become very unlikely but began nonetheless.[6] Let us take two hypothetical scenarios, one in which the chances of war is 80% and the other in which trade has reduced the likelihood of war to 10%. Just knowing that war did indeed take place does not tell us which scenario was in play. Similarly, the fact that WW1 took place gives us no information about whether economic interdependence made war unlikely or not. In fact, evidence even exists to suggest that economic linkages prevented a war from breaking out during the sequence of crises that led up to WW1.[7] However, the fact that a war as detrimental as WW1 could break out despite a supposed reduction of the likelihood of conflict gives us an impetus to examine whether this reduction does take place. Additionally, if this is the case, what variables can weaken this pacifying effect? Does Conflict Cut off Trade? Economic interdependence theory makes the assumption that conflict will reduce or cut-off trade. This assumption appears to be logical, as one would expect that the moment two states are officially adversaries, fear of relative gains would ensure that policy makers want to completely cut-off trade. However, there are many historical examples of trade between warring states carrying on during wartime, including strategic goods that directly affect the ability of the enemy to carry out the war.[8] For example, in the Anglo-Dutch Wars, British insurance companies continued to insure enemy ships and paid to replace ships that were being destroyed by their own army.[9] Even during WW2, there are numerous examples of American firms continuing to trade strategic goods with Nazi Germany.[10] Barbieri and Levy argue that these examples and their own statistical analysis suggest that the outbreak of war does not radically reduce trade between enemies, and when it does, it often quickly returns to pre-war levels after the war has concluded.[11] In response to this result, Anderton and Carter conducted an interrupted time-series study on the effect war has on trade in which they analysed 14 major power wars and 13 non-major power wars. Seven of the non-major power wars negatively impacted trade (although only four of these reductions were significant), but in the major war category, all results bar one showed a reduction of trade during wartime and a quick return to pre-war levels at its conclusion.[12] Accompanying this contradictory finding one must take into account that even if war does not radically reduce trade, if a state believes that it does then potential opportunity cost would still figure in their calculations. Variables that Impact the Pacifying Effect of Economic Interdependence The purpose of this section is to demonstrate that the pacifying effect of economic interdependence is not constant. It achieves this via a discussion of the effect of changes in a number of variables pertaining to how and what a state trades. Once it is established that changes in such variables may alter the effect of economic interdependence on the likelihood of conflict, Pinker’s statement (that the level of trade between the US and China makes conflict unlikely) can be considered to be an over-simplification. One variable is the relative levels of economic dependence. Some argue that asymmetry of trade can increase the chances of conflict if the trade is more important to one state than it is to the other; their resolve would not be reduced by the same degree. The less dependent state would be far more willing than its adversary to initiate a conflict.[13] An example is the possibility of the prevalent idea in China that ‘Japan needs China more than China needs Japan’ leading to China becoming more assertive in Senkaku/Diaoyu islands dispute.[14] It is important to recognize that all trade is asymmetric in one fashion or another. It is radical asymmetry that one has to fear, which at the moment does not appear to be the case in the China-Japan or US-China case. Another variable is the specifics of what is being traded. A study by Dorussen suggests that the pacifying effect of trade is less evident if the trade consists of raw materials and agriculture but stronger if the trade consists of manufactured goods. Even within the category of manufactured goods there are differences in effect. Mass consumer goods yield the strongest pacifying results whilst high-technology sectors such as electronics and highly capital-intensive sectors such as transport and metal industries tend to have a relatively weak effect.[15] If it is a sector with alternative trade avenues then embargos and boycotts as a result of conflict will have far less effect.[16] The rule is that the more inelastic the import demand, the higher the opportunity cost and the smaller the probability of conflict.[17] According to these studies, trade still generally reduces the likelihood of conflict however it is by no means homogeneous in its effects. Additionally, the opportunity costs are not the same for importers and exporters. Dorussen’s study suggests that increased trade in oil tends to make the exporters more hostile and the importers friendlier in relations to their foreign policy.[18] Taking this framework into account, in 2014 China’s top five exports to the US (computers, broadcasting equipment, telephones and office machine parts) all fell under the category of electronics,[19] whilst the US’s top five exports to China (air and/or spacecraft, soybeans, cars, integrated circuits and scrap copper) were all either high-capital intensive sectors or raw materials and agriculture.[20] According to Dorussen’s study, these exports should not yield the strongest possible conflict reducing results, which could impact the validity of Pinker’s statement. Copeland presents another variable, namely expectations of trade. Copeland argues that if a highly dependent state expects future trade to be high, decision makers will behave as many liberals predict and treat war as a less appealing option. However if there are low expectations of future trade, then a highly dependent state will attach a low or even negative value to continued peaceful relations and war would become more likely.[21] As an example, he points out that despite high levels of trade in 1914 German leaders believed that rival great powers would attempt to undermine this trade in the future, so a war to secure control over raw materials was in the interests of German long-term security.[22] Via this framework, if the US began to believe that in future years they would be less dependent on China’s economy, or if it became apparent that a US-China trade war was about to take place, there would be a sharp rise in the probability of conflict. The final variable this essay will discuss relates to the differences between status quo and revisionist states. Most empirical analyses of economic interdependence tend to group together states as different as the United States, Pakistan, Australia, Germany and China and assume that variations in their behaviour would be the same.[23] Papayoanou on the other hand, argues that when analysing the effects of economic interdependence it is useful to differentiate the effects on great power states and states with revisionist aspirations.[24] If a status quo power has strong economic ties with revisionist state there will be interest groups who advocate engagement and who believe that confrontational stances will threaten the political foundation of economic links. This will constrain the response of the status quo state.[25] One can see evidence of such an interest group in the US, a group Friedberg describes as the Shanghai coalition, who he argues advocate engagement with China at the expense of balancing.[26] A study by Fordham and Kleinberg backs up this argument as they find that US business elites who benefit from trade with China tend to see little benefit in limiting the growth of Chinese power.[27] A 21st Century revisionist power is far less likely to be a democracy, and therefore, interest groups will influence the leadership far less. This means an authoritarian revisionist power will be working under fewer constraints and will be able to take a more aggressive stance.[28] This appears to be the case in China where rather than having domestic constraints on taking an aggressive stance against Japan, one of their biggest trading partners, grassroots nationalism has made explicit cooperation a domestically risky option.[29] There are many indicators to suggest that China is a revisionist power willing to wage war. Lemke and Werner argue that an extraordinary growth of military expenditures’ reveals when a state is dissatisfied with the status quo.[30] Data provided by the Stockholm International Peace Research Institu

te certainly indicates that China qualifies as its military expenditure has nominally increased by 1270% between 1995 and 2015.[31] Additionally, the military modernization appears to be aimed at capabilities to contest US primacy in East Asia.[32] Much like German strategists recognized that Britain was operating under significant domestic constraints, China could realize the same of the US.[33] This is not to say that Chinese decision-makers would be cavalier about making a decision that would be to the detriment its economy. A crash in the Chinese economy due to the loss of exports to the US could potentially undermine the legitimacy of the Chinese Communist party and endanger the regime. However, the view that China is a revisionist power indicates that good trade relations alone will not result in a low probability of conflict. Realist Arguments Pertaining to Dominance of Strategic Interests Having established that if the pacifying effect of trade does exist, it can rise or fall depending on changes in a series of variables this essay proceeds to deal with realist theories arguing that trade has a negligible or even negative effect on the likelihood of conflict. Buzan argues that noneconomic factors contribute far more to major phenomena than liberal theorists usually cite to support their theory.[34] There is evidence of the primacy of strategic interests in Masterson’s 2012 study on the relationship between China’s economic interdependence and political relations with its neighbours. The study concluded that as economic interdependence with neighbouring states increased the likelihood of conflict did indeed decrease, but that the impact was minimal when compared to the impact of relative power capabilities. In other words, political and military issues dominated interstate relations. Growth in power disparities were associated with decreases in dyadic political relations that were greater than the increase caused by economic interdependence.[35] If the pacifying effect of trade can rise and fall so can the provocative effect of strategic interests. It is important to distinguish between the existence of a strategic interest and a situation of unbearable strategic vulnerability. China and the US have many opposing strategic interests, but neither is in a strategically vulnerable position. For example, China shares many borders, but none present the same threat of invasion that Tsarist Russia did to Imperial Germany as none of the current maritime tensions between China, Japan, and the US equate to a matter of national survival.[36] This is crucial as some believe that for a crisis to escalate to a major war an actor who is isolated and believes that history is conspiring against them is needed. Only this actor would take an existential risk to try and offset their strategic vulnerability.[37] Imperial Germany fit this description, but neither China nor the US does. This is largely due to the geography of the region. The tension between the US, China and Japan are over maritime regions. Maritime issues still relate to national interests but, as Krause points out, “Land armies are still the only forces that can conquer and hold territory.”[38] Taking this into account one can argue that the benefits of US-China trade are, for each state, currently greater than the benefits of pursing strategic benefits via force, but this situation will only remain as long as the situation does not become one of unbearable strategic vulnerability. Realist Arguments Pertaining to the Undermining of Deterrence Having established that scenarios exist where strategic interests and vulnerabilities have a greater effect on the likelihood of war than economic interdependence, this essay will now evaluate arguments that economic interdependence can increase the likelihood of conflict through the undermining of deterrence. The argument proceeds as follows: if economic interdependence constrains the ability or willingness of a state to use its military, security is lowered as the state now has a weakened ability to engage in deterrence and defensive alliances. Deterrence relies on the ability of a state to make credible threats and defensive alliances rely on credible promises to protect one’s allies.[39] Credibility is defined as the product of the operational capability to follow through with a threat and the communication of resolve to use force.[40] What is at risk here is that if economic interconnectivity interferes with the communication of resolve to use force then states may end up with a way that neither side expected or wanted. Some argue that it was such a failure to communicate resolve that resulted in the beginning of WW1. Indeed, Jolly claims that: “The Austrians had believed that vigorous actions against Serbia and a promise of German support would deter Russia: the Russians had believed that a show of strength against Austria would both check the Austrians and deter Germany. In both cases, the bluff had been called and the three countries were faced with the military consequences of their actions.”[41] The risk in the US-China case would be that the interest groups described earlier would prevent the US from effectively communicating its resolve to use force if China were to cross a redline. The flaw in this argument lies in the fact that whilst interest groups might push back against public statements outlining redlines; the US has many less overt options available to it to communicate resolve. Modern technology and the forms of interconnectivity have resulted in many more lines of communication between China and the US than adversaries had access to in 1914. Private meetings, electronic communication and numerous other methods of communication have the capability to be candid without being visible to interest groups. It is for this reason that this essay discounts the theory that Sino-American economic interdependence results in a reduction of deterrence and therefore increases the likelihood of conflict. Conclusion This essay has shown that the strength of the pacifying effect of economic interdependence is subject to change depending on a series of dynamic variables. It has also demonstrated that the strength of the conflict provoking effects of strategic interests can change depending on whether the strategic interest amounts to a situation of unbearable strategic vulnerability. It has discounted the theory that interdependence leads to a higher chance of conflict through an erosion of credibility. To sum up, trade does seem to reduce the likelihood of conflict but should not be seen as a deterministic factor as strategic interests, and vulnerabilities also have a large effect. There is no hard rule as to what will be the driving factor as the nature of economic interdependence and of strategic factors impact their relative values. Accordingly, Pinker’s statement that the trade between the US and China makes war exceptionally unlikely is simplistic and misleading because it fails to account for a wide array of variables that can radically change the likelihood of a Sino-American war. An intellectually honest thesis would insist upon a comprehensive approach in which the level of economic activity is simply one of many variables that is required.

## 2nd adv

#### Their scenarios are scientifically bankrupt

James Hansen et al. 13, PhD in Physics from Iowa, former Director of the NASA Goddard Institute for Space Studies, Director of the Program on Climate Science @ Columbia, “Climate sensitivity, sea level and atmospheric carbon dioxide,” Royal Society, http://rsta.royalsocietypublishing.org/content/371/2001/20120294.full

The runaway greenhouse effect has several meanings ranging from, at the low end, global warming sufficient to induce out-of-control amplifying feedbacks, such as ice sheet disintegration and melting of methane hydrates, to, at the high end, a Venus-like hothouse with crustal carbon baked into the atmosphere and a surface temperature of several hundred degrees, a climate state from which there is no escape. Between these extremes is the moist greenhouse, which occurs if the climate forcing is large enough to make H2O a major atmospheric constituent [106]. In principle, an extreme moist greenhouse might cause an instability with water vapour preventing radiation to space of all absorbed solar energy, resulting in very high surface temperature and evaporation of the ocean [105]. However, the availability of non-radiative means for vertical transport of energy, including small-scale convection and large-scale atmospheric motions, must be accounted for, as is done in our atmospheric general circulation model. Our simulations indicate that no plausible human-made GHG forcing can cause an instability and runaway greenhouse effect as defined by Ingersoll [105], in agreement with the theoretical analyses of Goldblatt & Watson [128]. On the other hand, conceivable levels of human-made climate forcing could yield the low-end runaway greenhouse. A forcing of 12–16 W m−2, which would require CO2 to increase by a factor of 8–16 times, if the forcing were due only to CO2 change, would raise the global mean temperature by 16–24°C with much larger polar warming. Surely that would melt all the ice on the planet, and probably thaw methane hydrates and scorch carbon from global peat deposits and tropical forests. This forcing would not produce the extreme Venus-like baked-crust greenhouse state, which cannot be reached until the ocean is lost to space. A warming of 16–24°C produces a moderately moist greenhouse, with water vapour increasing to about 1% of the atmosphere's mass, thus increasing the rate of hydrogen escape to space. However, if the forcing is by fossil fuel CO2, the weathering process would remove the excess atmospheric CO2 on a time scale of 104–105 years, well before the ocean is significantly depleted. Baked-crust hothouse conditions on the Earth require a large long-term forcing that is unlikely to occur until the sun brightens by a few tens of per cent, which will take a few billion years [121].

#### Readiness crisis has been manufactured for decades.

Gordon Adams 18, professor of international relations at American University's School of International Service and is a distinguished fellow at the Stimson Center., 2-14-2018, "The Military’s 'Readiness' Scam Worked Again," Foreign Policy, https://foreignpolicy.com/2018/02/15/the-militarys-readiness-scam-worked-again/

It’s worth thinking about why defense spending is about to explode. It’s not because of some revolutionary change in the global security environment — aside from those pesky North Koreans and their nukes, America has never been so secure. It’s not because the U.S. military’s effectiveness has declined; it remains the most powerful force in the world, highly capable and very ready. The reason the Pentagon’s budget is now on a long-term upswing is because the military has spent years loudly lobbying for such an increase while complaining about an alleged “readiness crisis.” Complaining works, at least when the military does it, because politicians in both parties fear the military’s wrath. Partisan gridlock can still impede efforts to bump up the military’s resources, but now that Republicans are in control of Congress and the White House, there are no more hurdles standing in the way. None of this is to suggest, however, that the congressional generosity will buy Americans more security or a better force than the one they have today. Every military leader in history has wanted more resources at his or her disposal. U.S. secretaries of defense have been especially adamant since 2011, when the Budget Control Act first set limits on both defense and domestic spending. The tears shed by the Pentagon went beyond complaining about those pesky budget caps. They also touched on declining military readiness, units that weren’t combat ready, Chinese military expansion, and just about anything else that defense officials thought might put the spending train back on the tracks. All the Pentagon’s complaints ignored the reality that since 2001 the military has been receiving tens, and sometimes even hundreds, of billions of dollars in additional funding — above and beyond the budget caps — thanks to a special slush fund, the Overseas Contingency Operations account. That money is supposed to be designated for emergencies, but both the Pentagon and the Congress have routinely used this budget for nonemergency purposes, such as paying, training, and supporting existing troops (all normally in the Pentagon’s base budget) and buying equipment already in the long-term defense plan. Nevertheless, the military has complained that its readiness is in tatters. And after all those years of deployments, military officials testifying to Congress could always come up with a sad anecdote about planes being cross-decked to an outgoing carrier, fighters not ready to fly, or missing pilots. U.S. policymakers have seen this movie many times before. I experienced it myself in the 1990s, when the brass was displeased with the budget levels set by the Bill Clinton administration and whined about readiness problems to the Office of Management and Budget, where I worked. My follow-up with the Pentagon’s civil servants made it clear that the measures they were using were rigged to show low levels of readiness; they set standards that called units “ready” only if they had every capability imaginable to fight a major ground war, and they counted as “unready” units that were back from deployments and had missed a training slot for that big war, one they would soon be scheduled to receive. We knew the Pentagon was using manipulated numbers to bludgeon us with demands for more funding. Nevertheless, we caved: In 1994, we added more than $20 billion to the defense budget, not really to fix readiness but to try to make the issue go away before the midterm elections that year. (It didn’t work, by the way.) Four years later, we did it again, busting previous budget commitments to add billions of dollars more. (For an excellent analysis of that fight, read This War Really Matters: Inside the Fight for Defense Dollars by the late George C. Wilson, once the premier Pentagon correspondent for the Washington Post.) Plus ça change, plus c’est la même chose — the more things change, the more they stay the same — as military parade leaders in France might say. Today, once again, the U.S. military stands on the brink of an alleged readiness crisis, and more money is needed, pronto. The trail of tears became so deep that it caught up Republicans and Democrats (always eager to portray themselves as “tough on national security”). It caught up in the lachrymose flow virtually all of the think tank preachers at the American Enterprise Institute, the Heritage Foundation, the Center for a New American Security, and large panels of bipartisan heavyweights reviewing the Pentagon’s four-year defense studies. Everyone in Washington seems to have been swept up in the tide; even some of the most careful, independent analysts are on board. As Todd Harrison of the Center for Strategic and International Studies noted, “We are stretched too thin.… We are trying to do too much with the size force that we have all around the world.” All this hand-wringing is happening about a ground force that, after nearly two decades of war, is highly experienced and primed — and largely back at home; a Navy that is larger than any other navy

\*\*MARKED\*\*

in the world and the only one with global reach; an Air Force that is larger and more technologically advanced than any other, flying, bombing, tanking, airlifting globally. America’s is the only military that has global basing, logistics, communications, transportation, and intelligence; nobody else, not the Chinese and certainly not the Russians, comes even close. But this is Washington, where the policy and analytical sheep gather under one tree to be safe from the storm of political criticism. The British novelist Lawrence Durrell comes to mind: “How nugatory and how glum / The endomorphs of scholarship / Like hippos on a sinking ship / Stand bum to silly bum.” (Just replace scholarship with politics and the comparison is apt.)

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**Singularity is inevitable—aff traps us into perpetual suffering, alt solves it**

**Hughes 19** (James J. Hughes is an American sociologist and bioethicist. He is the Executive Director of the Institute for Ethics and Emerging Technologies and teaches health policy at Trinity College in Hartford, Connecticut in the United States “Buddhism and Our Posthuman Future”, Sophia volume 58, pages653–662(2019))

New human enhancement technologies will radically challenge traditional religious understandings of the human project. But among the world’s faiths, **Buddhists will have some distinct advantages adapting to and contributing to thinking about, a posthuman future**. Buddhism and human enhancement have some affinities and some useful complementarities. In the Abrahamic faiths, humanity is divinely created with static capacities, while in traditional Buddhism, **human beings routinely evolve into gods and superbeings**. While Buddhism counsels against grasping, it has no objection to using medicine or spiritual technologies to live longer lives or achieve superhuman abilities. In Buddhist eschatology, human beings are expected to have 80,000-year lifespans **in a future posthuman utopia on Earth**. Modernizing efforts since the nineteenth century are also facilitating a Buddhist engagement with human enhancement technologies. Since the nineteenth century, many Asian and Western Buddhists have downplayed the superstitious aspects of Buddhism, arguing for its compatibility with science, and framing meditation as a human enhancement technology. In recent decades, Buddhist teachers have collaborated with neuroscientists studying the neurological and behavioral effects of meditation, so that meditation practices can be integrated with emerging neurotechnologies to enhance self-control, compassion, insight, and altered states of consciousness. These neurotechnologies will also increase the relevance of Buddhist psychology, which counsels that **the illusion of a continuous, discrete self is the cause of suffering.**

**Distinction between life and death is wrong**

**Lanza 11** Robert, 1/20/2011. Vice President of Research and Scientific Development at Advanced Cell Technology and a professor at Wake Forest University School of Medicine. “Five Reasons You Won't Die,” Huffington Post, http://www.huffingtonpost.com/robert-lanza/5-reasons-you-wont-die\_b\_810936.html.

We've been taught we're just a collection of cells, and that we die when our bodies wear out. End of story. I've written textbooks showing how cells can be engineered into virtually all the tissues and organs of the human body. But a long list of scientific experiments suggests our belief in death is based on a false premise, that the world exists independent of us − the great observer. Here are five reasons you won't die. Reason One. You're not an object, you're a special being. According to biocentrism, nothing could exist without consciousness. Remember you can't see through the bone surrounding your brain. Space and time aren't objects, but rather the tools our mind uses to weave everything together. "It will remain remarkable," said Eugene Wigner, who won the Nobel Prize in Physics in 1963 "in whatever way our future concepts may develop, that the very study of the external world led to the conclusion that the content of the consciousness is an ultimate reality." Consider the uncertainty principle, one of the most famous and important aspects of quantum mechanics. Experiments confirm it's built into the fabric of reality, but it only makes sense from a biocentric perspective. If there's really a world out there with particles just bouncing around, then we should be able to measure all their properties. But we can't. Why should it matter to a particle what you decide to measure? Consider the double-slit experiment: if one "watches" a subatomic particle or a bit of light pass through slits on a barrier, it behaves like a particle and creates solid-looking hits behind the individual slits on the final barrier that measures the impacts. Like a tiny bullet, it logically passes through one or the other hole. But if the scientists do not observe the trajectory of the particle, then it exhibits the behavior of waves that allow it pass through both holes at the same time. Why does our observation change what happens? Answer: Because **reality is a process that requires our consciousness**. The two-slit experiment is an example of quantum effects, but experiments involving Buckyballs and KHCO3 crystals show that observer-dependent behavior extends into the world of ordinary human-scale objects. In fact, researchers recently showed (Nature 2009) that pairs of ions could be coaxed to entangle so their physical properties remained bound together even when separated by large distances, as if there was no space or time between them. Why? Because space and time aren't hard, cold objects. They're merely tools of our understanding. Death doesn't exist in a timeless, spaceless world. After the death of his old friend, Albert Einstein said "Now Besso has departed from this strange world a little ahead of me. That means nothing. People like us...know that the distinction between past, present and future is only a stubbornly persistent illusion." In truth, **your mind transcends space and time**. Reason Two. Conservation of energy is a fundamental axiom of science. The first law of thermodynamics states that energy can't be created or destroyed. It can only change forms. Although bodies self-destruct, the "me'' feeling is just a 20-watt cloud of energy in your head. But this energy doesn't go away at death. A few years ago scientists showed they could retroactively change something that happened in the past. Particles had to "decide" how to behave when they passed a fork in an apparatus. Later on, the experimenter could flip a switch. The results showed that what the observer decided at that point determined how the particle behaved at the fork in the past. Think of the 20-watts of energy as simply powering a projector. Whether you flip a switch in an experiment on or off, it's still the same battery responsible for the projection. Like in the two-slit experiment, you collapse physical reality. At death, this energy doesn't just dissipate into the environment as the old mechanical worldview suggests. It has no reality independent of you. As Einstein's esteemed colleague John Wheeler stated "No phenomenon is a real phenomenon until it is an observed phenomenon." Each person creates their own sphere of reality - we carry space and time around with us like turtles with shells. Thus, there is no absolute self-existing matrix in which energy just dissipates. Reason Three. Although we generally reject parallel universes as fiction, there's more than a morsel of scientific truth to this genre. A well-known aspect of quantum physics is that observations can't be predicted absolutely. Instead, there's a range of possible observations each with a different probability. One mainstream explanation is the 'many-worlds' interpretation, which states that each of these possible observations corresponds to a different universe (the 'multiverse'). There are an infinite number of universes (including our universe), which together comprise all of physical reality. Everything that can possibly happen occurs in some universe. Death doesn't exist in any real sense in these scenarios. All possible universes exist simultaneously, regardless of what happens in any of them. Like flipping the switch in the experiment above, you're the agent who experiences them. Reason Four. You will live on throughyour children, friends, andall who you touch during your life, not only as part of them, but through the histories you collapse with every action you take. "According to quantum physics," said theoretical physicists Stephen Hawking and Leonard Mlodinow, "the past, like the future, is indefinite and exists only as a spectrum of possibilities." There's more uncertainty in bio-physical systems than anyone ever imagined. Reality isn't fully determined until we actually investigate (like in the Schrödinger's cat experiment). There are whole areas of history you determine during your life. When you interact with someone, you collapse more and more reality (that is, the spatio-temporal events that define your consciousness). When you're gone, your presence will continue like a ghost puppeteer in the universes of those you know. Reason Five. It's not an accident that you happen to have the fortune of being alive now on the top of all infinity. Although it could be a one-in-a-jillion chance, perhaps it's not just dumb luck, but rather must be that way. While you'll eventually exit this reality, you, the observer, will forever continue to collapse more and more 'nows.' Your consciousness will always be in the present -- balanced between the infinite past and the indefinite future -- moving intermittently between realities along the edge of time, having new adventures and meeting new (and rejoining old) friends.

**The atomization of individual responsibility to global existential risks is an inevitable outcome of the appearance of control without an ethic with which to approach transnational threats—makes solving any existential threat impossible**

**Lövbrand et al 20** (Eva Lövbrand, Senior Lecturer in the Department of Thematic Studies at Linkoping University, Malin Möbjork, Senior Researcher and Director of the Stockholm International Peace Research Institute’s Climate Change and Risk Programme, Rickard Söder, Research Assistant at the Stockholm International Peace Research Institute, “The Antropocene and the geo-political imagination: Re-writing Earth as political space,” June 11, 2020, Earth System Governance)

The endangered world is a discourse that draws energy from Earth system science and its proposition that humanity at the end of the 20th Century has become an Earth shaping agent that now rivals some of the great forces of nature (Brondizio et al., 2016; Steffen et al., 2011). The Anthropocene here marks a shift from the stable Holocene era within which human civilizations have developed and thrived. As outlined by Steffen et al. (2011), the **‘great acceleration’** in human population, economic exchange, technological development, material consumption and international mobility following the end of World War II has left an unprecedented imprint on the global environment and fundamentally altered humanity's relationship to Earth. By degrading the planet's ecological systems and eroding its capacity to absorb our wastes, humanity has dangerously disrupted the Earth system and pushed the planet into a more hostile state from which we cannot easily return (Pereira and Freitas, 2017; Steffen et al., 2011). The endangered world presents a global scene where new environmental threats and dangers are causing socio-economic turbulence and gradually altering the geopolitical map. In the Arctic, for instance, Young (2012) finds that the interacting forces of climate change and globalization are transforming environments at unprecedented rates and opening up the region to outside forces. Non-linear shifts in sea ice and thawing permafrost have unleashed mounting interest in the region's natural resources and invited Great Powers to enhance their commercial shipping, fossil fuel extraction and industrial fishing (Young, 2012). Similarly, Willcox (2016) outlines how climate change is posing a grave external threat to the self-determination of atoll island peoples in the Pacific region. As sea level rises and storms increase in frequency, states such as Tuvalu, Kiribati, and the Maldives are facing loss of habitable territory and relocation of entire populations (Willcox, 2016). In other parts of the world climate change is triggering vectorborne diseases, freshwater shortage, crop failure and food scarcity (Floyd, 2015). While these threats are most pressing in already fragile regions, they are **multi-scalar**, **interconnected**, **and transboundary** in nature and may therefore cause human insecurity and political instability in areas distant from their origin (Hommel and Murphy, 2013; DeFries et al., 2012; Pereira, 2015). The endangered world is a discourse that challenges the modern spatialization of the world into a system of states with unquestionable political boundaries and mutually hostile armed camps (Agnew, 1998). As outlined by Pereira and Freitas (2017), many of the human-produced dangers of climate change have no parallel in history and work in complex, uncertain and unpredictable ways. **The dangers are often diffuse, indirect and transnational and** hereby **make the world more interconnected and interdependent than ever imagined by IR**. While this discourse recognizes that climate change may endanger the territories and populations of particular states, it is the global biosphere that is the primary referent object of security. The **entire life-support system of the planet is under threat** and the role of global politics is to regain control for the sake of human wellbeing and security (Floyd, 2015). As noted by Steffen at al. (2011, p. 749) the planetary nature of the challenge is unique and **demands a global-scale response that transcends national boundaries and cultural divides.** In order to avoid that large parts of the human population and modern society as a whole will collapse, **humanity has to rise to the challenge** and become a responsible steward of our own life-support system (Steffen et al., 2011). Geographical imbalances in human suffering and vulnerability form part of this new story for global politics (Biermann et al., 2016; Da Costa Ferreira and Barbi, 2016; O'Brien, 2011). However, in the endangered world it is the aggregated human effect on the Earth system that is the primary object of concern. The endangered world draws energy from a long line of liberal institutionalist thinking to foster responsible Earth system stewardship. In order to gain control over the unfolding sustainability crisis and effectively govern the Anthropocene, this discourse insists that the world needs strong global institutions that can balance competing national interests and facilitate coordinated policy responses (Da Costa Ferreira and Barbi, 2016; Young, 2012). Hence, the liberal democratic order organized around the United Nations and its various treaty-regimes remains central to the vision of global politics advanced here. However, given the complex and dispersed nature of 21st century challenges, international policy responses need to rest upon multi-level governance approaches that respond to the varied role of people and places in causation and effect of global environmental changes (Biermann et al., 2016; Steffen et al., 2011). In order to build links across local, national and global scales, effective governance in the Anthropocene also hinges on integrated scientific assessments of critical Earth system processes and scenario planning that anticipates the systemic risks and security implications of ecosystem change (Hommel and Murphy, 2013; Steffen et al., 2011). As outlined by Dumaine and Mintzer (2015). In the Anthropocene traditional security thinking makes little analytical sense in a world bound together by complex, non-linear and closely coupled environmental risks security analysts must move beyond the assumption that the main purpose of defense is to secure the nation against external, state-based, mainly military threats. In order to respond to the dangers of a radically transformed global environment, states need to cultivate a shared view about common threats and improve collective capacities for early warning, rapid response, and disaster mitigation (Dumaine and Mintzer, 2015). 2.2. The entangled world: securing peaceful co-existence In parallel to the science-driven and liberal institutionalist imagination informing the endangered world, the Anthropocene has also given energy to a post-humanist IR discourse that confronts the grand narratives of modernity and the forms of global politics they give rise to. Similar to the endangered world, this E. Lovbrand et al. / Earth System Governance 4 (2020) 100051 € 3 parallel discourse describes the Anthropocene as a complex and unpredictable era when human and natural processes have become deeply intertwined. However, the Anthropocene is here not approached as a problem that can be reversed, resolved or governed (Johnson and Morehouse, 2014). As outlined by Harrington (2016, p. 481) it instead reflects a new reality where humans, nonhumans, things, and materials co-exist in complex relations of life and non-life. In this entangled universe, the Cartesian separation between nature and culture has broken down and the world as conceived by modernity has ended. Dualistic understandings of the active, progressive and morally countable human (subject) and the passive and static externality of nature (object) are replaced by much more contingent, fragile and unpredictable networks of relations (Fagan, 2017). In a world marked by melting ice caps, thawing permafrost, acidified oceans, accelerating deforestation, degraded agricultural lands and dramatic species loss, human activity and nature are so enmeshed that they are existentially indistinguishable. A complex but singular “social nature” is now the new planetary real, claim Burke et al. (2016, p. 510). The entangled world is a discourse that draws upon the Anthropocene to destabilize and radically rethink the conceptual frameworks that underpin contemporary global politics. **It confronts a state-centric world obsessed with bargaining, power and interests with the monumental risks, threats, and physical effects of a transformed global environment** (Burke et al., 2016; Harrington, 2016). In a time when industrialized and profit-driven human societies are dangerously enmeshed with the biosphere, **national security based on keeping ‘the Other’ out is failing the reality of the planet and portraying the wrong world picture**. The magnitude and reach of contemporary environmental risks mean that “the Other is always already inside, so bound up with us in a common process that it no longer makes sense to speak of inside and outside” (Burke et al., 2016, p. 502). The dawning of the age of the human hereby challenges modern understandings of security at the most fundamental level. In the entangled world, **the idea that we can secure humanity against external threats is precisely the problem that needs to be overcome** (Chandler, 2018, p. 10). In the words of Hamilton (2017b, p. 586, italics in original), “(i)f humans are nature, and the Anthropocene demands the securing of humanity (and all life) from the unpredictable planetary conditions “we” are “making”, then the aim of security ultimately becomes that of securing oneself from oneself “. **The entangled world is as much a philosophical event as an environmental one** that challenges modern conceptions of who we are as humans and how we relate to the world around us. Humans are conceived simultaneously as central and all-powerful, and fragmented and insignificant (Fagan, 2017). By reaching into deep geological time, the human-induced ecological crisis offers a new cosmological origin and ending story that alters today's basic presuppositions of what the Earth and the ‘human condition’ are (Hamilton, 2018, p. 391). “**Even in the study of deep time and geological shifts, we cannot escape ourselves**” (Harrington, 2016, p. 479). Faced with humanity's overwhelming Earth-shaping powers we appear adrift, claim Johnson and Morehouse (2014, p. 442), “alienated not only from a world that refuses to submit to long-held conceptual frameworks, but also alienated from ourselves in relation to this strange and allegedly destructive thing called ‘humanity’“. The entangled world hereby forces IR into an uncomfortable place where many of the discipline's organizing categories break down: the logics of inclusion and exclusion; the idea of agency and a unified human subject; and the imagination of an intelligible world as a whole (Fagan, 2017, p. 294). In face of the ontological shift brought about by the Anthropocene, IR is called upon to rethink the narrow anthropocentric, state-led, economistic boundaries that solidify the bygone age of the Holocene (Harrington, 2016, p. 480). The entangled world presents a global scene of complex interconnections and interdependencies that cut across conventional geographical and temporal scales and species boundaries. **Security cannot be achieved by resolute actions grounded in expression of power targeting ‘external’ threats, but only by re-embedding modern humanity in the multi-species world that we now are remaking**. As argued by Burke et al. (2016, p. 502) we cannot survive without accepting the cosmopolitan and enmeshed nature of this world**. In a world of entangled relations security comes from being more connected, not less** (ibid). Against this backdrop McClanahan and Brisman (2015) find proposals from the US security establishment to wage war on climate change deeply problematic. Militaristic assertions that we can win the fight against climate change reproduce the modern understanding of nature as exterior that we so desperately need to transcend. What the world needs is instead a new global political project that makes peace with Earth and hereby secures mutual co-existence (Burke et al., 2016; McClanahan and Brisman, 2015). Such a project is by necessity post-human, claim Cudworth and Hobden (2013). In order to move beyond human centrism and domination we must recognize that social and political life always is bound up with non-human beings and things. In the Anthropocene the environment is not ‘out there’, but always ‘with’ and ‘in here’ (Cudworth and Hobden, 2013, p. 654). **To end human-caused extinctions, prevent dangerous climate change, save the oceans, support vulnerable multi-species populations, and restore social justice, the entangled world therefore demands a ‘worldly politics’ that brings our multi-species interrelations to the foreground of global affairs** (Burke et al., 2016).

**Clearly links to the aff**

**Bodhi 18** — Ven. Bhikkhu Bodhi (American Theravada Buddhist monk, ordained in Sri Lanka and currently teaching in the New York and New Jersey area, the second president of the Buddhist Publication Society, edited and authored several publications grounded in the Theravada Buddhist tradition), 2-3-2018, "A Call to Conscience," Tricycle: The Buddhist Review, <https://tricycle.org/magazine/buddhist-political-engagement/>

On February 3, 2018, over 150 Buddhist activists gathered at New York’s Union Theological Seminary to begin **creating a coalition** dedicated to the struggle for **greater social justice**, **environmental care**, and **human unity**. In the face of today’s many challenges, including **war**, **income inequality**, **persistent poverty**, **systemic racism**, and **ecological degradation**, the organizers called on New York Buddhists to strive for a vision of peace “that centers on racial, social, gender, and economic justice, the protection of the vulnerable, and the preservation of a viable natural environment.” The condensed remarks that follow were given by Ven. Bhikkhu Bodhi at the close of the day’s deliberations. There is a widespread attitude among Buddhists, especially Western Buddhists, that politics is an arena to be avoided as if it were a toxic pit. It’s seen as a detour from our spiritual quest, a distraction and an entanglement, a falling away from our aspirations for purity, enlightenment, awakening, and liberation. But **in the face of today’s multiple crises, we can’t turn away**. Yes, politics is often corrupt, dirty, and divisive. Elections and contests over policies are often driven by the craving for power or by the desire of egocentric personalities to shine in the spotlight. But politics is also the field where the **great moral issues of our time are being debated** and **decided**. The shame of **systemic racism**, **the treatment of immigrants**, **climate disruption**, **healthcare**, **war** and **militarism**—all these crises come together in their **deep**, **compelling**, **moral dimensions** on the stage of national politics. For this reason, if we are to fulfill our ethical responsibilities, **it’s not enough simply to adopt the Buddhist precepts** as guides to personal conduct, live a life of moral integrity, and cultivate thoughts of lovingkindness and compassion in the comfort of our meditation halls. **It’s crucial for us to enter the sphere of action**. This does not necessarily mean that we should endorse candidates, follow them on the campaign trail, or join political parties. But moved by the principles of lovingkindness and compassion, by our commitment to justice and equity, we must come forward and **oppose oppressive institutions** and **systems** and **challenge harmful laws** and **policies**. In their place, we must strive to create a social order rooted in a moral vision, an order that embodies love and compassion and provides opportunities for everyone to flourish. After the election of Donald Trump, the Buddhist chaplain at Duke University, Sumi Loundon Kim, asked whether I thought it was time for Buddhists to form a progressive coalition to advocate on public affairs from a Buddhist point of view. I told her that such a coalition was now a **crying need**. Around the same time, Reverend William Barber, the co-director of the Poor People’s Campaign, gathered signatures from 2,500 clergy for a letter petitioning Congress about Trump’s cabinet appointees. There were plenty of Christian, Jewish, and Muslim signatories, but I could find only one Buddhist on the list. It seemed that in such a critical situation, Buddhists were “missing in action.” Soon thereafter, Sumi and I spoke to a few other Buddhist activists and held several discussions about forming a national Buddhist public affairs alliance, but we found it wasn’t easy to mobilize people on the national level. Therefore, we decided that the best way to start a Buddhist social action network was to operate on the local level first. We hoped that if we could create a few local groups around the country, they would eventually connect to form a national coalition. Today’s meeting at Union Theological Seminary marks the starting point for an effort that we hope will bear fruit in the future. I think it’s crucial that as Buddhists we look at public affairs from the perspective of a Buddhist conscience. I use the word “conscience” to mean the use of one’s moral ideals, one’s commanding moral commitments, as a lens through which to examine the daunting political, social, and economic problems that we face as a society and a nation. We begin with a critical assessment of our challenges, examining their underlying webs of causation, and then **formulate an alternative vision of the way things should be**, of **how systems** and **policies should be transformed** to correspond to our deepest, most heartfelt moral convictions. With such a vision in mind, we can act to translate our convictions into realities. **It’s in the political field that this transformation must take place**. It is here that decisions are made about who will get **health care** and who will be dropped, who will receive **basic social services** and who will be left to fend for themselves, about who will live and who will die. It’s here that budgets are drawn up that **either** direct **fund**s to schools or invest more in new weapon systems. It’s here that we determine whether to make the transition to clean energy or continue burning fossil fuels. These issues mark a **critical intersection** of the moral and the political, and to push them aside is, in my view, to **renege on our moral responsibilities** as **followers of the Buddha’s path of limitless compassion**. The word that I see as best defining our present need is solidarity. Solidarity means a deep identification with those who face persecution, oppression, and marginalization, who daily struggle against the diminishment or denial of their humanity. We see such tendencies here in the **U**nited **S**tates in the criminal justice system with its police violence, frantic shootings, and mass incarceration of black people; in the rounding up and deportation of immigrants, to the detriment of their families; in heartless laws that force people into homelessness and hunger; in tax policies that may well result in some 13 million people losing their access even to minimal health care. This marginalization and dehumanization of people is occurring not only on our own soil but also all around the world. Even though we focus on local and national issues, we also have to understand the **global ramifications of U.S. policy**. Runaway militarism goes back decades to previous administrations representing both major political parties. Our policies, though packaged in the wrappings of good intentions, though stamped with praise to freedom and justice for all, have too often brought death and misery to hundreds of thousands of people around the world. To give an example, a few days ago I read an article in the online news publication The Intercept about a US drone attack on a group of Afghan farmers who had gone to the nearby town to purchase groceries. They were on their way back to their home in a hired van. The attack killed 14 people. Just one little girl, 4 years old, survived. In the attack she lost her parents and younger brother and other relatives, and now has to face the rest of her life without her immediate family. Imagine how we would feel if something like that happened to us or to our own families. But because it happened somewhere far away from us, to nameless brown people on the other side of the world, we hardly hear of it in our newspapers or the mainstream media. However, events of this sort should stir our conscience and move us to act together to change our policies locally, nationally, and globally. We must strive to create a world based on the realization that every human being has inherent dignity. We must **pursue a policy agenda** that recognizes that all people have the right to live safely, to meet their basic physical needs, to fulfill their potential, and to pursue the goals that give their lives value. Today’s meeting might be considered the starting point for the emergence of a collective Buddhist voice of conscience—a conscientious compassion by which our innermost conscience responds to the vast suffering of the world. In the weeks and months ahead we must continue the work that started here today. As Buddhists we have much to offer. We must contribute our clear insights, special contemplative tools, and compelling moral convictions in the task of transforming and uplifting our society and the world. We must join hearts and minds— with each other, with those of other faiths, and with those of a secular orientation—to bring forth the kind of world that corresponds to our deepest moral aspirations.

# 2NR

### 2NR – AT: FTC Resources

**COVID enforcement is ticking up---latest cases prove**

**Fair 10-28** (Lesley, **FTC and DOJ use new law to challenge COVID claims** for nasal spray, <https://www.ftc.gov/news-events/blogs/business-blog/2021/10/ftc-doj-use-new-law-challenge-covid-claims-nasal-spray>, y2k)

If businesses make coronavirus prevention or treatment claims for their products, it’s time to get up to speed on the COVID-19 **C**onsumer **P**rotection **A**ct. The **D**epartment **o**f **J**ustice and the **FTC** just filed their **latest action** under the law, seeking **civil penalties** from the marketers of Xlear, a nasal spray the complaint alleges has been deceptively advertised to offer “up to four hours” of protection from COVID-19 and as “part of a layered defense to prevent getting COVID-19.” What’s more, this isn’t the first time that Utah-based Xlear, Inc., and company president Nathan Jones have heard from the FTC about their allegedly misleading COVID representations.

Xlear Complaint Exhibit DUnder the Xlear Sinus Care brand, the defendants sell saline nasal sprays that also contain grapefruit seed extract and the sweetener xylitol. The defendants have promoted Xlear sprays on Facebook, Instagram, YouTube, podcasts, and sponsored TV appearances. They also sell them through national and online retailers. According to the complaint, beginning in March 2020, the defendants shifted their marketing focus to promote Xlear as “a simple, safe, and cheap option that could be an effective solution to the pandemic.” The company cited studies at the University of North Carolina and the University of Tennessee that purported to support their advertising claims.

The lawsuit alleges the defendants don’t have proper support to back up their promises that Xlear will prevent COVID-19 infection and reduce its severity or duration. What about the defendants’ representations that scientific studies at universities substantiate what they say? The FTC and DOJ allege those claims are false.

In the two-count complaint, the FTC and DOJ are asking for – among other things – refunds for consumers, civil penalties, and a permanent injunction to prevent future law violations. The **filing** of the case sends two **important messages** to **other companies**.

When challenging unsubstantiated advertising claims, the FTC will seek the remedies authorized by the COVID-19 **C**onsumer **P**rotection **A**ct. **Deceptive COVID-related claims** put consumers’ health at **risk** and cause **substantial financial injury**. For the **duration** of the public health crisis, the law allows the FTC to seek **financial penalties** from companies and individuals that engage in **deceptive practices** associated with “the treatment, cure, prevention, mitigation, or diagnosis of COVID-19.”

### 2NR – AT: Hikes Inev

#### The economy is running hot now but unemployment is still at 4.8 percent so the fed will wait until 2023 to hike rates

Colby **Smith and** Kate **Duguid 9-22**. Colby Smith is US economics editor. She previously covered US rates, FX and Latin America for the FT's markets team in New York. Kate Duguid - Us Capital Markets Correspondent. "More Federal Reserve officials see first interest rate rise in 2022" <https://www.ft.com/content/719c11ec-fb24-40b3-a661-518aa3bc6028>

A growing number of Federal Reserve officials expect an interest rate increase next year as the US central bank charges ahead with a reduction of its massive stimulus programme that will probably be announced in November. Nine officials on the Federal Open Market Committee now expect a US rate increase next year, according to projections released on Wednesday, with the remaining nine pencilling in a later “lift-off”. In June, just seven officials were forecasting a rise in 2022. The forecasts for an earlier rate rise coupled with the looming taper of the Fed’s $120bn-a-month asset purchase programme represents the biggest step towards normalising monetary policy since the central bank took unprecedented action to stave off an economic collapse at the start of the pandemic. At the onset of the Covid-19 outbreak, the Fed pledged to buy $120bn of Treasuries and agency mortgage-backed securities each month until it had seen “substantial further progress” towards average inflation of 2 per cent and maximum employment. **“My own view is that the ‘substantial further progress’ test is all but met,”** Jay Powell, Fed chair, said at a press conference on Wednesday, referring to the central bank’s employment goal. Powell added that the Fed could “easily move ahead” with an announcement of the taper at its next meeting in November if the economy progresses as the central bank expects. The committee had broadly agreed on a timeline that would mean the stimulus is fully withdrawn around the middle of next year, he said. The central bank’s 2 per cent inflation target has already been met with consumer demand increasing as the economy emerges from its pandemic slumber, resulting in a spike in prices that has been exacerbated by supply chain bottlenecks. Powell said that additional job gains in September would probably advance the labour market recovery to the point where the employment goal was also fulfilled. Importantly, the Fed chair said he did not need to see a “knockout, great, super strong employment” report released next month “for me to feel like that test has been met”. The August jobs report came in short of economists’ expectations, with just 235,000 gains as the rapid spread of the Delta Covid-19 variant had a chilling effect on hiring. The disappointing report followed strong readings in June and July, when the economy added roughly 1m jobs a month. Bob Michele, chief investment officer at JPMorgan Asset Management, said: “The economy is on the road to recovery . . . given the inflationary pressures that are there and the concerns of the committee members, it’s time to start the normalisation process and it begins with tapering.” US stocks rose following the publication of the Fed’s statement and Powell’s comments, with the blue-chip S&P 500 closing up 1 per cent. Banks, which benefit from a higher interest rate environment, performed strongly, with Bank of America and Goldman Sachs closing about 2.5 per cent higher, while JPMorgan was up roughly 2 per cent. Federal Reserve eyes 2022 rate rise Reactions in the Treasury market were more modest, with the yield curve flattening slightly. The yield on the benchmark 10-year Treasury yield fell 0.014 of a percentage point to 1.32 per cent. The Fed meeting comes at a tenuous time for financial markets, which suffered the biggest sell-off in months this week amid worries about potential contagion from the liquidity crisis hamstringing China’s Evergrande, the world’s most indebted developer. “As far as we can tell the core of the committee remains broadly dovish on the rate path,” said Ritchie Tuazon, portfolio manager at Capital Group. “We’re headed towards tapering as expected and the market is reacting as such.” The new projections from Fed officials suggest at least one more interest rate increase in 2023 compared with the predictions in June, bringing the total to at least three. At least three more rate increases are expected in 2024, according to the projections. The Fed’s economic forecasts signalled more elevated inflation than in June, when the median committee participant saw the core measure at 3 per cent in 2021 and 2.1 per cent in 2022. Now, those estimates have increased to 3.7 per cent and 2.3 per cent, respectively. Recommended US Treasury bonds Foreign investors help prop up Treasury market as Fed considers retreat The unemployment rate is set to steady at 4.8 per cent this year, slightly higher than June’s forecasts, while gross domestic product growth is expected to moderate. Fed officials see the economy expanding 5.9 per cent this year, compared with 7 per cent in June, before slipping further to 3.8 per cent in 2022. Powell said this reflected the supply constraints that have hobbled the recovery.

#### IT’s a question of the reason for the rise – interest rates in a year allow Em’s to grow out of debt but an unexpected rate collapses growth

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Rapid vaccine rollout in the United States and passage of its $1.9 trillion fiscal stimulus package have boosted its expected economic recovery. In anticipation, longer-term US interest rates have risen rapidly, with the rate on 10-year Treasury securities going from under 1 percent at the start of the year to over 1.75 percent in mid-March. A similar surge has occurred in the United Kingdom. In January and February, interest rates also rose somewhat in the euro area and Japan before central banks there stepped in with easier monetary policy. Our research in the latest World Economic Outlook finds that for emerging markets, what matters is the reason for the rise in US interest rates. Emerging and developing economies are viewing rising interest rates with trepidation. Most of them are facing a slower economic recovery than advanced economies because of longer waits for vaccines and limited space for their own fiscal stimulus. Now, capital inflows to emerging markets have shown signs of drying up. **The fear is of a repeat of the “taper tantrum” episode of 2013,** **when indications** **of an earlier-than-expected tapering** of US bond purchases **caused a rush of capital outflows from emerging markets.** Are these fears justified? Our research in the latest World Economic Outlook finds that for emerging markets, **what matters is the reason for the rise in US interest rates.** Cause and effect When the reason is good news about US jobs or COVID-19 vaccines, most emerging markets tend to experience stronger portfolio inflows and lower spreads on US dollar-denominated debt. Good economic news in advanced economies could lead to export growth for emerging markets, and the pick-up in economic activity tends naturally to lift their domestic interest rates. The overall impact is benign for the average emerging market. However, countries that export less to the United States yet rely more on external borrowing could feel financial market stress. When news about higher US inflation drives US interest rates up, this also tends to be benign for emerging markets. Their interest rates, exchange rates and capital flows tend to be unaffected, probably because past inflation surprises have reflected a mix of good economic news, like a higher willingness to spend, and bad news, like higher costs of producing. **When, however, a rise in advanced economy interest rates is driven by expectations of more hawkish central bank actions**, **it can harm emerging market economies**. Our study captures **these “monetary policy surprises**” as increases in interest rates on days of regular Federal Open Market Committee or European Central Bank Governing Council announcements. We find that each percentage point rise in US interest rates due to a “monetary policy surprise” tends immediately to lift long-term interest rates by a third of a percentage point in the average emerging market, or two-thirds of a percentage point in one with a lower, speculative grade credit rating. All else equal, portfolio capital immediately flows out of emerging markets and their currencies depreciate against the US dollar. A key difference relative to interest rate increases driven by good economic news is that the “term-premium”—compensation for the risks of holding longer-maturity debt—goes up in the US with hawkish monetary policy surprises, and with it, spreads on dollar-denominated emerging market debt.