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Capitalism K:

#### The aff is strengthens free markets and saves capitalism by upholding competition

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Antitrust laws have historically been associated with countries that possess a free-market capitalist economy, which is understood as an economic system in which competition and the market forces of demand and supply determine economic outcomes. This historical association between capitalism and antitrust laws is evident from the fact that the countries that first adopted national antitrust laws, such as Canada, the United States, and the countries of Western Europe, are countries that have long embraced a market economy. On the contrary, the statist economies of the erstwhile Soviet bloc and many developing countries, for the most part, did not institute antitrust laws of the type associated with free market economies. Notwithstanding these country examples, which indicate a positive association between a capitalist economic system and antitrust laws, there exist arguments that both support and oppose antitrust laws for a capitalist economy. Arguments in support of antitrust laws for a capitalist economy begin with the fundamental understanding that the most important ingredient of a capitalist system is market competition. The presence of a competitive market is vital to achieving the efficiency levels that a capitalist economy seeks. Therefore, competitive forces need to be protected to discipline the market players, especially the dominant ones. By preventing and punishing anticompetitive practices by market players, an antitrust law protects and promotes market competition. 1 In the United States, which is commonly understood to be the leading bastion of free-market capitalism and one of the first countries to enact an antitrust law, the role of antitrust legislation in preserving the capitalist character of its economic system is underscored by the near-constitutional status accorded to its antitrust statues by the U.S. Supreme Court. 2 The Court described these statutes as “the Magna Carta of free enterprise” and “as important to the preservation of economic freedom and our free enterprise system as the Bill of Rights is to the protection of our fundamental personal freedoms.”3 Such a sentiment is appropriate, given that the American antitrust law, the Sherman Act, was passed in 1890 to protect economic competition from rapidly-growing “trusts.”4 While the social and political zeitgeist has changed considerably since the passing of the Sherman Act, the fact remains that antitrust is perceived as key to “protecting consumers against anticompetitive conduct that raises prices, reduces output, and hinders innovation and economic growth.”5 Moreover, it is understood that “competition is a public good, and society cannot expect the victims of anticompetitive conduct to protect themselves.”6 The implication therefore is that government power, through the enforcement of antitrust statutes, is critical to reining in corporate power in order to protect economic competition and capitalism.

#### Capitalism causes extinction ⁠— climate change, nuclear war, democratic collapse, extreme inequality, disease, prison-industrial complex, and perpetual exploitation of the Global South; it’s try-or-die for a transition

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Less than two decades into the twenty-first century, it is evident that capitalism has failed as a social system. The world is mired in economic stagnation, financialization, and the most extreme inequality in human history, accompanied by mass unemployment and underemployment, precariousness, poverty, hunger, wasted output and lives, and what at this point can only be called a planetary ecological “death spiral.”1 The digital revolution, the greatest technological advance of our time, has rapidly mutated from a promise of free communication and liberated production into new means of surveillance, control, and displacement of the working population. The institutions of liberal democracy are at the point of collapse, while fascism, the rear guard of the capitalist system, is again on the march, along with patriarchy, racism, imperialism, and war. To say that capitalism is a failed system is not, of course, to suggest that its breakdown and disintegration is imminent.2 It does, however, mean that it has passed from being a historically necessary and creative system at its inception to being a historically unnecessary and destructive one in the present century. Today, more than ever, the world is faced with the epochal choice between “the revolutionary reconstitution of society at large and the common ruin of the contending classes.”3 Indications of this failure of capitalism are everywhere. Stagnation of investment punctuated by bubbles of financial expansion, which then inevitably burst, now characterizes the so-called free market.4 Soaring inequality in income and wealth has its counterpart in the declining material circumstances of a majority of the population. Real wages for most workers in the United States have barely budged in forty years despite steadily rising productivity.5 Work intensity has increased, while work and safety protections on the job have been systematically jettisoned. Unemployment data has become more and more meaningless due to a new institutionalized underemployment in the form of contract labor in the gig economy.6 Unions have been reduced to mere shadows of their former glory as capitalism has asserted totalitarian control over workplaces. With the demise of Soviet-type societies, social democracy in Europe has perished in the new atmosphere of “liberated capitalism.”7 The capture of the surplus value produced by overexploited populations in the poorest regions of the world, via the global labor arbitrage instituted by multinational corporations, is leading to an unprecedented amassing of financial wealth at the center of the world economy and relative poverty in the periphery.8 Around $21 trillion of offshore funds are currently lodged in tax havens on islands mostly in the Caribbean, constituting “the fortified refuge of Big Finance.”9 Technologically driven monopolies resulting from the global-communications revolution, together with the rise to dominance of Wall Street-based financial capital geared to speculative asset creation, have further contributed to the riches of today’s “1 percent.” Forty-two billionaires now enjoy as much wealth as half the world’s population, while the three richest men in the United States—Jeff Bezos, Bill Gates, and Warren Buffett—have more wealth than half the U.S. population.10 In every region of the world, inequality has increased sharply in recent decades.11 The gap in per capita income and wealth between the richest and poorest nations, which has been the dominant trend for centuries, is rapidly widening once again.12 More than 60 percent of the world’s employed population, some two billion people, now work in the impoverished informal sector, forming a massive global proletariat. The global reserve army of labor is some 70 percent larger than the active labor army of formally employed workers.13 Adequate health care, housing, education, and clean water and air are increasingly out of reach for large sections of the population, even in wealthy countries in North America and Europe, while transportation is becoming more difficult in the United States and many other countries due to irrationally high levels of dependency on the automobile and disinvestment in public transportation. Urban structures are more and more characterized by gentrification and segregation, with cities becoming the playthings of the well-to-do while marginalized populations are shunted aside. About half a million people, most of them children, are homeless on any given night in the United States.14 New York City is experiencing a major rat infestation, attributed to warming temperatures, mirroring trends around the world.15 In the United States and other high-income countries, life expectancy is in decline, with a remarkable resurgence of Victorian illnesses related to poverty and exploitation. In Britain, gout, scarlet fever, whooping cough, and even scurvy are now resurgent, along with tuberculosis. With inadequate enforcement of work health and safety regulations, black lung disease has returned with a vengeance in U.S. coal country.16 Overuse of antibiotics, particularly by capitalist agribusiness, is leading to an antibiotic-resistance crisis, with the dangerous growth of superbugs generating increasing numbers of deaths, which by mid–century could surpass annual cancer deaths, prompting the World Health Organization to declare a “global health emergency.”17 These dire conditions, arising from the workings of the system, are consistent with what Frederick Engels, in the Condition of the Working Class in England, called “social murder.”18 At the instigation of giant corporations, philanthrocapitalist foundations, and neoliberal governments, public education has been restructured around corporate-designed testing based on the implementation of robotic common-core standards. This is generating massive databases on the student population, much of which are now being surreptitiously marketed and sold.19 The corporatization and privatization of education is feeding the progressive subordination of children’s needs to the cash nexus of the commodity market. We are thus seeing a dramatic return of Thomas Gradgrind’s and Mr. M’Choakumchild’s crass utilitarian philosophy dramatized in Charles Dickens’s Hard Times: “Facts are alone wanted in life” and “You are never to fancy.”20 Having been reduced to intellectual dungeons, many of the poorest, most racially segregated schools in the United States are mere pipelines for prisons or the military.21 More than two million people in the United States are behind bars, a higher rate of incarceration than any other country in the world, constituting a new Jim Crow. The total population in prison is nearly equal to the number of people in Houston, Texas, the fourth largest U.S. city. African Americans and Latinos make up 56 percent of those incarcerated, while constituting only about 32 percent of the U.S. population. Nearly 50 percent of American adults, and a much higher percentage among African Americans and Native Americans, have an immediate family member who has spent or is currently spending time behind bars. Both black men and Native American men in the United States are nearly three times, Hispanic men nearly two times, more likely to die of police shootings than white men.22 Racial divides are now widening across the entire planet. Violence against women and the expropriation of their unpaid labor, as well as the higher level of exploitation of their paid labor, are integral to the way in which power is organized in capitalist society—and how it seeks to divide rather than unify the population. More than a third of women worldwide have experienced physical/sexual violence. Women’s bodies, in particular, are objectified, reified, and commodified as part of the normal workings of monopoly-capitalist marketing.23 The mass media-propaganda system, part of the larger corporate matrix, is now merging into a social media-based propaganda system that is more porous and seemingly anarchic, but more universal and more than ever favoring money and power. Utilizing modern marketing and surveillance techniques, which now dominate all digital interactions, vested interests are able to tailor their messages, largely unchecked, to individuals and their social networks, creating concerns about “fake news” on all sides.24 Numerous business entities promising technological manipulation of voters in countries across the world have now surfaced, auctioning off their services to the highest bidders.25 The elimination of net neutrality in the United States means further concentration, centralization, and control over the entire Internet by monopolistic service providers. Elections are increasingly prey to unregulated “dark money” emanating from the coffers of corporations and the billionaire class. Although presenting itself as the world’s leading democracy, the United States, as Paul Baran and Paul Sweezy stated in Monopoly Capital in 1966, “is democratic in form and plutocratic in content.”26 In the Trump administration, following a long-established tradition, 72 percent of those appointed to the cabinet have come from the higher corporate echelons, while others have been drawn from the military.27 War, engineered by the United States and other major powers at the apex of the system, has become perpetual in strategic oil regions such as the Middle East, and threatens to escalate into a global thermonuclear exchange. During the Obama administration, the United States was engaged in wars/bombings in seven different countries—Afghanistan, Iraq, Syria, Libya, Yemen, Somalia, and Pakistan.28 Torture and assassinations have been reinstituted by Washington as acceptable instruments of war against those now innumerable individuals, group networks, and whole societies that are branded as terrorist. A new Cold War and nuclear arms race is in the making between the United States and Russia, while Washington is seeking to place road blocks to the continued rise of China. The Trump administration has created a new space force as a separate branch of the military in an attempt to ensure U.S. dominance in the militarization of space. Sounding the alarm on the increasing dangers of a nuclear war and of climate destabilization, the distinguished Bulletin of Atomic Scientists moved its doomsday clock in 2018 to two minutes to midnight, the closest since 1953, when it marked the advent of thermonuclear weapons.29 Increasingly severe economic sanctions are being imposed by the United States on countries like Venezuela and Nicaragua, despite their democratic elections—or because of them. Trade and currency wars are being actively promoted by core states, while racist barriers against immigration continue to be erected in Europe and the United States as some 60 million refugees and internally displaced peoples flee devastated environments. Migrant populations worldwide have risen to 250 million, with those residing in high-income countries constituting more than 14 percent of the populations of those countries, up from less than 10 percent in 2000. Meanwhile, ruling circles and wealthy countries seek to wall off islands of power and privilege from the mass of humanity, who are to be left to their fate.30 More than three-quarters of a billion people, over 10 percent of the world population, are chronically malnourished.31 Food stress in the United States keeps climbing, leading to the rapid growth of cheap dollar stores selling poor quality and toxic food. Around forty million Americans, representing one out of eight households, including nearly thirteen million children, are food insecure.32 Subsistence farmers are being pushed off their lands by agribusiness, private capital, and sovereign wealth funds in a global depeasantization process that constitutes the greatest movement of people in history.33 Urban overcrowding and poverty across much of the globe is so severe that one can now reasonably refer to a “planet of slums.”34 Meanwhile, the world housing market is estimated to be worth up to $163 trillion (as compared to the value of gold mined over all recorded history, estimated at $7.5 trillion).35 The Anthropocene epoch, first ushered in by the Great Acceleration of the world economy immediately after the Second World War, has generated enormous rifts in planetary boundaries, extending from climate change to ocean acidification, to the sixth extinction, to disruption of the global nitrogen and phosphorus cycles, to the loss of freshwater, to the disappearance of forests, to widespread toxic-chemical and radioactive pollution.36 It is now estimated that 60 percent of the world’s wildlife vertebrate population (including mammals, reptiles, amphibians, birds, and fish) have been wiped out since 1970, while the worldwide abundance of invertebrates has declined by 45 percent in recent decades.37 What climatologist James Hansen calls the “species exterminations” resulting from accelerating climate change and rapidly shifting climate zones are only compounding this general process of biodiversity loss. Biologists expect that half of all species will be facing extinction by the end of the century.38 If present climate-change trends continue, the “global carbon budget” associated with a 2°C increase in average global temperature will be broken in sixteen years (while a 1.5°C increase in global average temperature—staying beneath which is the key to long-term stabilization of the climate—will be reached in a decade). Earth System scientists warn that the world is now perilously close to a Hothouse Earth, in which catastrophic climate change will be locked in and irreversible.39 The ecological, social, and economic costs to humanity of continuing to increase carbon emissions by 2.0 percent a year as in recent decades (rising in 2018 by 2.7 percent—3.4 percent in the United States), and failing to meet the minimal 3.0 percent annual reductions in emissions currently needed to avoid a catastrophic destabilization of the earth’s energy balance, are simply incalculable.40 Nevertheless, major energy corporations continue to lie about climate change, promoting and bankrolling climate denialism—while admitting the truth in their internal documents. These corporations are working to accelerate the extraction and production of fossil fuels, including the dirtiest, most greenhouse gas-generating varieties, reaping enormous profits in the process. The melting of the Arctic ice from global warming is seen by capital as a new El Dorado, opening up massive additional oil and gas reserves to be exploited without regard to the consequences for the earth’s climate. In response to scientific reports on climate change, Exxon Mobil declared that it intends to extract and sell all of the fossil-fuel reserves at its disposal.41 Energy corporations continue to intervene in climate negotiations to ensure that any agreements to limit carbon emissions are defanged. Capitalist countries across the board are putting the accumulation of wealth for a few above combatting climate destabilization, threatening the very future of humanity.

#### Racial capitalism outweighs ⁠— the current system necessitates super-exploitation of the Global South, colonial dispossession, militaristic imperialism, and racial hierarchies to sustain itself; the system must be rejected on ethical grounds

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Drawing on the intellectual production of twentieth-century Black anticapitalists, I theorize modern U.S. racial capitalism as a racially hierarchical political economy constituting war and militarism, imperialist accumulation, expropriation by domination, and labor superexploitation.14 The racial here specifically refers to Blackness, defined as African descendants’ relationship to the capitalist mode of production—their structural location—and the condition, status, and material realities emanating therefrom.15 It is out of this structural location that the irresolvable contradiction of value minus worth arises. Stated differently, Blackness is a capacious category of surplus value extraction essential to an array of political-economic functions, including accumulation, disaccumulation, debt, planned obsolescence, and absorption of the burdens of economic crises.16 At the same time, Blackness is the quintessential condition of disposability, expendability, and devalorization.

Footnote 14: Another feature of modern U.S. racial capitalism is property by dispossession. In Theft Is Property! Dispossession and Critical Theory, Robert Nichols draws on the experience of Indigenous peoples in the United States, Canada, and New Zealand to theorize how the “system of landed property” was fundamentally predicated on violent dispossession. While the Anglo-derived legal-political regimes differed in these localities, the “intertwined and co-constitutive” material effects converged in the legalized theft of indigenous territory amounting in “approximately 6 percent of the total land on the surface of Earth.” Such dispossession, Nichols notes, is recursive: “In a standard formulation one would assume that ‘property’ is logically, chronologically, and normatively prior to ‘theft.’ However, in this (colonial) context, theft is the mechanism and means by which property is generated: hence its recursivity. Recursive dispossession is effectively a form of property-generating theft.” As such, theft and dispossession, through property regimes, are an ongoing feature of the Indigenous reality of modern U.S. racial capitalism. Robert Nichols, Theft Is Property! Dispossession and Critical Theory (Durham: Duke University Press, 2020), 50–51.

Footnote 15: Borrowing from Karl Marx’s dictum that the labor process is the hidden abode of the capitalist production of value, and Nancy Fraser’s conceptualization of reproduction as the even more hidden abode, or background condition, for the possibility of capitalist production, I understand Blackness as the obfuscated abode. The immense value of Blackness is obscured and rendered unintelligible by its positioning as worthlessness, as something that does not amount to anything—but that does not equal nothing. As a structural location at the intersection of indispensability and disposability, Blackness exceeds the category of race, is not reducible to class, and does not fit the specifications of caste.

My operationalization of capitalism follows Oliver Cromwell Cox’s explication in Capitalism and American Leadership.17 Modern U.S. racial capitalism arose in the context of the First World War, when, as Cox explains, the United States took advantage of the conflict to capture the markets of South America, Asia, and Africa for its “over-expanded capacity.”18 Cox further expounds upon this auspicious moment of ascendant modern U.S. racial capitalism thus: By 1914, the United States had brought its superb natural resources within reach of intensive exploitation. Under the stimulus of its foreign-trade outlets, the financial assistance of the older capitalist nations, and a flexible system of protective tariffs, the nation developed a magnificent work of transportation and communication so that its mines, factories, and farms became integrated into an effectively producing organism having easy access to its seaports.… [Likewise,] further internal expansion depended upon far greater emphasis on an ever widening foreign commerce.… Major entrepreneurs of the United States proceeded to step up their campaign for expansion abroad. The war accentuated this movement. It accelerated the growth of [modern] American [racial] capitalism and impressed upon its leaders as nothing had before the need for external markets.19 Relatedly, Peter James Hudson argues that the First World War fundamentally changed the terms of order of international finance, allowing New York to compete with London, Paris, and Berlin for the first time in the realm of global banking. This was not least because the Great War “drastically reordered global credit flows,” with the United States transforming from a debtor into a creditor nation.20 In addition to Latin American and Caribbean nations and businesses turning to the United States for financing and credit, domestic saving and investment patterns were altered to the benefit of imperial financial institutions like the City Bank.21 Although the United States is, to use Cox’s terminology, more a “lusty child of an already highly developed capitalism” than an exceptional capitalist power, the nation perfected its techniques of accumulation through its vast natural wealth, large domestic market, imbalance of Northern and Southern economies, and, importantly, through its lack of concern for the political and economic welfare of the overwhelming masses of its population, least of all the descendants of the enslaved.22 Modern U.S. racial capitalism is thus sustained by military expenditure, the maintenance of an extremely low standard of living in “dependent” countries, and the domestic superexploitation of Black toilers and laborers. Cox notes that Black labor has been the “chief human factor” in wealth production; as such, “the dominant economic class has always been at the motivating center of the spreads of racial antagonism. This is to be expected since the economic content of the antagonism, especially at its proliferating source in the South, has been precisely that of labor-capital relations.”23 In a general sense, racial capitalism in the United States constitutes “a peculiar variant of capitalist production” in which Blackness expresses a structural location at the bottom of the labor hierarchy characterized by depressed wages, working conditions, job opportunities, and widespread exclusion from labor unions.24 Furthermore, modern U.S. racial capitalism is rooted in the imbrication of anti-Blackness and antiradicalism. Anti-Blackness describes the reduction of Blackness to a category of abjection and subjection through narrations of absolute biological or cultural difference; ruling-class monopolization of political power; negative and derogatory mass media propaganda; the ascent of discriminatory legislation that maintains and reinscribes inequality, not least various modes of segregation; and social relations in which distrust and antipathy toward those racialized as Black is normalized and in which “interracial mass behavior involving violence assumes a continuously potential danger.”25 Anti-Blackness thus conceals the inherent contradiction of Blackness—value minus worth—obscuring and distorting its structural location by, as Ralph and Singhal remark, contorting it into only a “debilitated condition.”26 Antiradicalism can be understood as the physical and discursive repression and condemnation of anticapitalist and/or left-leaning ideas, politics, practices, and modes of organizing that are construed as subversive, seditious, and otherwise threatening to capitalist society. These include, but are not limited to, internationalism, anti-imperialism, anticolonialism, peace activism, and antisexism. Anti-Blackness and antiradicalism function as the legitimating architecture of modern U.S. racial capitalism, which includes rationalizing discourses, cultural narratives, technologies of repression, legal structures, and social practices that inform and are informed by racial capitalism’s political economy.27 Throughout the twentieth century, anti-Blackness propelled the “Black Scare,” defined as the specter of racial, social, and economic domination of superior whites by inferior Black populations. Antiradicalism, in turn, was enunciated through the “Red Scare,” understood as the threat of communist takeover, infiltration, and disruption of the American way of life.28 For example, in the 1919 Justice Department Report, Radicalism and Sedition Among the Negroes, As Reflected in Their Publications, it was asserted that the radical antigovernment stance of a certain class of Negroes was manifested in their “ill-governed reaction toward race rioting,” “threat of retaliatory measures in connection with lynching,” open demand for social equality, identification with the Industrial Workers of the World (IWW), and “outspoken advocacy of the Bolshevik or Soviet doctrine.”29 Here, anti-Blackness, articulated through the fear of the “assertion of race consciousness,” was attached to the IWW and Bolshevism—in other words, to anticapitalism—to make it appear even more subversive and dangerous. Likewise, antiradicalism, expressed through the denigration of the IWW and Soviet Doctrine, was made to seem all the more threatening and antithetical to the social order in its linkage with Black insistence on equality and self-defense against racial terrorism. In this way, “defiance and insolently race-centered condemnation of the white race” and “the Negro seeing red” came to be understood as seditious in the context of modern U.S. racial capitalism. The link between my theory of modern U.S. racial capitalism and Robinson’s catholic theory of racial capitalism, beyond his “suggest[ion] that it was there,” is vivified through the prison abolitionist and scholar Ruth Wilson Gilmore, who writes: “Capitalism…[is] never not racial.… Racial capitalism: a mode of production developed in agriculture, improved by enclosure in the Old World, and captive land and labor in the Americas, perfected in slavery’s time-motion, field factory choreography, its imperative forged on the anvils of imperial war-making monarchs.”30 Racial capitalism, she continues, “requires all kinds of scheming, including hard work by elites and their compradors in the overlapping and interlocking space-economies of the planet’s surface. They build and dismantle and reconfigure states, moving capacity into and out of the public realm. And they think very hard about money on the move.”31 Perhaps more than Gilmore, though, my approach aligns with that of Neville Alexander as described by Hudson.32 Like Alexander, who focused on South Africa, I offer a particularistic understanding of racial capitalism, mine being rooted in the political economy of Blackness and the legitimating architectures of anti-Blackness and antiradicalism in the United States. Gilmore qua Robinson offers a more universalist and transhistorical conception. Like Alexander, my theory of modern U.S. racial capitalism is primarily rooted in (Black) Marxist-Leninists and fellow travelers. This is an important epistemological distinction: whereas Robinson finds Marxism-Leninism to be, at best, inattentive to race, my theory of modern U.S. racial capitalism is rooted in the work of Black freedom fighters who, as Marxist-Leninists, were able to offer potent and enduring analyses and critiques of the conjunctural entanglements of racialism, white supremacy, and anti-Blackness, on the one hand, and capitalist exploitation and class antagonism on the other hand.33 Although Robinson draws on scholars like Fernand Braudel, Henri Pirenne, David Brion Davis, and Eli Heckscher to understand European history, socialist theory, and the European working class, the work of Black Marxists like James Ford, Walter Rodney, Amílcar Cabral, and Paul Robeson offer me those same intellectual, historical, and theoretical resources. Finally, I agree with Alexander that the resolution to racial capitalism is antiracist socialism, not a cultural-metaphysical Black radical tradition. In what remains of this essay, I will draw on the work of Black Marxist-Leninists and anticapitalists to explicate the defining features of modern U.S. racial capitalism—war and militarism, imperialist accumulation, expropriation by domination, labor superexploitation, and property by dispossession. In this, I demonstrate that their critiques and analyses offer a blueprint for theorizing modern U.S. racial capitalism. War and militarism facilitate the endless drive for profit. Military conflicts between imperial powers result in the reapportioning of boundaries, possessions, and spheres of influence that often exacerbate racial and spatial economic subjection. War and militarism also perpetuate the endless construction of “threats,” primarily in racialized and socialist states, against which to defend progress, prosperity, freedom, and security. The manufacturing of conflict legitimates the mobilization of extraordinary violence to expropriate untold resources that produce relations of underdevelopment, dependency, extraversion, and disarticulation in the Global South. Moreover, the ruling elite and labor aristocracy in imperialist countries, not least the United States, wage perpetual war to defend their way of life and standard of living against the racialized majority who, because they would benefit most from the redistribution of the world’s wealth and resources, represent a perpetual threat.

#### Reject the aff and critically interrogate neoliberal discourse ⁠— resisting capitalist pedagogy in educational spaces is a prerequisite towards anti-capitalist political projects; COVID-19 provides a unique transition opportunity

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As educators, it is crucial for us to examine how we talk, teach, and write about inequality as an object of critique in an age of precarity, uncertainty and the current pandemic crisis. This is especially true at a time when a growing number of authoritarian regimes around the globe substitute replace thoughtful dialogue and critical engagement with the suppression of dissent and a culture of forgetting r. How do we situate our analysis of education as part of a broader discourse and mode of analysis that interrogates the promises, ideals, and claims of a substantive democracy? How do we fight against iniquitous relations of power and wealth that empty power of its emancipatory possibilities, and as Hannah Arendt has argued, “makes most people superfluous as human beings”? How might we understand how neoliberal ideology, with its appropriation of market-based values, regressive notions of freedom and agency, uses language to infiltrate daily life? How does a pandemic pedagogy in the service of neoliberalism produce identities defined by market values, and normalize a notion of responsibility and individuality that convinces people that whatever problem they face they have no one to blame but themselves? Repeated endlessly on right-wing media platforms, the underlying conditions that disproportionately produce chronic illness among poor people of color disappear among a public distracted, if not persuaded, by a pandemic pedagogy that celebrates unchecked self-interest, disdains social responsibility, and turns away from the reality of a society with deep-seated institutional rot and unravelling of social connections and the social contract. Pandemic pedagogy thrives on inequality and becomes a militarized and heartless normalizing tool to convince the broader public that the lives of the elderly, sick, and vulnerable should be valued according to how much they contribute to the economy. And if they are willing to die in order not to be a drain on the economy, all well and good. Nothing escapes the cruel logic of neoliberalism with its arrogance and hubris on full display as it bathes in the glow of right-wing populism, ultra-nationalism, and neofascism. Its accoutrements of dictatorship are everywhere and can be seen in the swagger of militia that storm state capitals, in police who punch and pepper spray protesters and push elderly men to the ground, and in military forces on the streets without badges reinforcing a climate of fear, repression, and unaccountability. There is more at work here than a lack of humanity on the part of the Trump administration. As the Irish journalist Fintan O’Toole observes, there is also the deepening grip of a culture of cruelty and dehumanization. He writes: “As a society the American people are being habituated into accepting cruelty on a wide scale. Americans are being taught by Trump and his administration not to see other people as human beings whose lives are as important as their own. Once that line has been crossed – and it is not just Trump and the people around him, but many of Trump’s supporters as well – then we know where that all leads, what the ultimate destination is. There is no mystery about it. We know what happens when a government and its leaders dehumanize large numbers of people.”

Depoliticization and the Authoritarian Turn

Neoliberalism is not only an economic system, it is also an ideological apparatus that relentlessly attempts to structure consciousness, values, desires, and modes of identification in ways that align individuals with its governing structures. Central to this pedagogical project is the attempt to prevent individuals from translating private issues and troubles into broader systemic considerations. By doing this, it becomes difficult for individuals to grasp the historical, social, economic, and political forces at work in shaping a social order as a human activity deeply immersed in specific relations of power. Neoliberalism’s attempt to erase or rewrite historical and social forces makes it difficult for individuals to imagine alternative notions of society, with themselves as collective actors, or view their problems as more than the limitations of faulty character, moral failure, or a problem of personal responsibility. Reducing individuals to isolated, discrete, hermetically-sealed human beings whose lives are shaped only by notions of self-reliance and self-sufficiency is a pedagogical strategy that utterly depoliticizes people, leading them to believe that however a society is shaped, it is part of a natural order. President Trump echoed this “no alternative” narrative when asked about celebrities and rich people having special access to being tested for the coronavirus while few others had access. He replied, “Perhaps that’s been the story of life.” This individualization of the social with its mounting privatization, gated communities, and social atomization undermines collective action, any viable notion of solidarity, and weakens the notion of global connectivity. The philosopher Byung-Chul Han has rightly argued that contemporary neoliberal society is shaped by a dysfunctional notion of solitude and hermitically-sealed notions of agency, all of which undermine the values and social connections vital to a democracy. He writes: “Those subject to the neoliberal economy do not constitute a we that is capable of collective action. The mounting egoization and atomization of society is making the space for collective action shrink… The general collapse of the collective and the communal has engulfed it. Solidarity is vanishing. Privatization now reaches into the depths of the soul itself. The erosion of the communal is making all collective efforts more and more unlikely.” This panoptical nature of hyper-individualism is more aligned with shared fears than shared responsibilities. Under such circumstances, trust and the notion that all life is related become difficult to grasp as the myopic language of private self-interest inures individuals to wider social problems such as extreme inequality. There is no understanding in this discourse of the damage fanatical entrepreneurialism does to our embodied collectivity. Nor is there any value attributed to the important responsibilities, social values, and notion of the common good that exceeds who we are as individuals, or how we have been shaped by diverse social forces in particular ways. It should be clear that questions of economic and social justice cannot be addressed by a neoliberal pedagogy that enshrines self-interest and privatization while converting every social problem into individualized market solutions or regressive matters of personal responsibility. Under neoliberalism’s disimagination machine, individual responsibility is coupled with an ethos of greed, avarice, and personal gain. One consequence is the tearing up of social solidarities, public values, and an almost pathological disdain for democracy. This radical form of privatization is also a powerful force for the rise of fascist politics because it depoliticizes individuals, immerses them in the logic of social Darwinism, and makes them susceptible to the dehumanization of those considered a threat or disposable. Just as the spread of the pandemic virus in the United States was not an innocent act of nature, neither is the rise and pervasive grip of inequality. What is clear is that neoliberal support for unbridled individualism has weakened democratic pressures and eroded democracy and equality as governing principles. Moreover, as a mode of public pedagogy, it has undercut social provisions, the social contract, and support for public goods such as education, public health, essential infrastructure, public transportation, and the most basic elements of the welfare state. As a form of pedagogical practice, neoliberalism has morphed into a form of pandemic pedagogy that sacrifices social needs and human life in the name of an economic rationality that values reviving economic growth over human rights. As a lived system of meaning and values, self-reliance and rugged individualism are the only categories available for shaping how individuals view themselves, and their relationship to others and to the planet. The individualization of everyone and the reduction of social problems to private troubles is paralleled by sanctioning a world marked by borders, walls, racism, hate, and a rejection of government intervention in the interest of the common good. Most importantly, neoliberal individualization personalizes power, creating a depoliticized subject whose only obligation as a citizen is defined by consuming and living in a world free from ethical and social responsibilities. In many ways, it does not just empty politics of any substance, it destroys its emancipatory prospects. The neoliberal strategists use education not only to mask their abuses and the effects of their criminogenic policies, they also – in a time of crisis, when dissatisfaction of the masses might lead to chaos, revolts, and dangerous levels of resistance – move dangerously close to creating the conditions for a fascist politics. The noted theologian Frei Betto is right in stating that under such conditions, “…they cover up the causes of social ills and cover up their effects with ideologies that, by obscuring causes, fuel mood in the face of the effects. That’s why neoliberalism is now showing its authoritarian face – building walls that divide countries and ethnic groups, executive power over legislature and judiciary, disinformation about digital networks, the cult of the homeland, the brazen offensive against human rights.” Neoliberalism and its regressive notion of individualism and individual responsibility has undermined the belief that human beings both make the world and can change it. The pandemic has ushered in a crisis that undermines that belief and opens the door for rethinking what kind of society and notion of politics will be faithful to the creation of a socialist democracy that speaks to the core values of justice, equality and solidarity. Under such circumstances, private resistance must give way to collective resistance, and personal and political rights must include economic rights. If inequality is to be defeated, the social state must replace the corporate state and social rights must be guaranteed for all. There can be no adequate struggle for economic justice and social equality unless economic inequality on a global level is addressed along with a movement for climate justice, the elimination of systemic racism and a halt to the spiraling militarism that has resulted in endless wars. This can only take place if the anti-democratic ideology of neoliberalism, with its collapse of the public into the private and its institutional structures of domination, are fully addressed and discredited. Étienne Balibar is right in stating that the triumph of neoliberalism has resulted in the “death zones of humanity.” Following Balibar, what must be made clear is that neoliberal capitalism is itself a pandemic and a dangerous harbinger of an updated fascist politics.

Overcoming Pandemic Pedagogy

The kind of societies that will emerge after the pandemic is up for grabs. In some cases, the crisis will give way to authoritarian regimes such as Chile, Hungary and Turkey, all of which have used the urgency of COVID-19 as an excuse to impose more state control and surveillance, squelch dissent, eliminate civil liberties and concentrate power in the hands of an authoritarian political class. As is well documented, history in a time of crisis also has the potential to change dominant ideologies, rethink the meaning of governance, and enlarge the sphere of justice and equality through a vision that fights for a more generous and inclusive politics. It is crucial to rethink the project of politics in order to imagine forms of resistance that are collective, inclusive and global, capable of producing new democratic arrangements for social life, more radical values and a “global economy which will no longer be at the mercy of market mechanisms.” This is a politics that must move beyond siloed identities and fractured political factions in order to build transnational solidarities in the service of an alternative radically democratic society. Making the pedagogical more political means challenging those forms of pandemic pedagogy that turn politics into theater, a favorite tactic of Trump. In this case, the performance works to suspend disbelief, hold power accountable and unravel one’s sense of critical agency. Pandemic pedagogy does more than undermine critical thinking and informed judgments, it dissolves the line between the truth and lies, fantasy and reality, and in doing so, destroys the foundation for understanding, engaging and promoting that social and economic justice. The endgame under the rubric of a pandemic pedagogy is not simply the destruction of the truth, but the elimination of democracy itself. Central to developing an alternative democratic vision is development of a language that refuses to look away and be commodified. Such a language should be able to break through the continuity and consensus of common sense and appeals to the natural order of things. At stake here is the need to reclaim both critical and redemptive elements of a radical democracy in order to address the full spectrum of violence that structures institutions and everyday life in the United States. This is a language connected to the acquisition of civic literacy, and it demands a different regime of desires and identifications to enable us to move from “shock and stunned silence toward a coherent visceral speech, one as strong as the force that is charging at us.” Of course, there is more at stake here than a struggle over meaning; there is also the struggle over power, over the need to create a formative culture that will produce informed critical agents who will fight for and contribute to a broad social movement that will translate meaning into a fierce struggle for economic, political and social justice. Agency in this sense must be connected to a notion of possibility and education in the service of radical change. Reimagining the future only becomes meaningful when it is rooted in a fierce struggle against the horrors and totalitarian practices of a pandemic pedagogy that falsely claims that it exists outside of history. Václav Havel, the late Czech political dissident-turned-politician, once argued that politics follows culture, by which he meant that changing consciousness is the first step toward building mass movements of resistance. What is crucial here in the age of multiple crises is a thorough grasp of the notion that critical and engaged forms of agency are a product of emancipatory education. Moreover, at the heart of any viable notion of politics is the recognition that politics begins with attempts to change the way people think, act and feel with respect to both how they view themselves and their relations to others. There is more to agency than the neoliberal emphasis on the “empire of the self,” with its unchecked belief in the virtues of a form of self-interest that despises the bonds of sociality, solidarity and community. The U.S. is in the midst of a political and pedagogical crisis. This is a crisis defined not only by a brutalizing racism and massive inequality, but also a constitutional crisis produced by a growing authoritarianism that has been in the making for some time. The recent attacks by the police on journalists, peaceful protesters and even elderly people marching for racial justice echoes the violence of the Brownshirts in the 1930s. Let’s stop the futile debate about whether or not the U.S. is in the midst of a fascist state and shift the register to the more serious question of how to resist it and restore a semblance of real democracy. Under such circumstances, education should be viewed as central to politics, and it plays a crucial role in producing informed judgments, actions, morality and social responsibility at the forefront not only of agency, but politics itself. In this scenario, truth and politics mutually inform each other to erupt in a pedagogical awakening at the moment when the rules are broken. Taking risks becomes a necessity, self-reflection narrates its capacity for critically engaged agency and thinking the impossible is not an option, but a necessity. Without an informed and educated citizenry, democracy can lead to tyranny, even fascism. Trump represents the malignant presence of a fascism that never dies and is ready to remerge at different times in different context in sometimes not-so-recognizable forms. The COVID-19 crisis and the pandemic of inequality and racism have revealed elements of a fascist politics that are more than abstractions. The struggle against a fascist politics is now visible in the rebellions taking place across the United States. While there are no political guarantees for a victory, there is a new sense that the future can be changed in the image of a just and sustainable society. There is a new energy for reform taking place in the aftermath of the killing of George Floyd. Massive protests for racial, economic and social justice are emerging all over the globe. As I have argued in The Terror of the Unforeseen, at stake here is the need for these protests to transition from a pedagogical moment and collective outburst of moral anger to a progressive international movement that is well organized and unified. Such a movement must build solidarity among different groups, imagine new forms of social life, make the impossible possible, and produce a revolutionary project in defense of equality, social justice and popular sovereignty. The racial, class, ecological and public health crisis facing the globe can only be understood as part of a comprehensive crisis of the totality. Immediate solutions such as defunding the police and improving community services are important, but they do not deal with the larger issue of eliminating a neoliberal system structured in massive racial and economic inequalities. David Harvey is right in arguing that the “immediate task is nothing more nor less than the self-conscious construction of a new political framework for approaching the question of inequality, through a deep and profound critique of our economic and social system.” This is a crisis in which different threads of oppression must be understood as part of the general crisis of capitalism. The various protests now evolving internationally at the popular level offer the promise of new global anti-fascist and anti-capitalist movements. In the current moment, democracy may be under a severe threat and appear frighteningly vulnerable, but with young people and others rising up across the globe — inspired, energized and marching in the streets — the future of a radical democracy is waiting to breathe again.

### 1NC---CP

Regulation CP:

#### The United States federal government should substantially increase prohibitions on anticompetitive business practices by the private sector by expanding regulatory constraints that protect A.I. innovation and inequality.

#### That solves and competes

Shelanski 18, Professor of Law at Georgetown (Howard Shelanski, 2018, “Antitrust and Deregulation,” Yale Law Journal)

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 incen- tives 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, in- novation, and consumer preference, the governance of competition more often involves vigilance than liability or injunctions. Then-Judge Stephen Breyer, long a leading scholar of antitrust and regulation, described the best situation as being an unregulated, competitive market in which “antitrust may help maintain com- petition.”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, inves- tigate single-firm conduct, and prosecute collusion.11 Private plaintiffs can pur- sue 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 conspir- acy” 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 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 telecom- munications 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 im- poses ex ante prohibitions or requirements on business conduct. The Telecommunications Act of 1996, for example, required incumbent local telephone com- panies to grant new competitors access to parts of their networks and prohibited incumbents from refusing to interconnect calls from their customers to custom- ers 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 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 su- perior product, business acumen, or historic accident.”26 Alternatively, with au- thority 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

#### Avoids resource tradeoffs

Lohr 20, NYT columnist, has covered technology, business and economics for The Times for more than 20 years. In 2013, he was part of the team awarded the Pulitzer Prize for Explanatory Reporting. He is the author of “Data-ism” and “Go To.” (Steve, “Forget Antitrust Laws. To Limit Tech, Some Say a New Regulator Is Needed.,” *New York Times*, <https://www.nytimes.com/2020/10/22/technology/antitrust-laws-tech-new-regulator.html>)

For decades, America’s antitrust laws — originally designed to curb the power of 19th-century corporate giants in railroads, oil and steel — have been hailed as “the Magna Carta of free enterprise” and have proved remarkably durable and adaptable. But even as the Justice Department filed an antitrust suit against Google on Tuesday for unlawfully maintaining a monopoly in search and search advertising, a growing number of legal experts and economists have started questioning whether traditional antitrust is up to the task of addressing the competitive concerns raised by today’s digital behemoths. Further help, they said, is needed. Antitrust cases typically proceed at the stately pace of the courts, with trials and appeals that can drag on for years. Those delays, the legal experts and economists said, would give Google, Facebook, Amazon and Apple a free hand to become even more entrenched in the markets they dominate. A more rapid-response approach is required, they said. One solution: a specialist regulator that would focus on the major tech companies. It would establish and enforce a set of basic rules of conduct, which would include not allowing the companies to favor their own services, exclude competitors or acquire emerging rivals and require them to permit competitors access to their platforms and data on reasonable terms. The British government has already said it would create a digital markets unit, with calls for a Big Tech regulator to also be introduced in the European Union and in Australia. In the United States, recommendations for a digital markets regulator have also been made in expert reports and in congressional testimony. It could be a separate agency or perhaps a digital division inside the Federal Trade Commission. Significantly, the leading proponents of this path in the United States are mainstream antitrust experts and economists rather than break-’em-up firebrands. Jason Furman, a professor at Harvard University and chair of the Council of Economic Advisers in the Obama administration, led an advisory group to the British government that recommended the creation of a digital markets unit in 2019. “I’m a small ‘c’ conservative, and I’m not a fan of regulation generally,” said Jason Furman, a Harvard University professor. “But it’s needed in this space.”Credit...Zach Gibson/Getty Images Breaking up the big tech companies, Mr. Furman said, is a bad idea because that would risk losing some of the consumer benefits these digital utilities undeniably deliver. A regulator is necessary to police digital markets and the behavior of the tech giants, he said. “I’m a small ‘c’ conservative, and I’m not a fan of regulation generally,” Mr. Furman said. “But it’s needed in this space.” Regulators that focus on specific sectors of the economy are common in the United States. For financial markets, there is the Securities and Exchange Commission; for airlines, the Federal Aviation Administration; for pharmaceuticals, the Food and Drug Administration; for telecommunications, the Federal Communications Commission; and so on. There is also precedent for picking out a handful of big companies for special treatment. In banking, the biggest banks with the most customers and loans are classified as “systemically important financial institutions” and subject to more stringent scrutiny. Several supporters of a new tech regulator were officials in the Obama administration, which was known for being friendly to Silicon Valley. But the advocates said that experience — as well as the conservative, pro-big business drift of court rulings in recent years — left them frustrated with antitrust law as the only way to restrain the growing market power and conduct of the big tech companies. “The mechanism of antitrust is not working to protect competition,” said Fiona Scott Morton, an official in the Justice Department’s antitrust division in the Obama administration, who is an economist at the Yale University School of Management. “So let’s do something else — use a different tool.” Ms. Scott Morton led an expert panel on antitrust in a report last year on digital platforms by the Stigler Center at the University of Chicago’s Booth School of Business. The report recommended the creation of a regulatory authority. (Ms. Scott Morton has been a forceful critic of Google, but also a consultant to Apple and Amazon.) Such a regulatory approach carries the risk of government’s meddling in a fast-moving industry that could hobble innovation, some antitrust experts warned. While antitrust law reacts to alleged anticompetitive behavior and can thus be slow, that shortcoming is preferable to prescriptive government rules and regulations, they said. “I’m very uncomfortable with the regulatory path, especially if it means things like getting government approval for product changes,” said Herbert Hovenkamp, a professor at the University of Pennsylvania Law School. “The history of regulation shows that it is an innovation killer.” Editors’ Picks ‘Want to Join My Crossword Group Chat?’ She’s the Investor Guru for Online Creators The Shy Sisters Behind Austin’s Breakout Breakfast Tacos Continue reading the main story A. Douglas Melamed, a former general counsel of Intel and a former antitrust official in the Justice Department, shared that concern. But Mr. Melamed, a member of the expert panel for the Stigler Center report, said the tech giants did pose a competition problem. “I think regulation might make sense if it is narrowly focused, not running the industry,” said Mr. Melamed, who is a professor at Stanford Law School. The last major antitrust action against a big technology company was the landmark Microsoft case in the 1990s. The case began with a suit filed in 1994 by the Federal Trade Commission and a simultaneous consent decree. The Justice Department and several states later picked up the pursuit, investigated anew, filed suit and conducted an exhaustive trial. Microsoft was found to have repeatedly violated the nation’s antitrust laws, and the company then reached a settlement with the government, which a federal court approved in 2002. In the Microsoft case, the antitrust legal process worked, in its way. Yet its impact is still debated. Without the suit and years of scrutiny, some observers said, Microsoft could have throttled the rise of Google. Image The Justice Department and 20 states filed antitrust lawsuits against Microsoft in 1998. The Justice Department and 20 states filed antitrust lawsuits against Microsoft in 1998.Credit...Stephen Crowley/The New York Times But others said the technological shift toward the internet and away from the personal computer meant that Microsoft had lost the gatekeeper power it once held. Technology, not antitrust, they insisted, opened the door to competition. Triumph or not, the Microsoft case was two decades ago. Proponents of a new regulator said antitrust law was ill suited by itself to restraining today’s faster-moving digital giants. In the internet economy, they said, the forces that reinforce and expand the power of a market leader — called network effects — are stronger and more rapid than in the personal computer era. “Antitrust is not a fully adequate tool to deal with the companies that dominate these markets,” said Gene Kimmelman, who was on the Stigler Center panel and a co-author of a recent report by the Shorenstein Center at Harvard that called for the creation of a “digital platform agency” in America. Another argument for the regulatory option is that competition concerns now span four companies, not just one. Apple, Amazon, Facebook and Google are in different markets, including search, online advertising, e-commerce and social networks. Bringing separate antitrust cases against them would most likely be beyond the resources of the government. “When the competition issues are larger than a single firm, regulation might be the better tool to use,” said Andrew I. Gavil, a law professor at Howard University.

### 1NC---DA

#### Law Enforcement Tradeoff DA

#### Antitrust law enforcement has two areas of focus now: health care and big tech. Health care is under the radar.

Levine 8-25-2021, master’s degree from the Columbia University Graduate School of Journalism and a bachelor of arts in English from the University of Pennsylvania. She is also an alumna of the Fellowships at Auschwitz for the Study of Professional Ethics, a program in Germany and Poland that explores the ethics of reporting on politics, war and genocide (Alexandra, “How Biden's tech trustbuster could change health care,” *Politico*, <https://www.politico.com/newsletters/future-pulse/2021/08/25/how-bidens-tech-trustbuster-could-change-health-care-797333>)

Lina Khan’s Federal Trade Commission has its eyes on health care. The agency known for efforts to rein in Big Tech companies like Facebook and Amazon is also enmeshed in high-stakes health care and health tech battles that extend well beyond Silicon Valley. Case in point: The FTC trial that kicked off yesterday examining monopoly concerns in the market for cancer screening technology. (More on that below.) That closely watched antitrust case — involving the giant Illumina and startup Grail — predates Khan’s confirmation as FTC chair. But it underscores how health issues are looming over the agenda, particularly heading into the pandemic's second year. The way health care companies and consumer health apps handle sensitive data “is an area that I'm sure [Khan’s] very, very interested in,” said Jessica Rich, former director of the FTC’s consumer protection bureau, adding that the Biden administration's FTC will also be closely scrutinizing hospital mergers. “I expect her and the commission to take a very bold approach to what constitutes harm for both,” Rich said. “I expect her to pay close attention to algorithms and potential discrimination in health care, both denials and pricing issues which the FTC's laws can address.” The FTC’s jurisdiction touches nearly the entire health economy. While its competition bureau looks at health care mergers like the Illumina-Grail deal, its consumer protection side is focused on health privacy and data security issues, as well as fighting bogus medical claims on everything from weight loss to Covid cures. When Congress passed the Covid-19 Consumer Protection Act last year, the agency was granted new authority to police Covid scams. Although Khan hasn't spoken publicly about her health care agenda, she's likely to take issue with health apps and companies whose business models maximize, incentivize and monetize data collection. Of particular concern is how firms disclose what they’re doing with consumers’ data — and whether it may still be deceptive or unfair.

#### The plan requires an unexpected, significant and drawn-out expenditure of finite law enforcement resources

Dafny 21, Professor of Business Administration at the Harvard Business School and the John F. Kennedy School of Government, and former Deputy Director for Healthcare and Antitrust in the Bureau of Economics at the Federal Trade Commission. Professor Dafny’s research focuses on competition in health care markets, and the intersection of industry and public policy. (Leemore, “The Covid-19 Pandemic Should Not Delay Actions to Prevent Anticompetitive Consolidation in US Health Care Markets,” *Pro Market*, <https://promarket.org/2021/06/10/covid-pandemic-consolidation-pandemic-monopoly/>)

However, as Commissioner Rebecca Slaughter, the current acting FTC chair has noted, these efforts have “faced resistance, with two of these recent victories only coming after district court setbacks.” Blocking a horizontal merger, even when it appears to be an “open and shut” case to a layperson, requires extraordinary resources, including large investigation and litigation teams, as well as economic and other subject matter experts who must analyze the transaction, lay out the case for blocking the merger, and rebut arguments advanced by Defendants’ attorneys and experts. To pick a recent example, consider the proposed merger of two hospital systems in the Memphis area, which the FTC filed to block in November 2020. Based on the FTC’s complaint, the merger would have reduced the number of competing systems from four to three and created a system with over a 50 percent market share. In the face of litigation, the parties abandoned the deal—consistent with this being a straightforward case. Although the FTC prevailed without a trial, it took nearly a year from the merger announcement to the abandonment. Over that period, the FTC likely devoted thousands of staff hours to the investigation and lawsuit and expended substantial taxpayer resources on expert witnesses. The higher the payoff from the merger for the merging parties—and the payoff in the case of an increase in market power can be substantial—the greater the incentive for defendants to invest extraordinary resources to fight a merger challenge. Even if there is only a middling (and in some cases, small) chance of getting a merger through, it may well be in the parties’ interest to see if they can prevail, absorbing the agencies’ (i.e., DOJ and FTC’s) scarce resources in that attempt and preventing them from devoting those resources to investigate other transactions or anticompetitive practices. The substantial resources required to challenge transactions, paired with stagnating enforcement budgets, may explain why authorities have elected not to challenge some horizontal transactions they would likely have challenged in previous eras. Using data on a wide range of industries, antitrust scholar John Kwoka documents that enforcers rarely raise concerns about changes in market structure that used to draw scrutiny—that is, mergers that yield five or more market participants.

#### Resources are finite and are drawn from under-the-radar M and A priorities

McCabe 18, covers technology policy from The Times' Washington bureau, formerly of Axios (David, “Mergers are spiking, but antitrust cop funding isn't,” Axios, https://www.axios.com/antitrust-doj-ftc-funding-2f69ed8c-b486-4a08-ab57-d3535ae43b52.html)

The number of corporate mergers has jumped in recent years, but funding has stagnated for the federal agencies that are supposed to make sure the deals won’t harm consumers. Why it matters: A wave of mega-mergers touching many facets of daily life, from T-Mobile’s merger with Sprint to CVS’s purchase of Aetna, will test the Justice Department's and Federal Trade Commission’s ability to examine smaller or more novel cases, antitrust experts say. What they’re saying: “You have finite resources in terms of people power, so if you are spending all of your time litigating big mergers … there might be some investigations where decisions might have to be made about which investigations you can pursue,” said Caroline Holland, who was a senior staffer in DOJ’s Antitrust Division under President Obama and is now a Mozilla fellow. What's happening: More mergers are underway now than at any point since the recession. The total number of transactions reported to the federal government in fiscal year 2017, and not including cases given expedited approval or where the agencies couldn't legally pursue an investigation, is 82% higher than the number reported in 2010 and 55% higher than the number reported in 2012. Funding for antitrust officials who weigh the deals hasn’t kept pace. The funding for the Department of Justice’s antitrust division has fallen 10% since 2010, when adjusted for inflation. That's in line with the broader picture: not adjusting for inflation, the Department's overall budget increased just slightly in 2016 and 2017. Funding for the FTC has fallen 5% since 2010 (adjusted for inflation). An FTC spokesperson declined to comment on funding levels and Antitrust Division officials didn't provide a comment. Driving the news: Merger and acquisition activity is up 36% in the United States compared to the same time last year, according to Thomson Reuters data from April. Several deals under government review have gotten national attention, including Sinclair’s purchase of Tribune's TV stations or T-Mobile’s deal with Sprint, which stands to reduce the number of national wireless providers from four to three. Meanwhile, the Justice Department is awaiting the ruling on its lengthy legal effort to block AT&T’s proposed $85 billion purchase of Time Warner. Yes, but: It’s not the attention-grabbing mega-mergers that advocates worry will get less of a close look thanks to a shortage of funds. Instead, some say budget limitations are likely to matter when officials are deciding which smaller or "borderline" deals to investigate further. “Sometimes there’s nothing there,” said Holland of the agency's early investigations. “Other times, it might be, ‘This is kind of a close call, and we’ve got three or four close calls and we need to pick one of them.’" "It could mean settlements get accepted that otherwise wouldn’t, or deals that should be challenged aren’t," said Michael Kades of the Washington Center for Equitable Growth, an antitrust-enforcement-friendly think tank that has done extensive research on the topic, in an email.

#### Health consolidation collapses public health---specifically rural care

Numerof 20, PhD @ Bryn Mawr, internationally recognized consultant and author with over 25 years of experience in the field of strategy development and execution, business model design, and market analysis (Rita, “Covid-Induced Hospital Consolidation: What Are The Impacts On Consumers, And Potentially The President,” *Forbes*, <https://www.forbes.com/sites/ritanumerof/2020/11/11/covid-induced-hospital-consolidation-what-are-the-impacts-on-consumers-and-potentially-the-president/?sh=692d6fc94da0>)

Covid-19 has initiated yet another wave: A wave of hospital mergers and acquisitions that will have devastating consequences for public health if industry doesn’t soon execute an about-face. Whether because they’re on the brink of bankruptcy and have subscribed to the half-truth that size is protective, or because they think they can score some good deals and believe scale and success are synonymous, the financial fallout of Covid-19 has caused many hospital executives to make consolidation a core part of their future plans. With the intent of increasing care quality and decreasing consumer costs despite these challenging times, the merger between Shannon Medical Center and Community Hospital and partnership between Intermountain and Sanford Health are just two examples. There are multiple reasons why consumers absolutely cannot afford for industry to bulk up in an effort to weather this storm. The first is that the positive efforts executives claim consolidation will help them accomplish often prove to be futile. Research shows that wherever market concentration is high, there are also higher prices for both consumers and the employers who provide their healthcare coverage. In the absence of competition, costs increase and quality deteriorates. That’s the opposite of progress. Second, generally speaking, the union of two institutions with operational shortcomings only creates one larger institution with even more operational shortcomings! That’s not progress either. Third, Covid-induced consolidation will only make future progress many times more difficult. The larger an organization is, the more it will struggle to rapidly adapt to healthcare disruptions like we’re seeing today. Retail giants like Walmart, Walgreens, Amazon and CVS are pivoting to cater to healthcare consumer demands for affordability and accessibility. Right now, they’re still a blip on the radar relative to mainstream healthcare delivery, but they are looking to eventually corner the market and drive the industry forward. And as they continue down this path, consolidated healthcare systems will be left behind, potentially at the expense of the consumers in that area. The potential impact of continued consolidation on rural patients is especially concerning. Rural communities may have a limited number of the big-box retailers mentioned above. And the unfortunate fact of the matter is that when a larger hospital or health system purchases a smaller, rural hospital, it’s usually only a matter of time before the purchasing system realizes that unless they drastically pare down and reconfigure operations, the acquired hospital will never be profitable. Many eventually decide to close up shop, in some instances reducing or even eliminating rural patients’ options for care delivery. In the absolute worst-case scenario, this is exactly the reality all consumers could face if consolidation continues at its current pace. In theory and if left unchecked, all of the hospitals in the United States could be owned by only a handful of mammoth systems that then lack incentive to continually deliver quality services at lower total cost of care.

#### Rural care is key to US ag exports

Lichtenwald 16, CEO of Medsphere Systems Corporation (Irv, “Is CMS Efforts Enough to Transform Rural Healthcare?,” <http://hitconsultant.net/2016/02/22/32016/>)

The scenario is far from unrealistic. For the most part, non-urban healthcare organizations are not doing well. In fact, almost every rural hospital in the country is operating near the margin or in the red. According to iVantage Health Analytics Senior Vice President Michal Topchik, speaking to Health Data Management, 67 rural hospitals have closed since 2010, and 283 were vulnerable to closure last year. Already in 2016 iVantage has identified 673 vulnerable rural hospitals, with 210 at very high risk. While only about 15 percent of the American population, roughly 46 million people, live in rural areas, they do some of the nation’s most essential work. Mostly, they grow food, produce energy or provide services to the people that grow food and produce energy. Obviously, the rural healthcare situation matters in terms of food and energy security at home, but also in terms of economics—the United States is by far the largest global exporter of food, with roughly $40 billion separating America from number two, and is on the cusp of ending energy imports for the first time since 1950. In reality, rural healthcare is transitioning, not disappearing, mostly because doing nothing is just bad economics. People in rural areas need care. If they can’t get it locally, they have to be flown to the nearest facility, which ends up being more expensive over the long term than funding a local hospital. To their credit, the Centers for Medicare and Medicaid Services (CMS) are already aware of the situation in rural America and have been taking steps toward fixing it. Speaking recently to the National Rural Health Association, CMS Acting Administrator Andy Slavitt explained that the agency is “establishing a CMS Rural Health Council to work across the entire agency to oversee our work in three strategic priority areas– first, improving access to care to all Americans in rural settings; second, supporting the unique economics of providing health care in rural America; and third making sure the health care innovation agenda appropriately fits rural health care markets.” As Slavitt points out, rural Americans tend to be older, earn less money and they generally lack health insurance—more than 60 percent of citizens without health insurance live in rural areas in states that have not expanded Medicaid through the Affordable Care Act. Nearly 75 percent of government health insurance exchange users make less than 250 percent of the federal poverty level—currently a bit less than $12,000 a year for an individual and slightly more than $24,000 for a family of four. So, if the argument could be made that rural America is home to the greatest number of healthcare challenges, then it also represents the greatest opportunity. If we can make affordable healthcare work outside urban areas, we may have a template applicable to other scenarios. On Slavitt’s first two points—access and economics—CMS is working to sign rural Americans up for health insurance and adjusting requirements and payment models for rural care. Which brings us to the “innovation agenda,” Slavitt’s term for the digitization of healthcare and the all-in bet the federal government has made on the benefits of health IT. The goal here is to transform rural hospitals and clinics into efficient, wired, lean operations that can absorb the realities of rural care and still operate in the black. With 35 percent of rural hospitals losing money and almost two-thirds running a negative operating margin, there’s simply no way rural facilities can invest in health IT without help. From CMS, that help takes the form of several planned or in-process programs: – Medicaid State Innovation Model grants for technical support in smaller rural hospitals – Aggregation of services in rural communities creating benefits from population health – The Frontier Community Health Integration Project (summer 2016), developing and testing new models in isolated areas using telemedicine and integration approaches – The ACO investment model for hospitals that can’t invest in ACO infrastructure; the model now serves 350,000 rural beneficiaries through 1,100 rural providers – Incorporating telemedicine where appropriate; CMS is publishing a Medicaid final rule that for the first time allows for face-to-face encounters using telehealth It’s clear that CMS understands we can’t leave rural hospitals to fend for themselves. But it also seems clear that a lot of hospitals invested in electronic health records (EHRs) they could ill afford to qualify for Meaningful Use funds—dollars that seldom covered implementation costs for solutions that didn’t yield significant cost savings and required additional technical personnel. By and large, that MU money has been dispensed. The carrot has been eaten. What Medicare- and Medicaid-heavy hospitals can expect next is two sticks: more stringent reporting requirements necessitating EHR use and direct penalties (for now) related to Meaningful Use non-compliance. “The high capital and operating costs associated with health IT, specifically EHRs, have put some hospitals in a difficult position,” wrote Becker’s Hospital CFO in a prescient January 2014 article. “Do they absorb the financial hit now, even if they know they can’t afford it? Most organizations are doing so …” Yes, CMS is trying to help lessen the impact of that metaphorical beating, but these rural hospitals also have to make decisions to help themselves. Too many are paying for systems they can’t afford to maintain. Moreover, they are unable to invest in necessary security, leaving them increasingly open to data breaches. Many are also still handicapped by the costs of ICD-10 transition, for which there was no federal reimbursement. Rural hospitals need a comprehensive EHR platform that integrates with a revenue cycle system so they can properly capture charges and manage the billing process, and effectively collect on previously lost billing. These systems need to be available as a subscription service so that rural hospitals don’t have to come up with huge money down. And they can’t require the hiring of an additional 50 application specialists to make the new systems work. “The benefits of IT are still to come,” Standard and Poor’s Marin Arrick told Becker’s Hospital CFO more than two years ago. Still the economic crisis in rural care rages on, certainly lessening access to care for millions of Americans and arguably impacting the labor force that produces food, energy, etc.

#### US ag exports prevent hotspot escalation

Castellaw 17

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The United States faces many threats to our National Security. These threats include continuing wars with extremist elements such as ISIS and potential wars with rogue state North Korea or regional nuclear power Iran. The heated economic and diplomatic competition with Russia and a surging China could spiral out of control. Concurrently, we face threats to our future security posed by growing civil strife, famine, and refugee and migration challenges which create incubators for extremist and anti-American government factions. Our response cannot be one dimensional but instead must be a nuanced and comprehensive National Security Strategy combining all elements of National Power including a Food Security Strategy. An American Food Security Strategy is an imperative factor in reducing the multiple threats impacting our National wellbeing. Recent history has shown that reliable food supplies and stable prices produce more stable and secure countries. Conversely, food insecurity, particularly in poorer countries, can lead to instability, unrest, and violence. Food insecurity drives mass migration around the world from the Middle East, to Africa, to Southeast Asia, destabilizing neighboring populations, generating conflicts, and threatening our own security by disrupting our economic, military, and diplomatic relationships. Food system shocks from extreme food-price volatility can be correlated with protests and riots. Food price related protests toppled governments in Haiti and Madagascar in 2007 and 2008. In 2010 and in 2011, food prices and grievances related to food policy were one of the major drivers of the Arab Spring uprisings. Repeatedly, history has taught us that a strong agricultural sector is an unquestionable requirement for inclusive and sustainable growth, broad-based development progress, and long-term stability. The impact can be remarkable and far reaching. Rising income, in addition to reducing the opportunities for an upsurge in extremism, leads to changes in diet, producing demand for more diverse and nutritious foods provided, in many cases, from American farmers and ranchers. Emerging markets currently purchase 20 percent of U.S. agriculture exports and that figure is expected to grow as populations boom. Moving early to ensure stability in strategically significant regions requires long term planning and a disciplined, thoughtful strategy. To combat current threats and work to prevent future ones, our national leadership must employ the entire spectrum of our power including diplomatic, economic, and cultural elements. The best means to prevent future chaos and the resulting instability is positive engagement addressing the causes of instability before it occurs. This is not rocket science. We know where the instability is most likely to occur. The world population will grow by 2.5 billion people by 2050. Unfortunately, this massive population boom is projected to occur primarily in the most fragile and food insecure countries. This alarming math is not just about total numbers. Projections show that the greatest increase is in the age groups most vulnerable to extremism. There are currently 200 million people in Africa between the ages of 15 and 24, with that number expected to double in the next 30 years. Already, 60% of the unemployed in Africa are young people. Too often these situations deteriorate into shooting wars requiring the deployment of our military forces. We should be continually mindful that the price we pay for committing military forces is measured in our most precious national resource, the blood of those who serve. For those who live in rural America, this has a disproportionate impact. Fully 40% of those who serve in our military come from the farms, ranches, and non-urban communities that make up only 16% of our population. Actions taken now to increase agricultural sector jobs can provide economic opportunity and stability for those unemployed youths while helping to feed people. A recent report by the Chicago Council on Global Affairs identifies agriculture development as the core essential for providing greater food security, economic growth, and population well-being. Our active support for food security, including agriculture development, has helped stabilize key regions over the past 60 years. A robust food security strategy, as a part of our overall security strategy, can mitigate the growth of terrorism, build important relationships, and support continued American economic and agricultural prosperity while materially contributing to our Nation’s and the world’s security.

### 1NC---DA

#### Politics DA:

#### Infrastructure negotiations will succeed now---PC is key

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President Joe Biden and his top aides scrambled Thursday to break a [deadlock](https://www.nbcnews.com/politics/congress/house-braces-infrastructure-vote-progressive-democrats-vow-block-n1280379) between House and Senate Democrats in what could be a last-ditch effort to save a key piece of his domestic political agenda. Biden spent the day at the White House out of public view making calls to Democratic leaders and other members of Congress as staff members went in and out of the Oval Office to update him on talks, White House press secretary Jen Psaki said. The White House was taking the situation "hour by hour," and Biden had cleared his schedule to focus on the [negotiations](https://www.nbcnews.com/politics/congress/mutually-assured-destruction-house-liberals-dig-halting-infrastructure-bill-n1280275), she said. "We are working towards winning a vote tonight. We have several hours left in the day," Psaki said Thursday afternoon, referring to the day's deadline as "self-imposed." Biden is at risk of losing momentum on the $550 billion infrastructure bill, along with a wider $3.5 billion social spending package. Both were central campaign promises, and they are the focus of his domestic policy agenda. With time running out on the legislative calendar for Biden's first year, White House officials have acknowledged that they are at a pivotal moment, with their domestic agenda likely to face even more hurdles next year, when members of Congress shift attention to their re-election bids. The infrastructure bill, which [passed the Senate last month](https://www.nbcnews.com/politics/congress/senate-vote-massive-infrastructure-package-centerpiece-biden-agenda-n1276134), is opposed by dozens of progressive Democratic in the House, who say they want progress on the separate $3.5 trillion measure to fund a range of social safety net programs. But the larger spending bill lacked the 50 votes it needed in the Senate, with Democrats Joe Manchin of West Virginia and Kyrsten Sinema of Arizona coming out in opposition. White House officials said Biden has made significant efforts in recent days to win support from Manchin and Sinema, who met with him separately at the White House on Tuesday for the second time in a week. Top White House officials also met with Sinema on the Hill on Wednesday, while Biden met at the White House that afternoon with Senate Majority Leader Chuck Schumer, D-N.Y., and House Speaker Nancy Pelosi, D-Calif. Fellow Democrats have criticized Biden for not doing more to put pressure on the senators, such as accusing them of threatening to topple his and the party's agendas. Psaki has said Biden, who spent 36 years in the Senate, does not believe that would be effective. "I don't know if you've met many senators. They're not going to be forced to do anything that's not in their interest," Psaki said Wednesday. "His view is we've made some progress. You've seen some members come down. You've seen some members come up. You've seen active negotiations," she said. White House officials in recent days have said that despite the apparent impasse, they believe progress is being made behind the scenes as the various sides continue to talk. Biden canceled a trip to Chicago on Wednesday in part because he felt negotiations were making progress and he needed to stay in Washington to them keep on track, a White House official said.

#### Antitrust reform trades off with other legislative priorities

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14. Similarly, despite bipartisan murmurs about competitive issues, the potential in a closely divided Congress that any major initiatives will survive is limited at best. In part the challenge here is how the Biden administration will rank its commitments. If it were to make reform of competition law a major and primary commitment, it would have to trade off other goals, which might include health care reform or increases in the minimum wage. It is likely in this circumstance the new administration, like the Obama administration’s abandonment of the pro-competitive rules proposed under the PSA, would elect to give up stricter competition rules in order to achieve other legislative priorities. 15. Another key to a robust commitment to workable competition is the choice of cabinet and other key administrative positions. Here as well, the early signs are not entirely encouraging. In selecting Tom Vilsack to return as secretary of agriculture, the president has embraced a friend of the large corporate interests dominating agriculture who has spent the last four years in a highly lucrative position advancing their interests. Given the desperate need for pro-competitive rules to implement the PSA and control exploitation of dairy farmers through milk-market orders, the return of Vilsack is not good news. Who will head the FTC and who will be the attorney general and assistant attorney general for antitrust is still unknown, but if those picks are also centrists with strong links to corporate America the hope for robust enforcement of competition law will further attenuate! 16. In sum, this is a pessimistic prognostication for the likely Biden antitrust enforcement agenda. There is much that ought to be done. But this requires a willingness to take major enforcement risks, to invest significant political capital in the legislative process, and to select leaders who are committed to advancing the public interest in fair, efficient and dynamically competitive markets. The early signs are that the new administration will be no more committed to robust competition policy than the Obama administration. Events may force a more vigorous policy—I will cling to that hope as the Biden administration takes shape.

#### Reconciliation solves climate change [it passes now, new priorities tradeoff, it’s humanity’s last shot]

Roberts 8-7-2021, energy reporter, formerly of Vox (David, “Crunch time: this is America's last chance at serious climate policy for a decade,” *Vox*, <https://www.canarymedia.com/articles/climate-policy-crunch-time-we-need-congress-to-pass-a-clean-energy-standard-and-tax-credits/>)

Congress is working on what is likely to be its last big shot at climate change policy for a decade or more. If things go well, the legislation will include a clean energy standard (CES) and clean energy tax credits, which together would revolutionize the US electricity system. If things don’t go well, there will be no substantial climate legislation for many years to come. That’s the only question being decided: Will we get a CES and tax credits, or will we get nothing that will tackle fossil fuels this decade? That’s the binary. It’s time to focus. Looking around, it doesn’t seem like clean energy supporters, climate hawks, or the left more broadly really get that. So let’s talk about why this is such an important moment and what’s at stake. The reconciliation bill is likely the last chance for big federal climate legislation The Democratic approach for a while now has been to proceed along dual tracks. On one track, there’s the bipartisan infrastructure bill, hammered out by a group of just over 20 senators from both parties. On the other track, there’s the budget reconciliation bill, which is meant to contain … everything else in Biden’s agenda. The former needs 60 votes; the latter can pass with 50 Democratic votes. This has always been a fraught and delicate strategy. It could crash and burn in any number of ways. But so far, at least, it is hanging together. The bipartisan group unveiled its bill this week; it is slowly inching toward a vote, though Senate Minority Leader Mitch McConnell (R-Ky.) is doing everything he can to slow it down and gum it up. Twitter avatar for @jsfreed Josh Freed @jsfreed Okay, everyone, we’ve been crunching the BID numbers to see what’s in this deal and how it’ll impact clean energy and climate. Warning, this is a long 🧵 … 1/ seinfeld newman GIF July 29th 2021 176 Retweets497 Likes It contains decent chunks of money for things that will indirectly help clean energy — transmission, demonstration projects, R&D — but it lacks anything that will directly confront fossil fuels in the coming decade, the sine qua non of adequate climate policy. As Robinson Meyer argues in The Atlantic, it is not a climate bill, not really. There’s no guarantee the bipartisan bill will pass, and there’s no way to know how the Senate’s bipartisanship fetishists, Sens. Joe Manchin (D-W.V.) and Kyrsten Sinema (D-Ariz.), will react if it doesn’t. But whether it passes or not, when it comes to decent climate policy, it’s all about the reconciliation bill. There won’t be another bill this big while Democrats control Congress, and they won’t control Congress for long. What Democrats are able to get through in the reconciliation bill is likely to be the last big federal climate legislation for a decade at least. This is the key thing to understand, so I’m going to repeat it: What Democrats are able to get through in the reconciliation bill is likely to be the last big federal climate legislation for a decade at least. (You may be thinking: can’t Democrats do another reconciliation bill next year? Yes, they can, but the midterms will be in full swing, moderates will be feeling even more cowardly than usual, political appetite for big spending will have dried up in the face of a recovering economy, and focus will have turned, hopefully, to voting reform. This one is it.) Absent substantial federal voting reform — which is looking less and less likely, certainly nothing anyone should bet on — all signs point toward Republicans taking back the House in 2022. It’s unclear what will happen in the Senate, but regardless, if the GOP controls either house, no climate legislation will pass (and no voting reform). Republican presidential candidates can win despite larger and larger losses in the popular vote. And the chances of Democrats controlling both houses of Congress again are only getting dimmer. The structural advantages that favor the GOP in the US system are only tilting further in its favor, while the party is actively extending those advantages with a wave of voter-suppression laws at the state level and an accompanying wave of gerrymandering, which alone could win the GOP the House in 2022, even absent any Dem seats being lost. The GOP is protected in this endeavor by a hyper-conservative Supreme Court (which, by the way, could get even more conservative if the disastrously vain Stephen Breyer hangs on until there’s a Republican president again). The conservative movement in the US is attempting to engineer one-party control of US government (along the lines of their new hero, Hungarian autocrat Viktor Orban). There’s no way to know how successful the endeavor will ultimately be, but it’s a pretty good bet, given current trends, that Democrats won’t control the presidency and both houses of Congress at the same time again for a long while. Last time they lost full control (just before a wave of gerrymandering in 2010), it was a decade until they got it back. Twitter avatar for @sarahposner Sarah Posner @sarahposner New, from me, @TPM: That all begins in January 2023 — which makes this year’s reconciliation bill the Democrats’ last big shot at climate and clean energy policy. There are two key clean-energy policies on the table Climate folk are prone to endless policy arguments; everyone has their favorites. But most of those arguments are immaterial right now. Democrats have lined up behind a menu of clean energy policies in line with Biden’s climate plan. What’s on that menu is what might get in the bill. Might. If it’s not on that menu, it’s not going to get in. There’s no carbon tax. There’s no cap-and-dividend. There’s no prohibition on new fossil fuel infrastructure. You may support any and all of those policies, but they are not live options in the reconciliation bill. Right now, political pressure is best aligned behind options that actually are on the menu. Two in particular are immensely important — together, they would be transformative. The first is a Clean Energy Standard that would reduce electricity sector greenhouse gas emissions 80 percent by 2030. (Biden’s plan calls for 100 percent by 2035, but a reconciliation bill can only extend 10 years out.) It’s not actually going to be a standard, per se, because you can’t pass regulatory standards through reconciliation. Instead, it’s going to be a system of fines and payments that will incentivize utilities to increase their proportion of renewable energy to meet the targets. It’s called a clean electricity payment program (CEPP). A CEPP actually has some advantages over the traditional CES’s and renewable portfolio standard (RPSs) commonly seen in states. For one thing, it’s more progressive: the money to drive the transition comes from federal coffers (via taxes on corporations and the wealthy) rather than from electricity rates, which are regressive. If you’re interested in the details of how a reconciliation-friendly CEPP will be structured, see this piece from Ben Storrow and Scott Waldman of E&E, or this thread from Princeton professor Jesse Jenkins: Twitter avatar for @JesseJenkins JesseJenkins @JesseJenkins Broad contours of a Reconciliation-friendly Clean Electricity Standard (CES) are now coming into public view, as House & Senate Dems prepare a $3.5T Budget Resolution that will kick off a Reconciliation process, which permits passage of budget-related measures w/50+ Senate votes. July 15th 2021 1 Retweet16 Likes The end result will be the same as a conventional CES: the US electricity grid will reach 80 percent decarbonization by 2030, which is an achievable but still incredibly ambitious target. As I’ve said so many times, nothing is more important to deep decarbonization than cleaning up the electricity grid. It’s the core of the “electrify everything” strategy. The second is boosted and expanded clean energy tax credits. The investment tax credit (ITC) and production tax credit (PTC), for wind and solar respectively, would be renewed, but various forms of tax credits would also be extended to energy storage, hydrogen, carbon capture, and other key clean energy technologies. (The details are in flux; for a blueprint, see the Senate Finance Committee’s Clean Energy for America Act or the House Ways and Means’ GREEN Act.) Tax credits will provide the supply push; the CEPP will provide the demand pull. The result will be an enormous surge of clean energy projects and jobs. This is the core of good climate policy: pushing fossil fuels off the grid over the next decade and replacing them with zero-carbon energy. There are other good climate provisions on the Democrats’ menu for reconciliation as well. I would love to see a Civilian Climate Corps. I’d love to see more money for public transportation and an electrified postal service fleet. Lots of smaller climate provisions might make it through just by virtue of not drawing much notice, which would be great. But the CEPP and the tax credits are the one-two punch needed to make a real short-term difference in the energy system. And they are on the menu. Manchin is likely to be skeptical of the CEPP. Although carbon capture counts as clean energy under the program, every analyst understands that the practical effect is going to be to ramp up renewables and ramp down fossil fuels on the grid. Manchin doesn’t actually want that. I have no idea if public pressure will have any effect at all on Manchin, but it couldn’t hurt. Might as well try it. The perilous path ahead for reconciliation Everyone on the left is aware that the reconciliation bill is the last big legislative train leaving the station, and every interest group wants a seat on it. Climate policy will be competing with other Democratic priorities. Especially as Sinema and Manchin arbitrarily reduce the total size of the bill, as they surely will, the factions of the party will be fighting it out over a shrinking pie. It is far from a sure thing that the CEPP and tax credits will survive negotiations. It’s all being decided right now. Everyone who cares about US climate progress should put aside their personal projects and preferences for a few weeks and speak in a unified voice. Call your representatives. Push the groups you’re involved to make noise about it. It’s going to be the CEPP and tax credits or nothing big for climate. If both those policies are put in place, it could set the US power system on a new course and strengthen American credibility at the upcoming COP26 international climate meeting. If they slip through the cracks, climate will have to settle for scraps and the US will surrender all hope of meeting its climate targets or influencing others to do the same. For the next few months, this is all that matters. If you’ve ever considered getting involved, now is the time.

#### Warming leads to extinction---it’s a conflict-multiplier and defense doesn’t assume non-linearity

Kareiva 18, Ph.D. in ecology and applied mathematics from Cornell University, director of the Institute of the Environment and Sustainability at UCLA, Pritzker Distinguished Professor in Environment & Sustainability at UCLA, et al. (Peter, “Existential risk due to ecosystem collapse: Nature strikes back,” *Futures*, 102)

In summary, six of the nine proposed planetary boundaries (phosphorous, nitrogen, biodiversity, land use, atmospheric aerosol loading, and chemical pollution) are unlikely to be associated with existential risks. They all correspond to a degraded environment, but in our assessment do not represent existential risks. However, the three remaining boundaries (climate change, global freshwater cycle, and ocean acidification) do pose existential risks. This is because of intrinsic positive feedback loops, substantial lag times between system change and experiencing the consequences of that change, and the fact these different boundaries interact with one another in ways that yield surprises. In addition, climate, freshwater, and ocean acidification are all directly connected to the provision of food and water, and shortages of food and water can create conflict and social unrest. Climate change has a long history of disrupting civilizations and sometimes precipitating the collapse of cultures or mass emigrations (McMichael, 2017). For example, the 12th century drought in the North American Southwest is held responsible for the collapse of the Anasazi pueblo culture. More recently, the infamous potato famine of 1846–1849 and the large migration of Irish to the U.S. can be traced to a combination of factors, one of which was climate. Specifically, 1846 was an unusually warm and moist year in Ireland, providing the climatic conditions favorable to the fungus that caused the potato blight. As is so often the case, poor government had a role as well—as the British government forbade the import of grains from outside Britain (imports that could have helped to redress the ravaged potato yields). Climate change intersects with freshwater resources because it is expected to exacerbate drought and water scarcity, as well as flooding. Climate change can even impair water quality because it is associated with heavy rains that overwhelm sewage treatment facilities, or because it results in higher concentrations of pollutants in groundwater as a result of enhanced evaporation and reduced groundwater recharge. Ample clean water is not a luxury—it is essential for human survival. Consequently, cities, regions and nations that lack clean freshwater are vulnerable to social disruption and disease. Finally, ocean acidification is linked to climate change because it is driven by CO2 emissions just as global warming is. With close to 20% of the world’s protein coming from oceans (FAO, 2016), the potential for severe impacts due to acidification is obvious. Less obvious, but perhaps more insidious, is the interaction between climate change and the loss of oyster and coral reefs due to acidification. Acidification is known to interfere with oyster reef building and coral reefs. Climate change also increases storm frequency and severity. Coral reefs and oyster reefs provide protection from storm surge because they reduce wave energy (Spalding et al., 2014). If these reefs are lost due to acidification at the same time as storms become more severe and sea level rises, coastal communities will be exposed to unprecedented storm surge—and may be ravaged by recurrent storms. A key feature of the risk associated with climate change is that mean annual temperature and mean annual rainfall are not the variables of interest. Rather it is extreme episodic events that place nations and entire regions of the world at risk. These extreme events are by definition “rare” (once every hundred years), and changes in their likelihood are challenging to detect because of their rarity, but are exactly the manifestations of climate change that we must get better at anticipating (Diffenbaugh et al., 2017). Society will have a hard time responding to shorter intervals between rare extreme events

because in the lifespan of an individual human, a person might experience as few as two or three extreme events. How likely is it that you would notice a change in the interval between events that are separated by decades, especially given that the interval is not regular but varies stochastically? A concrete example of this dilemma can be found in the past and expected future changes in storm-related flooding of New York City. The highly disruptive flooding of New York City associated with Hurricane Sandy represented a flood height that occurred once every 500 years in the 18th century, and that occurs now once every 25 years, but is expected to occur once every 5 years by 2050 (Garner et al., 2017). This change in frequency of extreme floods has profound implications for the measures New York City should take to protect its infrastructure and its population, yet because of the stochastic nature of such events, this shift in flood frequency is an elevated risk that will go unnoticed by most people. 4. The combination of positive feedback loops and societal inertia is fertile ground for global environmental catastrophes Humans are remarkably ingenious, and have adapted to crises throughout their history. Our doom has been repeatedly predicted, only to be averted by innovation (Ridley, 2011). However, the many stories of human ingenuity successfully addressing existential risks such as global famine or extreme air pollution represent environmental challenges that are largely linear, have immediate consequences, and operate without positive feedbacks. For example, the fact that food is in short supply does not increase the rate at which humans consume food—thereby increasing the shortage. Similarly, massive air pollution episodes such as the London fog of 1952 that killed 12,000 people did not make future air pollution events more likely. In fact it was just the opposite—the London fog sent such a clear message that Britain quickly enacted pollution control measures (Stradling, 2016). Food shortages, air pollution, water pollution, etc. send immediate signals to society of harm, which then trigger a negative feedback of society seeking to reduce the harm. In contrast, today’s great environmental crisis of climate change may cause some harm but there are generally long time delays between rising CO2 concentrations and damage to humans. The consequence of these delays are an absence of urgency; thus although 70% of Americans believe global warming is happening, only 40% think it will harm them (http://climatecommunication.yale.edu/visualizations-data/ycom-us-2016/). Secondly, unlike past environmental challenges, the Earth’s climate system is rife with positive feedback loops. In particular, as CO2 increases and the climate warms, that very warming can cause more CO2 release which further increases global warming, and then more CO2, and so on. Table 2 summarizes the best documented positive feedback loops for the Earth’s climate system. These feedbacks can be neatly categorized into carbon cycle, biogeochemical, biogeophysical, cloud, ice-albedo, and water vapor feedbacks. As important as it is to understand these feedbacks individually, it is even more essential to study the interactive nature of these feedbacks. Modeling studies show that when interactions among feedback loops are included, uncertainty increases dramatically and there is a heightened potential for perturbations to be magnified (e.g., Cox, Betts, Jones, Spall, & Totterdell, 2000; Hajima, Tachiiri, Ito, & Kawamiya, 2014; Knutti & Rugenstein, 2015; Rosenfeld, Sherwood, Wood, & Donner, 2014). This produces a wide range of future scenarios. Positive feedbacks in the carbon cycle involves the enhancement of future carbon contributions to the atmosphere due to some initial increase in atmospheric CO2. This happens because as CO2 accumulates, it reduces the efficiency in which oceans and terrestrial ecosystems sequester carbon, which in return feeds back to exacerbate climate change (Friedlingstein et al., 2001). Warming can also increase the rate at which organic matter decays and carbon is released into the atmosphere, thereby causing more warming (Melillo et al., 2017). Increases in food shortages and lack of water is also of major concern when biogeophysical feedback mechanisms perpetuate drought conditions. The underlying mechanism here is that losses in vegetation increases the surface albedo, which suppresses rainfall, and thus enhances future vegetation loss and more suppression of rainfall—thereby initiating or prolonging a drought (Chamey, Stone, & Quirk, 1975). To top it off, overgrazing depletes the soil, leading to augmented vegetation loss (Anderies, Janssen, & Walker, 2002). Climate change often also increases the risk of forest fires, as a result of higher temperatures and persistent drought conditions. The expectation is that forest fires will become more frequent and severe with climate warming and drought (Scholze, Knorr, Arnell, & Prentice, 2006), a trend for which we have already seen evidence (Allen et al., 2010). Tragically, the increased severity and risk of Southern California wildfires recently predicted by climate scientists (Jin et al., 2015), was realized in December 2017, with the largest fire in the history of California (the “Thomas fire” that burned 282,000 acres, https://www.vox.com/2017/12/27/16822180/thomas-fire-california-largest-wildfire). This catastrophic fire embodies the sorts of positive feedbacks and interacting factors that could catch humanity off-guard and produce a true apocalyptic event. Record-breaking rains produced an extraordinary flush of new vegetation, that then dried out as record heat waves and dry conditions took hold, coupled with stronger than normal winds, and ignition. Of course the record-fire released CO2 into the atmosphere, thereby contributing to future warming. Out of all types of feedbacks, water vapor and the ice-albedo feedbacks are the most clearly understood mechanisms. Losses in reflective snow and ice cover drive up surface temperatures, leading to even more melting of snow and ice cover—this is known as the ice-albedo feedback (Curry, Schramm, & Ebert, 1995). As snow and ice continue to melt at a more rapid pace, millions of people may be displaced by flooding risks as a consequence of sea level rise near coastal communities (Biermann & Boas, 2010; Myers, 2002; Nicholls et al., 2011). The water vapor feedback operates when warmer atmospheric conditions strengthen the saturation vapor pressure, which creates a warming effect given water vapor’s strong greenhouse gas properties (Manabe & Wetherald, 1967). Global warming tends to increase cloud formation because warmer temperatures lead to more evaporation of water into the atmosphere, and warmer temperature also allows the atmosphere to hold more water. The key question is whether this increase in clouds associated with global warming will result in a positive feedback loop (more warming) or a negative feedback loop (less warming). For decades, scientists have sought to answer this question and understand the net role clouds play in future climate projections (Schneider et al., 2017). Clouds are complex because they both have a cooling (reflecting incoming solar radiation) and warming (absorbing incoming solar radiation) effect (Lashof, DeAngelo, Saleska, & Harte, 1997). The type of cloud, altitude, and optical properties combine to determine how these countervailing effects balance out. Although still under debate, it appears that in most circumstances the cloud feedback is likely positive (Boucher et al., 2013). For example, models and observations show that increasing greenhouse gas concentrations reduces the low-level cloud fraction in the Northeast Pacific at decadal time scales. This then has a positive feedback effect and enhances climate warming since less solar radiation is reflected by the atmosphere (Clement, Burgman, & Norris, 2009). The key lesson from the long list of potentially positive feedbacks and their interactions is that runaway climate change, and runaway perturbations have to be taken as a serious possibility. Table 2 is just a snapshot of the type of feedbacks that have been identified (see Supplementary material for a more thorough explanation of positive feedback loops). However, this list is not exhaustive and the possibility of undiscovered positive feedbacks portends even greater existential risks. The many environmental crises humankind has previously averted (famine, ozone depletion, London fog, water pollution, etc.) were averted because of political will based on solid scientific understanding. We cannot count on complete scientific understanding when it comes to positive feedback loops and climate change.

### 1NC---CP

#### Innovation CP

#### The United States federal government should:

#### 1 — aggressively fund AI R&D, education grants, and university AI programs

#### 2 — heavily increase incentives for domestic AI workers to contract with the DoD, companies who invest in AI, and investments for combined initiatives

#### 3 — retrofit education with STEM content

#### 4 — appoint a national AI Czar that recruits leading AI talent and revamps federal science programs

#### The counterplan solves AI leadership — it creates a coordinated approach that bolsters foundations to propel US technology

Andriole 11/9 — Steve Andriole (Thomas G. Labrecque Professor of Business Technology in the Villanova School of Business at Villanova University, author/co-author/editor of 35 books on information technology, technology trends and business technology management, Director of Cybernetics Technology @ DARPA, masters and doctoral degrees at the University of Maryland, received an honorary doctorate from LaSalle University for achievements in information technology), 11-9-2018, "Artificial Intelligence, China And The U.S.," Forbes, <https://www.forbes.com/sites/steveandriole/2018/11/09/artificial-intelligence-china-and-the-us-how-the-us-is-losing-the-technology-war/#41665ee56195>, [accessed: 12/25/18] — JPark

The Response

The US House of Representative’s Subcommittee on Information Technology Committee on Oversight & Government Reform summarizes it but not definitively:

“There is a pressing need for conscious, direct, and spirited leadership from the Trump Administration. The 2016 reports put out by the Obama Administration’s National Science and Technology Council and the recent actions of the Trump Administration are steps in the right direction. However, given the actions taken by other countries – especially China – Congress and the Administration will need to increase the time, attention, and level of resources the federal government devotes to AI research and development, as well as push for agencies to further build their capacities for adapting to advanced technologies.”

“The government has an essential role to play in securing American leadership in AI. Fulfilling this role will require balancing the creative energy of innovative Americans whose knowledge and entrepreneurial spirit have driven the development of this technology with regulatory frameworks that protect consumers. To ensure the appropriate balance is met, it is vital Congress and the Executive Branch continue to educate themselves about AI, increase the expenditures of R&D funds, help set the agenda for public debate, and, where appropriate, define the role of AI in the future of this nation.”

Clearly, a coordinated, heavily-funded American response is way overdue. Here are some specific steps:

The individual American states – all 50 and Puerto Rico – need their own AI investment strategies. They should appoint commissions and, ideally, Chief AI Technology Officers. State’s should aggressively fund AI research and development, and partner with the federal government where AI intersects with problems all states face, like infrastructure, healthcare and education, among others.

Private and public universities should be funded by federal and state governments to develop educational programs in AI and conduct basic and applied research in AI. Block grants to universities should begin immediately.

Increased R&D tax incentives and credits to companies who invest specifically in AI.

Primary and secondary educational programs should be retrofitted with much deeper STEM content. Longer school years should begin immediately. Grants for science, mathematics and computer science education should be equally awarded to public, private and charter schools.

The US response to China (and other nations investing heavily in AI) must obviously be aggressive and immediate, which includes leadership from the recently appointed White House Science Advisor and the expansion of the Office of Scientific & Technology Policy, well beyond an offset to major recent personnel cuts, the restoration of cuts to major science programs recently eliminated by the Trump administration, and the creation of major new programs in AI, machine learning and deep learning.

A national AI Czar should be appointed with broad funding and programmatic authority. The Czar should be a Cabinet-level official, similar to the Director of National Intelligence. The Director of Artificial Intelligence should oversee a national research and development program and serve as the principal advisor to the President of the United States on all aspects of AI and intelligent systems technology.

### 1NC---CP

#### Inequality CP

#### Text: The United States Federal Government should:

#### -retool customs requirements and encourage digital e-commerce platforms

#### -invest in infrastructure and affordable housing

#### -encourage career-orientated education pathways

#### -encourage usage of new energy technology.

#### \*That solves inequality

Pinkus et al 16 – Gary Pinkus is managing partner for McKinsey & Company in North America. James Manyika is a director of the McKinsey Global Institute, where Sree Ramaswamy is a senior fellow. (Gary Pinkus, James Manyika, and Sree Ramaswamy December 3, 2016, 11-11-2016, "Here’s How to Get the U.S. Economy to Grow 3.5% or More," Fortune, <http://fortune.com/2016/12/03/us-gdp-growth-donald-trump/>)

Our new research identifies five key priorities that can help shake off stagnation and create more widely shared prosperity. An ocean of ink has already been spilled about topics such as taxes, regulation, entitlements, and debt, but we believe it’s critical to shift the focus onto accelerating growth. We estimate that these five initiatives can collectively raise GDP growth to 3% or even 3.5%—levels not seen since the 1990s. Two of the biggest opportunities involve harnessing the forces of digital technology and globalization. This is somewhat ironic, since these two forces have deepened many of the disparities we see across the economy. Trade, in particular, has taken a beating of late. But the way to address those who have been left behind is to harness the growth opportunities digitization and globalization bring by getting more small businesses, more workers, and more parts of the country to participate and benefit. The United States has to reverse its persistent productivity slowdown, and improve the digital capabilities of lagging sectors and firms is an important piece of that puzzle. This effort can go hand-in-hand with encouraging more small firms to pursue opportunities in global markets. Today, fewer than 1% of US companies export, a far lower share than in any other advanced economy. Becoming an exporter was once daunting for small businesses, but the Internet has made borders less formidable. The United States can retool customs requirements and encourage small businesses to take advantage of digital e-commerce platforms to serve overseas customers. Globalization may have left some regions behind, but deeper engagement with global investors may help them catch up. Over the past decade, the top one-third of US cities captured 55% of all inward foreign direct investment, while the bottom third accounted for only 7%. Many of the regions that lost manufacturing jobs still have experienced workers, technical know-how, and industrial facilities. They are attractive destinations—and connecting them with foreign investors can help them script a second act. The three remaining priorities in our growth agenda involve putting America’s financial capital, human capital, and natural resources to work more effectively. First, we need to focus on the 80% of the population who live in the nation’s cities or surrounding metro areas. Investing in transportation infrastructure and affordable housing could make a huge difference to their productivity, their disposable income, and their quality of life. Second, the United States needs to build a more responsive labor market with more career paths outside the traditional degree track. Policy makers and the private sector need to work together to establish more apprenticeships and training programs and to leverage technology solutions to connect people with employment opportunities more efficiently. And finally, the United States can ride a wave of innovation to make the energy sector more productive, speeding the allocation of capital to the most promising opportunities. Making the entire economy more energy-efficient would spur capital investment and create household savings that could spur demand growth.

## Innovation

### 1NC---AT: Innovation

#### Technological competition is the primary way China intends to gain status

**Khong, 19 -** Yuen Foong Khong is the Li Ka Shing Professor of Political Science at the Lee Kuan Yew School of Public Policy, National University of Singapore (“Power as prestige in world politics,” International Affairs, Volume 95, Issue 1, January 2019, Pages 119–142, <https://doi.org/10.1093/ia/iiy245>, <https://academic.oup.com/ia/article/95/1/119/5273583>

The analysis of US–China interactions presented here reveals that the phase of heightened geopolitical competition between the two superpowers is upon us. A key bone of contention now and in the coming decade will be about the hierarchy of prestige. By most accounts, China is likely to overtake the United States to become the world's largest economy within a decade; meanwhile it is investing heavily in multiple arenas—military, economic, technological, cultural—to create facts on the ground that will force the US to recognize it as a co-equal. Indeed, if the technological advances sought by ‘Made in China 2025’ and the economic and political–diplomatic goals of the BRI are realized—big ifs, to be sure—China will be well positioned to ‘win friends and influence people’ in ways America did with its economic and technological prowess. It will be in a position to match, and perhaps overtake, the US reputation for power. A Pew poll of 2015 found that, in 27 out of the 40 countries polled, a plurality or majority of individuals believed that China ‘will or already has overtaken the US as a superpower’.78 Such polls need to be interpreted with caution; but if that day does come to pass, it will put the US in a position of great strategic angst. Kishore Mahbubani cites an exchange he had at the 2012 Davos meeting in which he raised the possibility of China replacing the United States as the world's top power—a suggestion to which Senator Bob Corker, Chairman of the Senate Foreign Relations Committee, responded: ‘The American people absolutely would not be prepared psychologically for an event where the world began to believe that it was not the greatest power on earth.’79

#### Status denial goes nuclear

**Onea, 14** - Tudor Onea is a Social Sciences and Humanities Research Council of Canada Post-doctoral Fellow with the Department of Government at Dartmouth College (“Between dominance and decline: status anxiety and great power rivalry” Review of International Studies, Volume 40 / Issue 01 / January 2014, pp 125-152

Rivalries between great powers over dominance have captured scholarly attention since the days of Thucydides. However, the bulk of studies have concentrated on shifts in capabilities, while neglecting the motives that produce such positional rivalries. The status anxiety hypothesis is an effort to address this omission, by tracing their occurrence and continuation, sometimes for decades, to the clashing status requirements of the dominant power and those of the next-in-line state. In a nutshell, status anxiety argues that the refusal of the dominant power to allow the succession of the challenger will be a fundamental cause of rivalry, worsening as the rising power threatens to overtake the current leader in additional dimensions. The purpose of this article was to formulate this hypothesis as well as subject it to preliminary testing. The findings suggest that status anxiety represented a significant influence, though not necessarily excluding additional balance of power considerations, in the foreign policy decision-making of declining dominant powers: France in the mid-eighteenth century and Britain at the turn of the twentieth century. Status anxiety thus helps account for the hostility France manifested towards Britain, and Britain towards German demands for superior status, a reaction which is more problematic to account for by theories stressing solely physical security and material gains.

A further contribution of this endeavour is that it suggests the existence of a dominant power club, distinct from the club of major or great powers, and, as such, following a different set of rules.138 The existing status literature has concentrated exclusively on the latter club, arguing persuasively that there is no impediment for granting either admission to new members or opportunities for further advancement to current ones.139 Hence, status competition in the great power club is seen as non-zero sum. But the dominant power club has a membership of one, which makes it unfeasible for the dominant power to satisfy the demands of dominant power aspirants without voluntarily surrendering its supremacy. Accordingly, status competition over the dominant position is more likely to be zero-sum and lead to rivalry.

The findings of this article are at this point only plausible, yet they highlight the need for further research covering the entire universe of dominant powers in order to determine both if intense status anxiety always prompts conflict and if reduced status anxiety or its absence lead to stability. Consequently, additional studies of the role of status for dominant powers foreign policy should be conducted, extending beyond the current en vogue concentration on the foreign policy of rising powers alone.

Indeed, dominant powers' status anxiety may be increasingly policy-relevant, if unipolarity were to erode due to a steady shrinking of distance between the US and China. This is not to suggest that Sino-American confrontation under the ominous shadow of nuclear weapons is inevitable, but to draw attention to the possible heightened risks posed by status anxiety in future decades. In the words of President Obama: ‘if other nations do not play for second place, I do not accept second-place for the United States of America’.140

#### No Chinese digital authoritarianism

**Feldstein 20** , Senior fellow in Carnegie’s Democracy, Conflict, and Governance Program, where he focuses on issues of democracy, technology, human rights, U.S. foreign policy, and Africa. JD from Berkeley School of Law. (Steven, 2/12/2020, “WHEN IT COMES TO DIGITAL AUTHORITARIANISM, CHINA IS A CHALLENGE — BUT NOT THE ONLY CHALLENGE,” War on the Rocks, <https://warontherocks.com/2020/02/when-it-comes-to-digital-authoritarianism-china-is-a-challenge-but-not-the-only-challenge/> Date Accessed: 3/17/2021)

No Evidence of a Grand Strategy

On balance, there are limited signs that China is pursuing a grand strategy to systematically proliferate digital authoritarian tools. Rather, China’s efforts vary by country, local context, and its own interests. As Cornell scholar [Jessica Weiss observes](https://docs.house.gov/meetings/IG/IG00/20190516/109462/HHRG-116-IG00-Wstate-ChenWeissJ-20190516.pdf), “The diffusion of digital authoritarianism is not the same thing as an intentional effort to remake other governments in China’s image. Although these systems can help governments monitor and control their people, how exactly they are used depends on local politics.” This remains a hotly debated issue in the policy and research communities. Experts such as [Elizabeth Economy push back](https://www.cfr.org/blog/yes-virginia-china-exporting-its-model) and assert that China is seeking to export a “variant of authoritarian capitalism.”

Why does this matter? Intent is critical to discerning geopolitical motives and future actions. If China is pursuing a comprehensive strategy to proliferate advanced technologies to non-democratic regimes in order to counter liberal alliances, this calls for developing specific policies in response. On the other hand, if China’s actions are less systematic than opportunistic (which they appear to be), then this significantly changes how democracies might react to China’s incursions.

## Inequality

### 1NC---AT: Solt

#### Inequality doesn’t cause nationalism

Gal Ariely 16, senior lecturer in the Department of Politics & Government, Ben-Gurion University of the Negev, PhD from the University of Haifa’s School of Political Sciences, “Does National Identification Always Lead to Chauvinism? A Cross-national Analysis of Contextual Explanations,” Globalizations, 13(4), 10.1080/14747731.2015.1111654

With respect to internal explanations, the effects of income inequality and ethnic diversity are presented in Table 3. Models 3.1 and 3.2 indicate that neither directly affects chauvinism. H4 is therefore not supported. The results suggest, however, that both have a negative effect on the national-identification slopes. Contrary to our expectations, countries with higher levels of economic and ethnic division appear to exhibit a weaker relation between national identification and chauvinism. While these findings might seem to contradict H5, the pattern was caused by outliers. After excluding South Africa—the most unequal and ethnic diverse country in our sample—the effect of ethnic diversity is not even of borderline significance. After excluding Chile—the most unequal country in our sample—the interaction effects for economic inequality were also far from significant. The results, therefore, do not support H5.21 Conclusions During the historic phone call between President Obama and Iranian President Sheikh Hasan Rouhani in September 2013, the latter stated that his country’s nuclear program ‘represents Iran’s national dignity’.22 This declaration reflects the common perception that Iran’s nuclear program mobilizes Iranians in support of resisting further national humiliation at the hands of foreigners (Moshirzadeh, 2007). This reflects the important role national feelings play in the contemporary international arena. Evidence from other examples—such as the Israeli-Palestine conflict—indicates that national identity serves as a key factor in conflict resolution. The prominence of national feelings is not limited to the Middle East, their effect on public attitudes towards international issues, and conflicts also being manifest in the West (Billig, 1995; Kinder & Kam, 2010). It is thus hardly surprising that scholars seeking to develop a better understanding of conflicts adopt a social-psychology perspective, replacing the deterministic view that identification with one’s in-group necessarily leads to antagonism towards out-groups with an examination of the broader social context. In line with this approach, the present paper focuses on the way in which political and social contexts encourage chauvinistic views towards the international arena and how they affect the relation between national identification and chauvinism. Integrating various social and psychological theories, we investigated two external contextual explanations (globalization and conflict) and an internal explanation (social division). Employing cross-national survey data, we examined the relation between national identification and chauvinism across 33 countries. The findings indicate that a positive relationship exists between national identification and chauvinism across most of the countries, although the level differs from country to country. Using a multilevel regression analysis, we tested to see whether globalization, conflict, and social division correlate with this variation. The results indicate that social and political contexts are related to chauvinism and the ways national identifi- cation and chauvinism are linked. Although a closer relation exists between national identification and chauvinism in more globalized countries, globalization failed to explain the variation in chauvinism itself. These findings support the notion that globalization highlights the importance of national identity (Calhoun, 2007; Castells, 2011). While those sections of globalized societies that are attached to their country also tend to resist international cooperation and endorse hostile views, the complexity of the phenomenon—as evinced by the divergent findings of previous studies (e.g. Jung, 2008; Norris & Inglehart, 2009)—calls for further research of this interpretation. The fact that the current study is cross-sectional must also be taken into account, the findings adducing the relation but not the causal relations between the variables. In contrast to experimental studies, the present design is similarly limited in its ability to offer a robust control for alternative explanations. Another external factor found to be relevant—to a certain degree—was conflict. Countries that suffered large numbers of deaths in conflicts and mobilized resources and personnel exhibited higher levels of chauvinism. When other indices for conflict were used, however, these results were not replicated. A possible explanation for this finding lies in the inherent limitation in the way in which conflicts are measured across various countries. Measuring international conflicts is a challenging task (Anderton & Carter, 2011). While the ways of measuring conflict were chosen because they reflect different dimensions of conflict in order to be representative of a wide range of countries, the problem of comparability cannot be ignored. An alternative explanation may derive from the fact that only deaths from conflict and resources/personnel mobilization are sufficiently significant to contribute to chauvinism. The limitations of our measurements of conflict and research design mean that this idea must remain speculative, however. In addition, it is important to emphasize that the sample of countries is also limited as many countries are not involved in conflict and there is also limited variation in the types of conflicts. Contrary to what the divisionary theory of national mobilization would lead us to expect, neither economic inequality nor ethnic diversity were related to chauvinism or affected the relation between national identification and chauvinism. This finding might also be explained by the limitation of the current research design. The number of countries included in the ISSP 2003 National Identity Module being relatively small and the sample only covering countries with available survey data, the results relate solely to this specific sample of countries. Across another set of countries, social division might play a far more significant role. Another explanation might be the meaning given to national identification and chauvinism across the countries. While evidence exists for the comparability of the scales across most of the countries, the divergent meaning probably attributed to them in Germany, the United States, and Israel might form an additional limitation. The central finding is that both chauvinism and the relation between national identification and chauvinism are related to contextual factors. What ramifications do these results possess for peace research? Firstly, the fact that national identification and chauvinism are not axiomatically related to one another across all the countries supports the notion that national identifi- cation and chauvinism should not be viewed as deterministic or generic in nature (Brewer, 2001; Cook-Huffman, 2009; Spears, 2008). The relation between national identification and conflict is far more complex than has traditionally been assumed and is directly affected by social context. In view of the multiple transformations national identity is undergoing in the contemporary world, research would do well to pay greater attention to the impact of such changes on conflicts.

#### Moderate levels of inequality create a credible threat of insurrection, which guarantees elite compliance with democratic norms. That’s key to spreading and maintaining democracy broadly.

Christian Houle 14, PhD, University of Rochester, political science professor @ MSU, winner of the 2011 Kellogg/Notre Dame Award for best paper in comparative politics presented at the MPSA convention, “Inequality, Economic Development, and Democratization”, https://christianhoule.files.wordpress.com/2014/06/houle-inequality-economic-development-and-democratization2.pdf

Second, as suggested by inequality theories, inequality may foster democratization if the masses are able to create a credible revolutionary threat; a path to democracy I refer to as the ’distributive conflict’ route. Inequality can only lead to democracy through this path when two conditions are met. First, inequality can only affect democratization if the state is sufficiently developed to be eventually used to do at least some income/wealth redistribution (see Soifer 2013). Since very poor countries typically lack the capacity to redistribute (see Ravallion 2010), inequality should bear little relationship to democratization among the poorest autocracies. Transitions do occur in such countries but should be driven by mechanisms other than those described by inequality and modernization theories (e.g., pressure from external actors), and happen at all inequality levels. Second, the masses can only pose a credible revolutionary threat if the state does not dispose of a coercive apparatus sufficiently strong to easily repress them. However, the capacity of the state to repress/coopt largely depends on development. In fact, Kennedy (2010) and Miller (2012) explain the weakness of the effect of development on democratization by arguing that development has an additional effect, unforseen by modernization theorist: it increases the capacity of the ruling elites to retain power through coercion. In rich autocracies, inequality is thus unlikely to foster democratization through distributive conflicts. Middle income dictatorships, for their part, should be more likely than richer ones to follow the distributive conflict path to democracy – because states are weaker – but less likely to follow the modernization path – because the masses are poorer. In sum, autocracies that are rich and equal democratize through the modernization mechanisms, while unequal countries at middle levels of development democratize through distributive conflicts. I test the effect of inequality on the probability of democratization at different levels of development using a sample containing up to 123 authoritarian regimes between 1960 and 2006, which accounts for nearly all autocracies during that period. I find evidence consistent with my hypothesis: in poor autocracies inequality has no discernable effect; in middle income countries it fosters democratization; and in rich ones it harms democratization. The results are robust, among other things, to specifications that account for endogeneity and country-specific unobserved factors.

#### Especially true in wealthy countries

Ben Ansell 15, PhD, Professor of Comparative Democratic Institutions @ Nuffield College, “Inequality and Democratic Survival”, https://ostromworkshop.indiana.edu/pdf/seriespapers/2016s\_c/Samuelspaper.pdf

In this section we review what we call “redistributivist” theories of democratic survival. These approaches all formalize Dahl’s (1971) intuition that democracy survives when the costs of repression exceed the costs of toleration. To do so they focus on whether the elite will defend or seek to destroy democracy, given different levels of national income and different levels of economic inequality. Redistributivist models make the following assumptions: the incumbent elite pay no taxes under autocracy, but the median voter sets the tax rate under democracy. Given this the key issue for democracy’s viability is where the tax burden falls and who benefits from redistribution. Przeworski offered a redistributivist explanation for why, all else equal, democracy should be unstable in poor countries but impregnable in wealthy ones. He starts with Lipset’s (1963, 51) offhand comment that, “If there is enough wealth in the country so that it does make too much difference whether some redistribution takes place, it is easier to accept the idea that it does not matter greatly which side is in power. But if loss of office means serious losses for major groups, they will seek to retain office by any means available.” Formalizing this argument, Przeworski assumes that democratic electoral competition occurs between two parties - Right and Left, representing rich and poor - and that following Meltzer and Richard (1981), redistribution involves a proportional tax on everyone’s income and a uniform redistributive transfer to all voters. This logically means that under democracy the rich pay more in taxes than they receive in return. While Party R would prefer to pay no taxes, it must offer some redistribution to win over the median voter in a free and fair election. Party L prefers a higher tax rate than R, but cannot propose one so high that it would win the election but then spark a coup against the regime by R. The key question concerns the feasible set of redistributive schemes under which both L and R would respect the results of the election. Since democracy imposes redistributive costs on the elite, this boils down to the question of whether those costs are greater than the risks of attempting a coup. After all, coups can destroy lives and property - and they can fail, which might result in even greater loss of position and power to R. Likewise, the poor know that imposing high taxes risks pushing the elite into a situation where democracy seems more costly than the potential losses of a coup, and so temper their demands. This mutual wariness limits the potential extent of distribution under democracy. Przeworski (2008) reasons that democratic survival is therefore a function of the set of feasible redistribution schemes, which grows with national per capita income (2005, 260).1 Following Lipset, in poor societies the consequence of redistributive conflict is more severe for the elite, simply because there is so little to fight over–that is, any loss is a severe loss (Przeworski 2008). In poor societies the elite are therefore more likely to risk a coup, since democracy may impose higher costs than even a failed coup attempt (Gould and Maggio 2007; Przeworski 2006). In contrast, in a rich society the wealthy are more willing to tolerate democracy because the stakes are lower. As country-wealth increases, the poor demand less redistribution (relative to aggregate country wealth), meaning the elite would retain their economic status even given a relatively higher tax rate, and given the potentially high costs of a failed coup. In a wealthier society, elites can reconcile themselves to democracy and the redistribution that comes with it.

# 2NC

## CP ⁠— Regulation

### AT: Perm do Both ⁠— 2NC

#### Perms have to include antitrust enforcement, otherwise they sever; this one doesn’t, because the two strategies are mutually exclusive

Shelanski 18, Professor of Law at Georgetown (Howard Shelanski, 2018, “Antitrust and Deregulation,” Yale Law Journal)

For decades, courts treated antitrust enforcement like a complement to regulation that could come into play when antitrust would not conflict with regula- tory objectives. The Supreme Court held in 1963 that unless antitrust and regu- lation are in direct conflict with each other, courts should try to “reconcile[] the operation of both.”77 Consistent with that principle, the Court subsequently held in Otter Tail Power v. United States that antitrust agencies could challenge conduct even if a regulatory agency already had authority to challenge that very same conduct.78 In a later case, Gordon v. New York Stock Exchange, the Court made clear that there must be actual or potential “plain repugnancy” between antitrust and the regulatory statute for a court to bar an antitrust claim.79 The doctrinal acceptance of complementary application of antitrust and regulation allowed the DOJ to bring one of the most significant antitrust cases ever against a regulated firm: the suit that broke up the decades old AT&T “Bell System” monopoly.80 Two cases in the last fifteen years have significantly weakened the “plain re- pugnancy” standard. In 2004, the Supreme Court ruled in Verizon Communica- tions, Inc. v. Law Offices of Curtis V. Trinko, LLP that a claim under Section 2 of the Sherman Act could not proceed against Verizon for violations that were more related to the Telecommunications Act of 1996 than to the antitrust laws.81 The Court phrased the question presented in Trinko as “whether a complaint alleging breach of the incumbent’s duty under the 1996 Act to share its network with competitors states a claim under § 2 of the Sherman Act.”82 The Court found the allegation did not constitute a legitimate antitrust claim and reversed the Second Circuit.83 While that result is reasonable, the Court’s opinion goes well beyond answering the question presented and extends Trinko’s reach to claims that could be legitimate under antitrust law. The Trinko Court stated that one key factor in deciding whether to recognize an antitrust claim against a regulated firm “is the existence of a regulatory structure designed to deter and remedy anticompetitive harm” because “[w]here such a structure exists, the additional benefit to competition provided by antitrust en- forcement will tend to be small.”84 That prudential consideration for precluding antitrust claims against a regulated firm has little to do with whether the plaintiff pleaded a valid antitrust claim or whether that claim could conflict with the regulatory scheme. Indeed, it suggests that even when a plaintiff does plead a cog- nizable, nonconflicting antitrust claim, courts should still preclude the claim on grounds of enforcement efficiency if a regulatory structure could address the harm. This consideration marked a clear departure from Otter Tail and Gordon, which allowed antitrust intervention even where redundant to existing regulatory authority, absent “plain repugnancy” between the two. By introducing “small additional benefit” as grounds for precluding non-conflicting antitrust claims, the Court potentially undermined the long-standing doctrine favoring antitrust as a complement to regulation. The Court clearly took a skeptical view of such complementarity by finding little benefit from antitrust unless “[t]here is nothing built into the regulatory scheme which performs the antitrust func- tion.”85 The Court thereby suggests that it would displace antitrust if the regulation contains anything that addresses competition, even if it is addressed in only a limited way. Three years after Trinko, the Court decided Credit Suisse Securities (USA) LLC v. Billing. 86 The plaintiffs in Credit Suisse claimed that the defendants violated Section 1 of the Sherman Act, which prohibits “every contract, combination . . . , or conspiracy, in restraint of trade,”87 by setting securities prices through joint conduct that went beyond what securities laws allow.88 They also alleged that the defendants had violated antitrust and securities laws by impermissibly en- gaging in tying and similar activities.89 Importantly, the Court accepted as given that the securities law did, and “inevitably” would, render defendants’ conduct unlawful, so in principle there was no conflict between the antitrust claims and the regulatory statute.90 The Court nonetheless held that even where a correctly construed antitrust claim would not actually conflict with regulation, the anti- trust claim could still be barred on potential conflict grounds.91 The Court rea- soned that “only a fine, complex, detailed line separates activity that the SEC permits or encourages (for which respondents must concede antitrust immun- ity) from activity that the SEC must (and inevitably will) forbid.”92 Therefore, the Court expanded the notion of plain repugnancy to incorporate not just the genuine conflict that arises when antitrust could bar conduct that regulation might allow, but even conflict between antitrust and regulation that could arise only from judicial mistake or confusion. Credit Suisse thus went beyond prior implied immunity cases to establish a rule that blocks some claims even when they rely on legitimate antitrust principles, are consistent with securities laws, and, correctly read, would not interfere with the applicable regulatory scheme. Where the underlying conduct is similar enough to regulated conduct that a judge might confuse the two and create a conflict with regulatory authority, the Court chose to err on the side of barring antitrust claims. The effect of Trinko and Credit Suisse was to render antitrust and regulation more like substitutes and less like complements. The competitive practices, mar- ket structure, and market performance of regulated industries are thus more likely to develop without the constraints of antitrust, reflecting instead the po- tentially different requirements and prohibitions of a regulatory agency’s com- petition-related rules. With antitrust less able to act in parallel or as a comple- ment, the enforcement of competition in regulated industries will depend on the nature of the relevant rules, the agency’s commitment to enforcement, and the kinds of sanctions the agency can impose. As agencies repeal such rules or back off from actively administering them, the resulting competition enforcement gap could be greater because antitrust has been sidelined as an available supplement or complement. The doctrinal shift in the relationship between antitrust and regulation that resulted from Trinko and Credit Suisse therefore magnifies the competition enforcement consequences of strong deregulatory cycles.

#### Causes antitrust suits to get dismissed ⁠— that still takes resources, but nullifies solvency

Shelanski 11, Professor of Law at Georgetown (Howard Shelanksi, 2011, “The Case for Rebalancing Antitrust and Regulation,” 109 MICH. L. REV. 683, Lexis)

One good way to measure the importance of a court decision is to ask how previous cases would have differed had the decision been in place earlier. By that measure, the Supreme Court's decisions in Verizon v. Trinko' and Credit Suisse v. Billing2 turn out to be unusually significant. By broadening the conditions under which regulation blocks antitrust enforcement, those cases redrew the boundary between antitrust and regulation and would likely have prevented the government from bringing, in previous decades, a number of important antitrust cases in regulated industries. Most notably, Trinko and Credit Suisse would likely have blocked the suit by the U.S. Department of Justice ("DOJ") that in 1984 broke up AT&T's monopoly over telephone service, considered among the most important antitrust enforcement actions in history. 4 The preclusion of such cases has strong implications for the future of both antitrust enforcement and industrial regulation. Before 2004, the year the Supreme Court decided Trinko, public agencies and private plaintiffs had long enforced antitrust law in a variety of regulated settings. Several of those cases reached the Supreme Court and many more went through lower federal courts with no finding that they were inconsistent with the core objectives of antitrust or would interfere with regulatory objectives.- Yet many of those cases would have difficulty surviving a motion to dismiss today. Without specifically indentifying legal flaws or harmful consequences from previous antitrust actions in regulated markets, the Supreme Court has in the past decade reconfigured the relationship between antitrust law and regulation to make it much more difficult for antitrust law to play an important role in regulated markets-a limitation this Article will argue is potentially costly and unnecessarily strong.

### 1

#### it’s faster

Shughart 8, PhD in Economics, Professor in Public Choice at Utah State University (William Shughart, 2008, “Regulation and Antitrust,” in *Readings in Public Choice and Constitutional Political Economy*, Ch 25)

The stated goals of antitrust policy are much the same as those of regulatory policy. It too attempts to influence the pricing and output decisions of private business firms. But enforcement of the antitrust laws proceeds by indirect means rather than by way of the hands-on price and entry controls normally associated with public regulation. Stripped to their essentials, the antitrust laws declare private monopolies to be illegal. Law enforcement is then carried out on a number of fronts, including preventing monopolies from being created in the first place through the merger of former competitors or the orchestration of collusive agreements among them, requiring the dissolution of large firms that have attained monopoly positions in the past, and limiting the use of certain business practices thought to facilitate the acquisition or exercise of market power.

### Complexitiy

#### Links to the aff AND no warrant in the ev

Greer and Rice, 21 -- co-founders and co-executive directors of Liberation in a Generation, a national movement-support organization working to build the power of people of color to totally transform the economy

[Jeremie Greer, and Solana Rice, "Anti-Monopoly Activism: Reclaiming Power through Racial Justice," Liberation in a Generation, March 2021, https://www.liberationinageneration.org/wp-content/uploads/2021/03/Anti-Monopoly-Activism\_032021.pdf, accessed 8-27-21]

The web of anti-monopoly government oversight and regulations is currently a massive cluster of complexity, which is intentional. The system works in monopolists' favor because of their runaway economic and political power, which they've used to afford the best and most expensive lawyers, lobbyists, and accountants to navigate the labyrinth of laws, regulations, and court precedent that govern antitrust enforcement. Ultimately, the built-by-design complexity bends the arc of the law to their benefits. Further, the complexity divides the power of the government among smaller entities (e.g., state government and industry-based federal agencies), which gives monopolies greater advantage in wielding their monopoly power. Additionally, the complexity makes it difficult for workers, consumers, and communities to navigate the systems so they can impose their own power to curb monopoly power.

#### Solvency takes decades, and big firms rebound.

Fukuyama et al. 21, \*Francis, Senior Fellow at Stanford University’s Freeman Spogli Institute for International Studies. \*\*Barak Richman, Katharine T. Bartlett Professor of Law and Professor of Business Administration at Duke University School of Law. \*\*\*Ashish Goel, Professor of Management Science and Engineering at Stanford University. They are members of the Working Group on Platform Scale for Stanford University’s Program on Democracy and the Internet. (January/February 2021, "How to Save Democracy From Technology", *Foreign Affairs*, https://www.foreignaffairs.com/articles/united-states/2020-11-24/fukuyama-how-save-democracy-technology)

Another approach to checking Internet platforms’ power is to promote greater competition. If there were a multiplicity of platforms, none would have the dominance enjoyed by Facebook and Google today. The problem, however, is that neither the United States nor the EU could likely break up Facebook or Google the way that Standard Oil and AT&T were broken up. Today’s technology companies would fiercely resist such an attempt, and even if they eventually lost, the process of breaking them up would take years, if not decades, to complete. Perhaps more important, it is not clear that breaking up Facebook, for example, would solve the underlying problem. There is a very good chance that a baby Facebook created by such a breakup would quickly grow to replace the parent. Even AT&T regained its dominance after being broken up in the 1980s. Social media’s rapid scalability would make that happen even faster.

### AT: 2AC 2

#### 2 ⁠— Regulation more effectively addresses market failures

Maiorano 21, Senior Competition Expert with the Competition Division of the OECD (Frederica, “Working Party No. 2 on Competition and Regulation Competition Enforcement and Regulatory Alternatives – Note by the United States,” *OECD*, <https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/COMP/WP2/WD(2021)12&docLanguage=En>)

Regulation can be appropriate, however, where legitimate market failures impede competitive markets.

Start FN 3

Regulation may also be justified to pursue outcomes unrelated to competition (e.g., rural access to electricity or telecommunication services).

End FN 3

In some instances, an expert regulatory agency with adequate knowledge and resources may be better suited to address durable structural concerns, e.g., by monitoring and limiting the exercise of market power or enforcing market access conditions on an ongoing basis.

Start FN 4

For example, the Federal Energy Regulatory Commission (FERC) seeks to ensure just and reasonable rates, terms, and conditions for the wholesale sale and transmission of electricity and natural gas in interstate commerce. It utilizes a range of ratemaking activities as well as market oversight and enforcement in regulating those services.

End FN 4

A regulatory authority may be able successfully to promulgate narrow, industry-specific rules to address market failures in a quasi-legislative procedure with public comments. Even where regulation is needed, however, regulators should beware of unintended consequences to ensure that regulation to address a demonstrated market failure does not unduly restrict competition.

### Reg captured

#### Counterplan is more durable and enforceable

Shelanski 18, Professor of Law at Georgetown (Howard Shelanski, 2018, “Antitrust and Deregulation,” Yale Law Journal) ⁠— sex edited

Regulation can also be comparatively slow to adapt to new market condi- tions, and that delay can affect an entire regulated industry.122 Antitrust authorities also might fail to foresee relevant market changes, but their actions typically affect only one discrete case and they generally have flexibility, as conditions change, to modify relevant consent decrees and decline to pursue similar investigations or sanctions.123 It is harder for government agencies to make changes to established regulatory programs,124 making regulation more likely than anti- trust to outlast the problems it was implemented to solve. Regulation’s delayed adaptation to changing conditions can be costly,125 especially as markets transi- tion to more competitive structures.126 As Michael Boudin, a former DOJ anti- trust official (and later federal judge) put it, “regulation almost always will be very difficult to dislodge, even if it proves mistaken. Almost any regulatory regime will develop a constituency, armed with congress[people] and self-interested bureaucrats . . . [and] become[] the foundation on which private arrangements are constructed, arrangements that cannot easily be discarded.”127

### ---AT Regs Hurt Innovation

#### Regulation doesn’t tradeoff with innovation

Plumer 10 (Bradford, “How Regulation Can Be Good For Innovation,” The New Republic, <https://newrepublic.com/article/76328/regulation-good-innovation>)

Steven Pearlstein has a good column in The Washington Post today about how smart government regulation can actually foster technological innovation. It's a useful counterpoint to conservative claims that a cap on carbon emissions will crush the economy and shunt us back to the Dark Ages: It's been 20 years since Harvard Business School professor Michael Porter provided scholarly support for the notion that, rather than hamper economic growth and competitiveness, well-crafted regulation could actually promote it. ... His studies of specific industries also turned up numerous examples of new products and more efficient ways of doing business that came about only because companies and industries were forced to comply with rules. Porter's musings, introduced in an article in Scientific American, have since spawned a cottage industry of researchers intent on proving or disproving his hypothesis. Its most controversial aspect was to suggest that profit-maximizing companies were ignoring opportunities to produce profitable new products or adopt more-efficient production techniques. ... But subsequent research confirmed what some of us have long since discovered—namely that corporate executives can be stuck in their ways, averse to risk and unwilling to sacrifice short-term profitability for long-term gain. And as a result of these market "imperfections," sometimes a new regulation comes along that spurs innovation by forcing companies to look at things in new ways. That doesn't mean that regulation is costless, but it does suggest that, on an economy-wide basis, those costs can be offset by subsequent investment and innovation.

## Innovation CP

## CP

#### That solves 3.5% growth!

Pinkus et al 16 – Gary Pinkus is managing partner for McKinsey & Company in North America. James Manyika is a director of the McKinsey Global Institute, where Sree Ramaswamy is a senior fellow. (Gary Pinkus, James Manyika, and Sree Ramaswamy December 3, 2016, 11-11-2016, "Here’s How to Get the U.S. Economy to Grow 3.5% or More," Fortune, <http://fortune.com/2016/12/03/us-gdp-growth-donald-trump/>)

Our new research identifies five key priorities that can help shake off stagnation and create more widely shared prosperity. An ocean of ink has already been spilled about topics such as taxes, regulation, entitlements, and debt, but we believe it’s critical to shift the focus onto accelerating growth. We estimate that these five initiatives can collectively raise GDP growth to 3% or even 3.5%—levels not seen since the 1990s. Two of the biggest opportunities involve harnessing the forces of digital technology and globalization. This is somewhat ironic, since these two forces have deepened many of the disparities we see across the economy. Trade, in particular, has taken a beating of late. But the way to address those who have been left behind is to harness the growth opportunities digitization and globalization bring by getting more small businesses, more workers, and more parts of the country to participate and benefit. The United States has to reverse its persistent productivity slowdown, and improve the digital capabilities of lagging sectors and firms is an important piece of that puzzle. This effort can go hand-in-hand with encouraging more small firms to pursue opportunities in global markets. Today, fewer than 1% of US companies export, a far lower share than in any other advanced economy. Becoming an exporter was once daunting for small businesses, but the Internet has made borders less formidable. The United States can retool customs requirements and encourage small businesses to take advantage of digital e-commerce platforms to serve overseas customers. Globalization may have left some regions behind, but deeper engagement with global investors may help them catch up. Over the past decade, the top one-third of US cities captured 55% of all inward foreign direct investment, while the bottom third accounted for only 7%. Many of the regions that lost manufacturing jobs still have experienced workers, technical know-how, and industrial facilities. They are attractive destinations—and connecting them with foreign investors can help them script a second act. The three remaining priorities in our growth agenda involve putting America’s financial capital, human capital, and natural resources to work more effectively. First, we need to focus on the 80% of the population who live in the nation’s cities or surrounding metro areas. Investing in transportation infrastructure and affordable housing could make a huge difference to their productivity, their disposable income, and their quality of life. Second, the United States needs to build a more responsive labor market with more career paths outside the traditional degree track. Policy makers and the private sector need to work together to establish more apprenticeships and training programs and to leverage technology solutions to connect people with employment opportunities more efficiently. And finally, the United States can ride a wave of innovation to make the energy sector more productive, speeding the allocation of capital to the most promising opportunities. Making the entire economy more energy-efficient would spur capital investment and create household savings that could spur demand growth.

#### Infrastructure investment solves inequality – aggregate studies with better modeling conclude

Gibson and Rioja 14 John Gibson and Felix Rioja November 21, 2014 (Gibson --- Ph.D., Economics, Florida State University. GSU Assistant Professor. . Rioja --- Director of the Ph.D. in economics program, , consultant for the World Bank. “A Bridge to Equality: How Investing in Infrastructure Affects the Distribution of Wealth” <https://www.frbatlanta.org/-/media/documents/news/conferences/2014/SIDE-workshop/papers/Gibson-Rioja.pdf> )//masw

Abstract Public infrastructure is one of the foundations for the economic growth of a country. While there is a strong consensus regarding infrastructure’s effect on growth, the results regarding the effect of infrastructure on the distribution of wealth are mixed. In this paper we examine the quantitative significance of investing in infrastructure on the degree of inequality present within a country. We calibrate our baseline model to replicate key features of a developing economy and then simulate the counter-factual wealth distribution that would arise if investment in infrastructure was increased. We find that when infrastructure influences the economy through both the utility and production functions, increasing infrastructure investment significantly increases growth and reduces wealth inequality, leading to a sharp increase in the level of wealth held by the poorest agents. However, when the utility-enhancing aspects of infrastructure are ignored, growth effects become smaller and the distributional effects are almost non-existent. 1 Introduction Going back to Adam Smith (1776), economists have asserted that the stock of public infrastructure constitutes the foundations for a country’s productive activities and economic growth. For example, firms need reliable water and electricity provision and roads in good condition to be able to produce goods and services efficiently and deliver them to the market place. While understanding the growth effects of infrastructure is extremely important, most governments are also interested in reducing, or at least not increasing, the level of inequality present in their country. Therefore, it is important that we consider the distributional affects of investing in infrastructure along with the average growth affects. It is not clear how wealth inequality may be affected by additional investment in infrastructure. On the one hand, more infrastructure may benefit the poor since it reduces transportation costs to the workplace. Similarly, an increase in infrastructure may cause labor productivity to rise, leading to an increase in the wage paid to poorer individuals. On the other hand, more affluent individuals will likely also benefit since they typically own physical capital, which will also experience productivity increases as a result of increased infrastructure. Our paper quantitatively evaluates the distributional effects of public infrastructure policies and highlights which channels (utility and/or production) are important for transmitting these effects using a heterogeneous agents model. There is a large literature on how public infrastructure affects economic growth going back to Aschauer’s (1989) seminal paper that found large effects of public infrastructure on U.S. total factor productivity. Subsequent empirical studies covering many countries have generally supported Aschauer’s finding, reporting that public infrastructure investment positively affects economic growth (see literature survey papers by Bom and Lighthart (2008) and Romp and De Haan (2007)). Barro (1990) and Glomm and Ravikumar (1994a, 1997) started a theoretical literature that developed general equilibrium models of economic growth that included public infrastructure as one of the engines of growth. Subsequent papers in this tradition, like Rioja (1999, 2003), use a “quantitative theory” approach where a general equilibrium model is used to analyze the quantitative effects of various policy changes in infrastructure investment. A key simplifying assumption of the above mentioned models is that a country consists of a single representative household. This assumption, while innocuous when one is concerned with aggregate growth patterns, implies that these models are unable to address how wealth distributions vary as policies change. While there is strong consensus that investing in infrastructure leads to economic growth, the empirical literature as described, for example, in the recent survey paper by Calderon and Serven (2014), has found mixed results on the effects of infrastructure on inequality. For example, the cross-country empirical studies by Calderon and Serven (2004) and Calderon and Chong (2004) find some evidence that infrastructure can help reduce inequality. At a more micro level, Khandker, Bakht, and Koolwal (2009), find that the poorest households benefitted the most from road improvement projects in Bangladesh. Conversely, Artadi and Sala-i-Martin (2004) find that infrastructure spending may have contributed to income inequality in Africa due to the siphoning of funds designated for infrastructure and the construction of large, inefficient infrastructure projects. Similarly, Khandker and Koolwal (2010) find that richer households benefitted more than poorer households from more access to paved roads and irrigation programs in Bangladesh. Given these mixed results, there is a clear need for a theoretical framework that could shed light on the channels through which infrastructure affects wealth accumulation. Theoretically, a related paper to ours is Glomm and Ravikumar (1994b) which studies the growth and inequality effects of a pure public good (describde as Public Sector R&D) which affects production. They find that, in the long-run, public sector R&D affects the growth rate of GDP per capita, but does not affect income inequality, which is introduced by agents having different initial endowments. Ferreira (1995) develops a model with three types of agents: subsistence workers, middle-class entrepreneurs and upper-class entrepreneurs. Ferreira (1995) shows theoretically that increasing infrastructure can reduce inequality in a country, but his results are sensitive to exogenous credit constraints that prevent subsistence workers and middle class entrepreneurs from accumulating increasing stocks of private capital. Klenert et al. (2014) develop a model with two types of agents, middle-income and high income agents, who are made to differ in terms of their rate of time preference, savings behavior, and labor supply choice. They find that in the long-run, inequality can be reduced by increasing infrastructure. However, Klenert et al. (2014) do not have low-income agents in their model, yet real-world policymakers are typically very concerned about how lowincome individuals are affected by policies. Chatterjee and Turnovsky (2012) develop and simulate a model populated by many agents who differ in terms of their initial wealth levels. Contrary to Ferreira (1995) and to Klenert et al. (2014), they find that, in the long-run, an increase in infrastructure investment leads to an increase in the dispersion of income and wealth distributions and an increase in inequality. The somewhat contradicting results in the papers described above suggest that a clear answer to the question, “How does investing in infrastructure affect wealth inequality?” requires more investigation, in particular of the channels through which infrastructure may affect the distribution of wealth. In our paper, we go further than Ferreira (1995), Klenert et al. (2014) and Chatterjee and Turnovsky (2012) by both calibrating our model to data and providing detailed quantitative evaluations of the distributional effects of various infrastructure policy changes. In order to achieve this, we modify the model presented in Aiyagari (1994) to include an endogenous labor supply decision and to allow infrastructure to impact the agents’s utility function and the economy-wide production function.1 One advantage of our incomplete markets model approach compared to the previous literature is that heterogeneity arises not as an ex-ante 1For a review of the equilibrium concept and other technical details see Hugget (1993). The interested reader is referred to Heathcote et al. (2009) and Guvenen (2011) for an excellent review of incomplete markets models. initial condition to the problem (as in Chatterjee and Turnovsky, 2012) or as exogenously imposed differences between agents (as in Ferreira, 1995; and Klenert et al., 2014), but rather endogenously as individuals optimally respond to the economic environment. A second advantage of our approach is that we can use wage and income data to calibrate our model to a particular country, in our case Mexico, where a lack of infrastructure is a major issue. A third advantage of our approach is that it allows us to consider both aggregated and disaggregated distributional effects. Not only can we examine how aggregate measures of inequality, such as the Gini coefficient, change with the various policies, but we can also examine how the share of wealth held by each individual quintile or decile is affected. In our model infrastructure affects individual choices through two main channels. The first channel operates through the production function. Specifically, the level of infrastructure present in the economy, as well as the tax instruments used to finance its construction, impacts the wage rate and the rental rate on capital. Therefore, investing in infrastructure alters the marginal product of labor and capital which, in turn, influence individuals’ labor supply and capital accumulation decisions. The second channel operates through the agents’ utility function. Specifically, the stock of infrastructure interacts with individual hours devoted to leisure, giving rise to a measure of effective leisure. By using effective leisure, we are able to capture the utility-enhancing aspects of infrastructure that have been document in the literature (See Chatterjee and Ghosh (2011)). Ultimately, we find that an expansion of infrastructure leads to a large reduction of wealth inequality regardless of the financing method used. However, if the increased investment is financed by a tax on interest income, then output growth will be lower than if other financing methods (consumption tax, labor income tax or international donations) had been used. In order to determine which channel, production or utility, drive our distributional results, we resolve our model (both baseline and policy changes) with the utility-enhancing aspects of infrastructure removed. In this case, we find that increasing infrastructure investment leads to a very small increase in wealth inequality, indicating that the utility channel is the channel through which distributional effects operate. The paper proceeds as follows: Section 2 describes the model. Section 3 describes the calibration and computational procedure. Section 4 discusses the results and Section 5 concludes. 2 Model In order to study the distributional effects of investing in infrastructure, we build upon the model developed in Aiyagari (1994). Specifically, we extend the Aiyagari model by adding an endogenous labor supply decision and by allowing infrastructure to impact the agents’ utility function and the economy-wide production function. The following subsections provide a detailed description of our model setup. 2.1 Households The economy is populated by a large number of agents who possess identical preferences over consumption, c, and effective leisure, L = lKG, where l denotes individual hours devoted to leisure and KG denotes the aggregate stock of infrastructure in the economy. Their period utility function is given by: u(c, L) = 1 γ c −ξ + ηL−ξ − γ ξ (1) where γ and ξ determine the intertemporal and intratemporal elasticity of substitution respectively, while γ is the relative weight on effective leisure in the utility function. We follow Chatterjee and Ghosh (2011) and Chatterjee and Turnovsky (2012) by allowing infrastructure to affect individual utility through an interaction with private leisure. Justification for this modeling strategy can be found in Agenor and Canuto (2013) who find evidence that 6 infrastructure makes non-market activities like home production and child rearing more ef- ficient. In our model, all non-market activities are implicitly lumped into leisure. Hence, modeling infrastructure augmenting leisure is consistent with Agenor and Canuto (2013). This modeling strategy can also be justified intuitively. For example, infrastructure like electricity networks provide agents with electricity supply that allows them to enjoy their leisure more at night. Similarly, roads provide access for agents to enjoy leisure outside the immediate vicinity of their homes. We also consider a version of the model where agents simply derive utility from consumption and leisure. This allows us to identify which channel, production or utility, is driving our distributional results. While the agents’s preferences are identical, they differ in terms of their labor position. Some agents are unemployed and receive unemployment benefits, b, from the government, while other agents are employed and receive labor income from the firm.2 Labor income, defined by wnθ, consists of the following three components; the aggregate wage rate, w, the agent’s labor supply, n, and the agent’s labor productivity, θ. Therefore, while all employed agents take the same aggregate wage as given, they face different efficiency wages depending on their specific realization of θ when choosing their labor supply. Each agent’s labor position is the result of the idiosyncratic shock, θ, that occurs at the start of each period. We use a five state Markov process for θ, where the first state corresponds to unemployment (θ = 0). The remaining four values of θ, along with their transition probabilities, are estimated from the Mexican data following the method outlined in Heer and Maussner (2009) (See calibration section for more details). While agents lack the ability to perfectly insure against fluctuations in θ, they have the ability to save by accumulating assets, a, that pay a market determined return, r. Standard precautionary savings motives apply, and agents will accumulate assets while their productivity is high 2While the country to which we subsequently calibrate the model, Mexico, does not have unemployment insurance at the national level, unemployment benefits equal to the monthly minimum wage are paid in Mexico City. 7 in order to partially insure against the risk of becoming less productive or unemployed in the future. Over time, these differences in productivity translate into large differences in individual asset holdings, giving rise to an endogenous wealth distribution. An agent’s individual state consists of their asset holdings, a, and their labor productivity, θ. Given their current state, each agent chooses consumption, c, labor, n, leisure, l, and their next period asset level, a 0 , to maximize the present discounted value of their expected utility. We can setup the household’s problem as the following dynamic program: V (a, θ) = max c,n,l,a0 " u(c, L) + β X θ 0 π(θ 0 |θ)V (a 0 , θ0 ) # s.t. (1 + τc)c + a 0 ≤    (1 + (1 − τa)r)a + (1 − τn)wnθ if employed (1 + (1 − τa)r)a + b if unemployed    (2) n + l ≤ 1 (3) k 0 ≥ 0 (4) Equation (2) is the household’s budget constraint. It simply states that a household’s spending on consumption and investment cannot exceed their current resources. The terms τc, τa and τn found in this equation denote the marginal tax rates on consumption, interest income and labor income respectively. These taxes are collected by the government in order to fi- nance the unemployment benefit, b, provide infrastructure, KG, and engage in government consumption, G. Equation (3) is a standard time constraint. It states that all time is either spent working or taking leisure. In the event that an agent is unemployed (θ = 0), l = 1, n = 0 and equation (3) becomes redundant. Equation (4) is a no-borrowing constraint, which prevents any household from carrying a negative asset balance. 8 Solving the household’s problem yields the following Euler equations: uc = β X θ 0 π(θ 0 |θ)uc 0(1 + (1 − τa)r 0 ) + (1 + τc)λ3 (5) ul = uc (1 − τn)wθ 1 + τc (6) Equation (5) governs the household’s choice between consuming more today and investing more in assets. The shadow price on the no-borrowing constraint, λ3, appears in this equation because the constraint may occasionally bind. Equation (6) governs the household’s choice between working more hours and taking leisure. This equation can be used to derive the following optimal labor supply condition that is a function of an agent’s current labor productivity and his current and future individual asset holdings: n(θ, a) = 1 + τc + h η(1+τc) K ξ G(1−τn)wθ i 1 1+ξ [a 0 (a, θ) − (1 + (1 − τa)r)a] 1 + τc + h η(1+τc) K ξ G(1−τn)wθ i 1 1+ξ (1 − τn)wθ (7) Therefore, given an agent’s state (a, θ) and their optimal investment decision rule, a 0 (a, θ), equation (7) yields the agent’s optimal labor supply decision rule. As mentioned earlier, there are two channels through which infrastructure influences individual choices. Both of the these channels can be seen in equation (7). The first channel is transmitted indirectly through factor prices, w and r, and marginal taxes, τc, τn and τa. As we will see in the results section, increasing the level of infrastructure increases both factor prices. Also, under standard balanced budget assumptions, if the government increases infrastructure investment they must offset these costs through increased taxation. So, at least one of the marginal tax rates will rise. How these indirect effects influence labor supply is hard to determine ex ante. An increase in the wage rate gives rise to both income and substitution effects that push the labor supply decision in opposite directions. Furthermore, 9 an increase in tax rates reduce the marginal benefit of working, leading to a reduction in labor supply. The second channel is transmitted directly through the presence of KG in the optimal labor supply decision rule. Specifically, increasing infrastructure increases effective leisure, L, leading to a reduction in the marginal utility of leisure. Therefore, the direct effect of increasing infrastructure is an increase in hours worked and a reduction in leisure hours. 2.2 Firm’s Problem On the production side of the economy, there is a single representative firm that takes as inputs aggregate capital, K, aggregate labor, N, and infrastructure, KG. While infrastructure is provided by the government at an aggregate level, aggregate capital and labor must be computed from the individual households’ solutions: K = X θ Z a¯ 0 af(a, θ)da (8) N = X θ Z a¯ 0 θn(a, θ)f(a, θ)da (9) where f(a, θ) denotes the invariant density of individual states. Therefore, K is simply the average of individual asset holdings while N is the average of the individual productivityweighted labor supplies. The firm combines KG, K and N to produce aggregate output using the following technology: Y = K φ GKαN 1−α (10) The firm chooses aggregate capital and labor in order to solve the following period specific 10 profit maximization problem: max K,N K φ GKαN 1−α − wN − (r + δ)K which yields: r = αKφ G K N α−1 − δ (11) w = (1 − α)K φ G K N α (12) The outcome of the firm’s problem is that the gross return on capital, r + δ, and the wage rate, w, are both equal to their respective factors’ marginal products. 2.3 Government The government provides unemployment benefits, b, produces infrastructure, KG, and consumes, G. In terms of unemployment benefits, the government pays out a fixed amount, b, to each unemployed individual. Therefore, the total payment made by the government for unemployment benefits, B, is given by: B = Z a¯ 0 bf(a, θ = 0)da (13) Like all other forms of capital, infrastructure is subject to depreciation. We assume that infrastructure depreciates at a constant rate, δG, each period. The government’s job is to invest in infrastructure at a rate that keeps up with depreciation so that the stock of infrastructure is constant in steady state. Therefore, the government’s total spending on infrastructure in given by δGKG. Furthermore, we assume that the government’s total spending on infrastructure is a share, x, of the economy’s GDP. δGKG = xY = xKφ GKαN 1−α (14) 11 We can then use equation (14) to solve for the level of infrastructure in the economy as: KG = xKαN1−α δG 1 1−φ (15) Putting everything together, we see that total government spending, T S, is given by: T S = B + δGKG + G (16) As discussed in the household’s problem, the government levies marginal taxes on consumption, labor income and interest income. These taxes are denoted by τc, τn and τa respectively. The government collects these taxes from all individuals, except the labor income tax which is not collected from the unemployed. Therefore, the government’s total revenue, T R, is given by: T R = τcC + τnwN + τarK (17) Finally, we require that the government balance it’s budget every period, so the government’s budget constraint is given by: T S = T R (18) Later, we will consider the case where the government receives international donations, D, to finance additional infrastructure investment. However, for the time being we have assumed that D = 0. 2.4 Equilibrium A stationary equilibrium for this economy is a value function, v(a, θ), individual decision rules, a 0 (a, θ), n(a, θ), l(a, θ) and c(a, θ), a time-invariant density of individual states, f(a, θ), time invariant factor prices, w and r, time-invariant government taxes and transfers, τa, τn, 12 τc, and b, and a vector of aggregates, K, N, C, KG, B, G, T S, D and T R such that: 1. Given the factor prices, government taxes and transfers, and the level of infrastructure in the economy, the value function solves the household’s problem and the individual decision rules are the optimal decision rules. 2. The vector of aggregates are obtained as follows: K = X θ Z a¯ 0 af(a, θ)da N = X θ Z a¯ 0 θn(a, θ)f(a, θ)da C = X θ Z a¯ 0 c(a, θ)f(a, θ)da KG = xKαN1−α δG 1 1−φ B = Z a¯ 0 bf(a, θ = 0)da T S = B + δGKG + G T R = τcC + τnwN + τarK 3. Factor prices, w and r, satisfy the firm’s FOCs (equations (11) and (12)) 4. Goods market clears: C + δK + δGKG + G = K φ GKαN1−α+D 5. Government balances its budget: T S = T R 6. Distribution of individual states is stationary: F(a 0 , θ0 ) = P θ π(θ 0 |θ)F(a 0−1 (a 0 , θ), θ) 13 3 Calibration and Solution In this section, we will describe the methods used to calibrate our model to data. We will also describe the basic numerical methods used to approximate the solution to our model. 3.1 Preference and Production Parameters The model is calibrated to an annual frequency. Standard values are used for the discount rate, β, set to 0.96, the rate of depreciation on private capital, δ, set to 0.06, and the rate of depreciation on infrastructure, δG, set to 0.04. Public infrastructure is mostly structures which depreciate slower than equipment which is a major component of private capital (along with private capital structures). The production function is assumed to display constant returns to scale in aggregate capital, K, and labor, N. The income shares are set to their standard values of 0.36 for capital and 0.64 for labor, which are consistent with Gollin’s (2002) estimates for developing countries. The share of infrastructure in production, φ, is set to 0.15, which is an average estimate for developing countries according to Bom and Ligthart (2008). The utility function parameters, η, γ and ξ are set to match the intertemporal and intratemporal elasticity of substitution and the level of hours worked at steady state. Specifically, we set γ = −1.5 and ξ = 1.5 so that both the intertemporal elasticity of substitution, 1 1−γ , and the intratemporal elasticity of substitution, 1 1+ξ , equals 0.4.3 With γ and ξ pinned down, η is set to match the steady state level of hours worked in the economy. For a complete review of the preference and production parameters, see Table 1. 3.2 Income Shock Process The Mexican National Institute of Statistics and Geography (INEGI) collects household surveys that include data on employment status, income, and worker flows. The National Survey 3See Guvenen (2006) for empirical estimates of the intertemporal elasticity of substitution. For the intratemporal elasticity of substitution, we adopt the value, 0.4, reported in Stern (1976). 14 of Occupation and Employment (ENOE) surveys over 100,000 households in 48 metropolitan and rural areas in Mexico every quarter. Since ENOE started in 2005, we focus on the period 2005 to 2010.4 Individuals are surveyed for 5 consecutive quarters, so we assemble a longitudinal panel to determine transition probabilities among income quintiles. The average productivities, [θ2, θ3, θ4, θ5] (19) are estimated from the data for the average income of each quartile. We normalize the average productivity across all four quartiles to 1 following Heer and Trede (2003). These are presented in Table 2 along with the transition probability matrix. The first row and first column of this matrix tell us about the transition from unemployment to working and vice versa. Following Heer and Trede (2003), we assume that agents’ skills erode while in the unemployment state, so that agents may only transition from unemployment to the lowest productivity employment state. The exact values in the first row and column of the transition matrix are set to match the average rate and duration of unemployment observed in the data. During the period that we study, the average unemployment rate in Mexico was 3.99 percent, while the average duration of unemployment was approximately 10 months (OECD Stats, 2014).5 The lower 4x4 of the transition matrix is obtained as the average transition probability between two consecutive years in our sample period. The results have been renormalized to ensure that each row sums to 1. 4The household survey prior to ENOE’s creation was ENEU which had somewhat different coverage and methodology. 5Given that our model is calibrated to an annual frequency, it is impossible for us to exactly match the duration of unemployment found in the data. However, we set the probability of remaining unemployed to a low value, which allows to come close to the empirical estimate. 15 3.3 Solution Method and Methodology With the model calibrated to the Mexican data, we proceed by approximating a solution to the model economy. According to Calderon and Serven (2010), public infrastructure investment in Mexico averaged about 2% of GDP during the last 3 decades. Hence, for our baseline solution we set x, the ratio of infrastructure spending to GDP, equal to 0.02, so that the government spends approximately 2% of GDP on infrastructure. Following from the fact that Mexico does not have a comprehensive unemployment insurance program, we set the unemployment benefit, b, to a very small value equal to 1% of the average labor income earned by the least productive worker.6 According to the World Tax Indicators (2014), the average tax rate on income in Mexico is 10%, which applies to any type of income: labor income, interest income, etc. Therefore, we set the marginal tax rates as follows: τa = 0.1, τn = 0.1. The indirect tax rate (value added, sales tax) in Mexico is 15%, therefore τc = 0.15. With all tax rates set, government consumption, G, is backed out using the government’s budget constraint: G = τarK + τnwN + τcC − δKG − B (20) To solve the model we employ standard methods for computing the stationary distribution of an incomplete markets model with idiosyncratic shocks. Specifically, we start with guesses of aggregate capital, K, and labor, N. We use these values to compute r, w, and KG, using equations (11), (12) and (15). We discretize private assets, restricting assets to 100 unevenly spaced grid points on the interval (0,15).7 Given these asset values, we use equation (7) to solve for all possible optimal labor supply decisions. With these values in hand, we use value function iteration with linear interpolation to solve for the agents’ decisions rules. Next, these decision rules are used to solve for the invariant density, f(a, θ). Since we are 6This level of unemployment benefit is needed to ensure that all agents, even those with no assets, can afford a positive level of consumption in all periods. 7While we use 15 as the upper limit of our asset grid in our baseline case, we increase this to 35 when conducting policy experiments. 16 interested in how this wealth density changes across specification, we approximate it on a much finer grid than we used to compute the decision rules (2000 grid points). Once we have the invariant density, we update our values of K and N and repeat the process until K and N no longer change.8 4 Results In this section we will provide an overview of our model’s results. We will compare the outcomes of our baseline calibration to four alternatives where infrastructure investment, as a share of GDP, is increased. We focus on analyzing the long-run or steady state effects of these infrastructure policy changes, which we think is an appropriate time framework since infrastructure has effects that accumulate over a number of years. The four alternatives differ in how the additional infrastructure is financed. For the first three alternatives, we adjust the marginal tax rates (τa, τn and τc) individually in order to determine if one financing strategy dominates the others in terms of average growth or distributional effects. For the fourth alternative, we allow the additional infrastructure to be financed by international donations, D. As this method does not require an increase in tax rates, we can assess whether increased taxation or the additional infrastructure itself caused the distributional effects. We also repeat the preceeding exercise on a version of our model where the utilityenhancing aspects of infrastructure have been removed. By comparing both sets of solutions we are able to identify through which channel, production or utility, the distributional effects operate. Before proceeding further into the results, we should indicate how well our baseline model replicates Mexico’s wealth distribution. Table 3 presents the share of wealth held by each quintile and decile for Mexico along with the values recovered from the two different versions 8See Heer and Maussner (2009) for a textbook treatment of these methods. 17 of our model, one where the utility channel is operational and one where the utility channel has been shutdown. Inspection of Table 3 indicates that our baseline model does a reasonable job at replicating the degree of wealth concentration observed in the data. However, it is clear that our baseline model underestimates the share of wealth held by the poorest agents and underestimates the share of wealth held by the richest agents. The fact that our model incorrectly estimates the share of wealth held in the tails of the asset distribution is a common shortcoming of incomplete markets models that are calibrated using income data. Alternatively, one could calibrate the labor productivity shock so that the baseline model’s wealth distribution matches the data as close as possible (See Castaneda et al (1998)). However, as we will see in the next few sections, the degree of redistribution that occurs following an increase in infrastructure investment is driven primarily by the labor supply decision. Therefore, given that our focus is on quantifying the degree of redistribution, it is more important for us to accurately match labor productivities and transition probabilities than the wealth distribution at a point in time. Similarly, we could match the wealth distribution more closely by introducing heterogeneity in discount rates (See Krusell and Smith (1998)), but as the individual labor supply decision is independent of the discount rate this addition would not substantially alter our results. 4.1 Average (Growth) Results As mentioned earlier, the government spends 2% of GDP on infrastructure in our baseline calibration. In a detailed study of Latin America countries, Fay and Morison (2007) propose that these countries require about 5% of GDP to be spent on infrastructure investment. Similar public investment levels were successfully undertaken in Indonesia, Malaysia, South Korea in the 1970s and 80s building up those countries’ infrastructure stock. We examine what happens in our model when the government increases its spending on infrastructure to 5% of GDP. The first four columns of Table 4 present the results of this experiment, where 18 the first column corresponds to our baseline case (x = 0.02) and the next four columns corresponds to the specific method used to finance the extra spending. Inspection of these columns reveal many similarities between the various financing schemes. For example, in all cases aggregate capital, K, aggregate output, Y , and aggregate consumption, C increase. These aggregate results are consistent with the literature findings described in the introduction. Since we focus on long-run or steady state effects, one can think of these effects occurring over a period of say 30 years. Hence, the large increases in output and other variables have reasonable sizes if they are divided over a 30 year period. Furthermore, the aggregate wage rate, w, and the rental rate on capital, r, increase in all specifications as well. Another common theme across specifications is that aggregate labor, N, increases significantly. This follows from the fact that the strong increase in KG drives down the marginal utility of leisure leading to an increase in labor supply following the policy change. As unemployment is exogenous to our model, the entire labor response occurs through fluctuations in hours worked. Therefore, one can view the large increase in hours worked following the policy experiment as capturing the increase in both the intensive and extensive margins that may follow an expansion of infrastructure. Further inspection of Table 4 indicates that while the direction of the results are consistent across specifications, the magnitudes differ. For example, if the tax on interest income is used to finance the additional infrastructure, then aggregate capital will increases from 2.66 to 5.38. However, if the labor income tax, consumption tax, or donations are used, then K will increase to 5.81, 6.04, 5.91 respectively. This result is intuitive, as increasing the tax on interest income discourages saving while the other financing methods avoid such distortions. Perhaps more importantly, these differences are also present for aggregate output. If the interest income tax is used, then aggregate output grows from 0.57 to 1.28 while the other financing methods (τn, τc and D) increase this value to 1.32, 1.35, 1.31 respectively. If one evaluated the performance of these financing methods solely on the basis of increasing 19 aggregate output, then the consumption tax would be preferred. 4.2 Distributional Results The results presented in the previous section support the widely-held belief that infrastructure investment stimulates growth. Furthermore, if we were to focus solely on the average results we would conclude that financing the expansion of infrastructure by a tax on interest income is the worst strategy as it leads to the smallest increase in aggregate capital and output. Similarly, we would conclude that financing through a consumption tax is preferable as it leads to the largest growth in these variables. However, we are not yet able to conclude which financing strategy is the best as we have only considered part of the story. We are also interested in how the distribution of wealth is affected by the policy change, and the previously documented results are silent on this front. The first two panels of Figure 1 present plots of the wealth density of the baseline calibration above the densities recovered after the policy change. These plots indicate that, regardless of the financing method used, increasing infrastructure spending reduces inequality. This can be seen by the widening of the densities and their tendency to shift right following the policy change. The third panel of Figure 1 presents the wealth distributions for the model both before and after the policy change. The results again paint a consistent picture. Increasing infrastructure investment reduces inequality regardless of the financing method used. Now that we have the qualitative result that investing in infrastructure reduces wealth inequality regardless of the financing scheme, we can consider the quantitative implications. The first five columns of Table 5 present the distributional results of this policy experiment. The first thing to notice is that the results under column ∆D are very similar to the other policy change columns. This indicates that the distributional effects we are observing are 20 driven by the increase in infrastructure, not distortions from tax rate changes.9 Further inspection of the first four columns indicates that if the additional infrastructure investment is financed by the interest income tax, then the wealth Gini falls from 0.387 to 0.375. However, if the labor income tax or the consumption tax is used, the wealth Gini falls to 0.370 or 0.371 respectively. We can also determine the magnitude of the distributional effects by looking at the share of wealth held by various segments of the economy. Inspection of these results confirms the finding that increasing infrastructure investment reduces inequality and the level of redistribution is consistent across financing methods. Specifically, increasing infrastructure investment, as a fraction of GDP, from 2% to 5% increases the share of wealth held by the bottom quintile from 3.95% to 4.49% on average. Also, the share of wealth held by the top quintile falls from 41.43% to 40.75% on average. This leads to a reduction in wealth concentration (top quintile over bottom quintile) of 13.4 percent on average. Similarly, we see that the share of wealth held by the bottom decile rises from 1.28 to 1.43 on average, while the share of wealth held by the top decile falls from 23.82 to 23.53 on average. These changes result in a reduction in wealth concentration (top decile over bottom decile) of 11% on average. In sum, additional infrastructure increases the share of wealth for poorer segments and reduces the share of wealth of the wealthier segments. Taken in combination with the average growth results presented in the previous section, we see that expanding infrastructure from 2% to 5% of output increases the level wealth held by the bottom quintile by 147% in the long run. The intuition of these results is discussed in section 4.4. 9We also solved a version of the model where taxes are never used. Instead, international donations are used to finance all government spending, unemployment insurance and infrastructure both before and after the policy change. The results from this model (available upon request) are consistent with what is presented here. 21 4.3 Remove Utility Channel The previous results indicate that the degree of wealth inequality can be reduced by increasing investment in infrastructure. Furthermore, we find that there are only small differences in the distributional effects depending on which financing method is used. These results where found while allowing infrastructure to influence the model through two distinct channels, production and utility. In order to determine which channel is driving our distributional results, we repeat our previous exercise with the utility channel shutdown. Specifically, we remove the utility-enhancing feature of infrastructure by using the following utility function: u(c, l) = 1 γ c −ξ + ηl−ξ − ξ γ Under this utility function, the agents’ optimal labor supply decision rule becomes: n(θ, a) = 1 + τc + h η(1+τc) (1−τn)wθ i 1 1+ξ [a 0 (a, θ) − (1 + (1 − τa)r)a] 1 + τc + h η(1+τc) (1−τn)wθ i 1 1+ξ (1 − τn)wθ (21) Notice that KG no longer enters the agents’ optimal labor supply decision rule directly as it did in equation (7). Therefore, changes in infrastructure will only influence labor supply indirectly through changes in factor prices, w and r, and changes in tax rates, τa, τn and τc. In order to ensure comparability between model specifications, we maintain the same calibration throughout. The only parameter value that must change when the utility channel is removed is η, which was originally set so N ≈ 0.33 when 2% of output was dedicated to infrastructure investment. In order to keep N constant between the two baseline cases, η must be increased from 0.75 to 4.77. We find that removing the utility channel significantly alters both the growth and distributional results presented earlier. As for the growth results, inspection of Table 4 indicates 22 that while increasing infrastructure investment from 2% to 5% of GDP still increases capital, output and consumption, the increases are much smaller than they were when both channels were operational. For example, when both channels were operational, steady state output grew on average by 128.8% with the policy change. When the utility channel is shut down, average output growth fell to approximately 18%. This result suggests that earlier work on the average growth effects of investing in infrastructure may have underestimate the full effect, as they ignored the utility-enhancing aspects of infrastructure. As for the distributional results, Figure 2 presents the asset densities and distributions that are recovered when the utility channel has been shutdown. Inspection of these plots clearly indicates that distributional effects are now much smaller than they were when both channels were operational. This can be seen by the very slight movements in densities and distributions following the policy change once the utility channel has been shutdown. Our quantitative results support this finding. Inspection of the last five columns of Table 5 indicate that when the additional investment is financed by either the interest income tax, consumption tax or international donations, the wealth Gini actually increases slightly from 0.386 to 0.393, 0.388 and 0.388 respectively, indicating a very slight increase in wealth inequality. However, if the labor income tax was used, then the wealth Gini would fall slightly to 0.385. Similarly, we find that increasing infrastructure investment no longer leads to large changes in the share of wealth held by the various quintiles or deciles. The small distributional effects observed when the utility-enhancing channel is shut down is consistent with the theoretical findings of Glomm and Ravikumar (1994b) and indicates that the utility channel is the channel through which distributional effects operate. 4.4 Discussion of Results In this section we discuss and compare the intuition of both with- and without-utility-channel results. The differences in distributional effects observed between the two cases considered 23 follows from differences in the responsiveness of labor supply to changes in infrastructure. When the utility-enhancing aspects of infrastructure are considered, agents’ utility is a function of effective leisure. In this case, an increase in infrastructure will cause the agents’ utility to rise and their marginal utility of leisure to fall. This reduction in the marginal utility of leisure causes agents to supply more labor regardless of wealth levels, but the trade-offs are such that lower and middle wealth agents increase their labor supply more than the rich. This increase in labor income for poor and middle-wealth agents allows them to both consume more and save more, where the latter works to reduce wealth inequality. The large distributional effects stem from the large responses in labor supply to changes in infrastructure that occur in this case. These large changes can be seen in the change in N that are reported in the first four columns of Table 4. When the utility-enhancing aspects of infrastructure are ignored, infrastructure no longer impacts the agents’ utility directly. Instead, it only operates indirectly through changes in factor prices, r and w, and tax rates, τa, τn and τc. As can be seen in Table 4, increasing infrastructure leads to a strong increase in the wage rate, w. A higher wage rate could cause an agent’s labor supply to change in either direction depending on if the income or substitution effect dominates. What we find is that the income effect dominates for lowwealth agents, while the substitution effect dominates for high-wealth agents. This result is intuitive as low-wealth agents were already supplying a great deal of labor prior to the policy change. So, when the utility channel is shut down, increasing infrastructure will cause poor agents to reduce their labor supply and rich agents to increase their labor supply. Ultimately, this differential effect may lead to an increase in wealth inequality. However, individual labor supplies only change slightly in this case, so the overall distributional effects are negligible. 24 5 Conclusions In this paper we investigate the distributional effect of investing in infrastructure. Our results confirm the widely-held belief that investing in infrastructure increases economic growth. Our results also suggest that a government can reduce the level of inequality present in their country by investing in infrastructure. This result can be seen by the increase in the right tail of all density functions after the policy change. Furthermore, the poorest quintile is particularly positively affected due to the combination of the growth in the economy plus the increased share of wealth accruing to them. While all financing methods increase growth and reduce inequality, they do not perform equally well at both tasks. Our results suggest that a tax on interest income should be avoided as it generates smaller growth relative to the other tax changes while yielding similar distributional effects. The results above were found when infrastructure is allowed to directly influence the aggregate production function and the agents’ individual utility functions. Therefore, infrastructure was assumed to influence individual choices through two separate channels, production and utility. While both of these channels have been discussed in the literature, no previous paper has attempted to uncover which channel drives the distribution affects. We proceed by shutting down the utility channel by removing the utility-enhancing aspects of infrastructure from the model. Once the utility channel is shutdown, we find that increasing infrastructure investment leads to a very small changes in wealth inequality. Therefore, the utility channel is the channel through which our distributional affects operate. Several related and interesting questions are left for future research. For example, are there distributional trade-offs that governments face between investing in infrastructure and investing in education (human capital formation)? It would also be interesting to expand the current model to allow for aggregate shocks, government debt and the potential for a binding government borrowing constraint. These features would allow one to consider other 25 issues such as the cyclicality of inequality and the effect of a government’s debt balance on their infrastructure investment decision over the business cy

## Innovation

### 1NC---Chinese Tech Lead Good

#### Chinese leadership is key to solving all global problems – that solves the case

Shen Yamei 18, Deputy Director and Associate Research Fellow of Department for American Studies, China Institute of International Studies, 1-9-2018, "Probing into the “Chinese Solution” for the Transformation of Global Governance," CAIFC, http://www.caifc.org.cn/en/content.aspx?id=4491

As the world is in a period of great development, transformation and adjustment, the international power comparison is undergoing profound changes, global governance is reshuffling and traditional governance concepts and models are confronted with challenges. The international community is expecting China to play a bigger role in global governance, which has given birth to the Chinese solution. A. To Lead the Transformation of the Global Governance System. The “shortcomings” of the existing global governance system are prominent, which can hardly ensure global development. First, the traditional dominant forces are seriously imbalanced. The US and Europe that used to dominate the global governance system have been beset with structural problems, with their economic development stalling, social contradictions intensifying, populism and secessionism rising, and states trapped in internal strife and differentiation. These countries have not fully reformed and adjusted themselves well, but rather pointed their fingers at globalization and resorted to retreat for self-insurance or were busy with their own affairs without any wish or ability to participate in global governance, which has encouraged the growth of “anti-globalization” trend into an interference factor to global governance. Second, the global governance mechanism is relatively lagging behind. Over the years of development, the strength of emerging economies has increased dramatically, which has substantially upset the international power structure, as the developing countries as a whole have made 80 percent of the contributions to global economic growth. These countries have expressed their appeal for new governance and begun policy coordination among themselves, which has initiated the transition of global governance form “Western governance” to “East-West joint governance”, but the traditional governance mechanisms such as the World Bank, IMF and G7 failed to reflect the demand of the new pattern, in addition to their lack of representation and inclusiveness. Third, the global governance rules are developing in a fragmented way, with governance deficits existing in some key areas. With the diversification and in-depth integration of international interests, the domain of global governance has continued to expand, with actors multiplying by folds and action intentions becoming complicated. As relevant efforts are usually temporary and limited to specific partners or issues, global governance driven by requests of “diversified governance” lacks systematic and comprehensive solutions. Since the beginning of this year, there have been risks of running into an acephalous state in such key areas as global economic governance and climate change. Such emerging issues as nuclear security and international terrorism have suffered injustice because of power politics. The governance areas in deficit, such as cyber security, polar region and oceans, have “reversely forced” certain countries and organizations to respond hastily. All of these have made the global governance system trapped in a dilemma and call urgently for a clear direction of advancement. B. To Innovate and Perfect the International Order. Currently, whether the developing countries or the Western countries of Europe and the US are greatly discontent with the existing international order as well as their appeals and motivation for changing the order are unprecedentedly strong. The US is the major creator and beneficiary of the existing hegemonic order, but it is now doubtful that it has gained much less than lost from the existing order, faced with the difficulties of global economic transformation and obsessed with economic despair and political dejection. Although the developing countries as represented by China acknowledge the positive role played by the post-war international order in safeguarding peace, boosting prosperity and promoting globalization, they criticize the existing order for lack of inclusiveness in politics and equality in economy, as well as double standard in security, believing it has failed to reflect the multi-polarization trend of the world and is an exclusive “circle club”. Therefore, there is much room for improvement. For China, to lead the transformation of the global governance system and international order not only supports the efforts of the developing countries to uphold multilateralism rather than unilateralism, advocate the rule of law rather than the law of the jungle and practice democracy rather than power politics in international relations, but also is an important subject concerning whether China could gain the discourse power and development space corresponding to its own strength and interests in the process of innovating and perfecting the framework of international order. C. To Promote Integration of the Eastern and Western Civilizations. Dialog among civilizations, which is the popular foundation for any country’s diplomatic proposals, runs like a trickle moistening things silently. Nevertheless, in the existing international system guided by the “Western-Centrism”, the Western civilization has always had the self-righteous superiority, conflicting with the interests and mentality of other countries and having failed to find the path to co-existing peacefully and harmoniously with other civilizations. So to speak, many problems of today, including the growing gap in economic development between the developed and developing countries against the background of globalization, the Middle East trapped in chaos and disorder, the failure of Russia and Turkey to “integrate into the West”, etc., can be directly attributed to lack of exchanges, communication and integration among civilizations. Since the 18th National Congress of CPC, Xi Jinping has raised the concept of “Chinese Dream” that reflects both Chinese values and China’s pursuit, re-introducing to the world the idea of “all living creatures grow together without harming one another and ways run parallel without interfering with one another”, which is the highest ideal in Chinese traditional culture, and striving to shape China into a force that counter-balance the Western civilization. He has also made solemn commitment that “we respect the diversity of civilizations …… cannot be puffed up with pride and depreciate other civilizations and nations”; “facing the people deeply trapped in misery and wars, we should have not only compassion and sympathy, but also responsibility and action …… do whatever we can to extend assistance to those people caught in predicament”, etc. China will rebalance the international pattern from a more inclusive civilization perspective and with more far-sighted strategic mindset, or at least correct the bisected or predominated world order so as to promote the parallel development of the Eastern and Western civilizations through mutual learning, integration and encouragement. D. To Pass on China’s Confidence. Only a short while ago, some Western countries had called for “China’s responsibility” and made it an inhibition to “regulate” China’s development orientation. Today, China has become a source of stability in an international situation full of uncertainties. Over the past 5 years, China has made outstanding contributions to the recovery of world economy under relatively great pressure of its own economic downturn. Encouraged by the “four confidences”, the whole of the Chinese society has burst out innovation vitality and produced innovation achievements, making people have more sense of gain and more optimistic about the national development prospect. It is the heroism of the ordinary Chinese to overcome difficulties and realize the ideal destiny that best explains China’s confidence. When this confidence is passed on in the field of diplomacy, it is expressed as: first, China’s posture is seen as more forging ahead and courageous to undertake responsibilities ---- proactively shaping the international agendas rather than passively accepting them; having clear-cut attitudes on international disputes rather than being equivocal; and extending international cooperation to comprehensive and dimensional development rather than based on the theory of “economy only”. In sum, China will actively seek understanding and support from other countries rather than imposing its will on others with clear-cut Chinese characteristics, Chinese style and Chinese manner. Second, China’s discourse is featured as a combination of inflexibility and yielding as well as magnanimous ---- combining the internationally recognized diplomatic principles with the excellent Chinese cultural traditions through digesting the Chinese and foreign humanistic classics assisted with philosophical speculations to make “China Brand, Chinese Voice and China’s Image get more and more recognized”. Third, the Chinese solution is more practical and intimate to people as well as emphasizes inclusive cooperation, as China is full of confidence to break the monopoly of the Western model on global development, “offering mankind a Chinese solution to explore a better social system”, and “providing a brand new option for the nations and peoples who are hoping both to speed up development and maintain independence”. II.Path Searching of the “Chinese Solution” for Global Governance Over the past years’ efforts, China has the ability to transform itself from “grasping the opportunity” for development to “creating opportunity” and “sharing opportunity” for common development, hoping to pass on the longing of the Chinese people for a better life to the people of other countries and promoting the development of the global governance system toward a more just and rational end. It has become the major power’s conscious commitment of China to lead the transformation of the global governance system in a profound way. A. To Construct the Theoretical System for Global Governance. The theoretical system of global governance has been the focus of the party central committee’s diplomatic theory innovation since the 18th National Congress of CPC as well as an important component of the theory of socialism with Chinese characteristics for a new era, which is not only the sublimation of China’s interaction with the world from “absorbing and learning” to “cooperation and mutual learning”, but also the cause why so many developing countries have turned from “learning from the West” to “exploring for treasures in the East”. In the past 5 years, the party central committee, based on precise interpretation of the world pattern today and serious reflection on the future development of mankind, has made a sincere call to the world for promoting the development of global governance system toward a more just and rational end, and proposed a series of new concepts and new strategies including engaging in major power diplomacy with Chinese characteristics, creating the human community with common destiny, promoting the construction of new international relationship rooted in the principle of cooperation and win-win, enriching the strategic thinking of peaceful development, sticking to the correct benefit view, formulating the partnership network the world over, advancing the global economic governance in a way of mutual consultation, joint construction and co-sharing, advocating the joint, comprehensive, cooperative and sustainable security concept, and launching the grand “Belt and Road” initiative. The Chinese solution composed of these contents, not only fundamentally different from the old roads of industrial revolution and colonial expansion in history, but also different from the market-driven neo-liberalism model currently advocated by Western countries and international organizations, stands at the height of the world and even mankind, seeking for global common development and having widened the road for the developing countries to modernization, which is widely welcomed by the international community. B. To Supplement and Perfect the Global Governance System. Currently, the international political practice in global governance is mostly problem-driven without creating a set of relatively independent, centralized and integral power structures, resulting in the existing global governance systemcharacterized as both extensive and unbalanced. China has been engaged in reform and innovation, while maintaining and constructing the existing systems, producing some thinking and method with Chinese characteristics. First, China sees the UN as a mirror that reflects the status quo of global governance, which should act as the leader of global governance, and actively safeguards the global governance system with the UN at the core. Second, China is actively promoting the transforming process of such recently emerged international mechanisms as G20, BRICS and SCO, perfecting them through practice, and boosting Asia-Pacific regional cooperation and the development of economic globalization. China is also promoting the construction of regional security mechanism through the Six-Party Talks on Korean Peninsula nuclear issue, Boao Forum for Asia, CICA and multilateral security dialog mechanisms led by ASEAN so as to lay the foundation for the future regional security framework. Third, China has initiated the establishment of AIIB and the New Development Bank of BRICS, creating a precedent for developing countries to set up multilateral financial institutions. The core of the new relationship between China and them lies in “boosting rather than controlling” and “public rather than private”, which is much different from the management and operation model of the World Bank, manifesting the increasing global governance ability of China and the developing countries as well as exerting pressure on the international economic and financial institution to speed up reforms. Thus, in leading the transformation of the global governance system, China has not overthrown the existing systems and started all over again, but been engaged in innovating and perfecting; China has proactively undertaken international responsibilities, but has to do everything in its power and act according to its ability. C. To Reform the Global Governance Rules. Many of the problems facing global governance today are deeply rooted in such a cause that the dominant power of the existing governance system has taken it as the tool to realize its own national interests first and a platform to pursue its political goals. Since the beginning of this year, the US has for several times requested the World Bank, IMF and G20 to make efforts to mitigate the so-called global imbalance, abandoned its commitment to support trade openness, cut down investment projects to the middle-income countries, and deleted commitment to support the efforts to deal with climate change financially, which has made the international systems accessories of the US domestic economic agendas, dealing a heavy blow to the global governance system. On the contrary, the interests and agendas of China, as a major power of the world, are open to the whole world, and China in the future “will provide the world with broader market, more sufficient capital, more abundant goods and more precious opportunities for cooperation”, while having the ability to make the world listen to its voice more attentively. With regard to the subject of global governance, China has advocated that what global governance system is better cannot be decided upon by any single country, as the destiny of the world should be in the hands of the people of all countries. In principle, all the parties should stick to the principle of mutual consultation, joint construction and co-sharing, resolve disputes through dialog and differences through consultation. Regarding the critical areas, opening to the outer world does not mean building one’s own backyard, but building the spring garden for co-sharing; the “Belt and Road” initiative is not China’s solo, but a chorus participated in by all countries concerned. China has also proposed international public security views on nuclear security, maritime cooperation and cyber space order, calling for efforts to make the global village into a “grand stage for seeking common development” rather than a “wrestling arena”; we cannot “set up a stage here, while pulling away a prop there”, but “complement each other to put on a grand show”. From the orientation of reforms, efforts should be made to better safeguard and expand the legitimate interests of the developing countries and increase the influence of the emerging economies on global governance. Over the past 5 years, China has attached importance to full court diplomacy, gradually coming to the center stage of international politics and proactively establishing principles for global governance. By hosting such important events as IAELM, CICA Summit, G20 Summit, the Belt and Road International Cooperation Forum and BRICS Summit, China has used theseplatforms to elaborate the Asia-Pacific Dream for the first time to the world, expressing China’s views on Asian security and global economic governance, discussing with the countries concerned with the Belt and Road about the synergy of their future development strategies and setting off the “BRICS plus” capacity expansion mechanism, in which China not only contributes its solution and shows its style, but also participates in the shaping of international principles through practice. On promoting the resolution of hot international issues, China abides by the norms governing international relations based on the purposes and principles of the UN Charter, and insists on justice, playing a constructive role as a responsible major power in actively promoting the political accommodation in Afghanistan, mediating the Djibouti-Eritrea dispute, promoting peace talks in the Middle East, devoting itself to the peaceful resolution of the South China Sea dispute through negotiations. In addition, China’s responsibility and quick response to international crises have gained widespread praises, as seen in such cases as assisting Africa in its fight against the Ebola epidemic, sending emergency fresh water to the capital of Maldives and buying rice from Cambodia to help relieve its financial squeeze, which has shown the simple feelings of the Chinese people to share the same breath and fate with the people of other countries. D. To Support the Increase of the Developing Countries’ Voice. The developing countries, especially the emerging powers, are not only the important participants of the globalization process, but also the important direction to which the international power system is transferring. With the accelerating shift of global economic center to emerging markets and developing economies, the will and ability of the developing countries to participate in global governance have been correspondingly strengthened. As the biggest developing country and fast growing major power, China has the same appeal and proposal for governance as other developing countries and already began policy coordination with them, as China should comply with historical tide and continue to support the increase of the developing countries’ voice in the global governance system. To this end, China has pursued the policy of “dialog but not confrontation, partnership but not alliance”, attaching importance to the construction of new type of major power relationship and global partnership network, while making a series proposals in the practice of global governance that could represent the legitimate interests of the developing countries and be conducive to safeguarding global justice, including supporting an open, inclusive, universal, balanced and win-win economic globalization; promoting the reforms on share and voting mechanism of IMF to increase the voting rights and representation of the emerging market economies; financing the infrastructure construction and industrial upgrading of other developing countries through various bilateral or regional funds; and helping other developing countries to respond to such challenges as famine, refugees, climate change and public hygiene by debt forgiveness and assistance.

#### Effective global governance prevents unregulated emergent tech – prevents extinction

Robert Bailey 18, Vision of Earth contributor and computer science masters, 9-5-2018, "Why do we need global governance?," Vision of Earth, https://www.visionofearth.org/social-change/global-governance/

Global governance is necessary because humanity increasingly faces both problems and opportunities that are global in scale. Today, transnational problems such as violence and pandemics routinely reach across borders, affecting us all. At the same time, the increasingly integrated global system has also laid the necessary foundations for peace and spectacular prosperity. Effective global governance will allow us to end armed conflict, deal with new and emerging problems such as technological risks and automation, and to achieve levels of prosperity and progress never before seen.1 The most important challenge for humanity to overcome is that of existential risks. One way to look at the danger of an existential risk is to quantify the level of global coordination needed to deal with it. While best-shot risks, at one end of the spectrum only require that a single nation, organization or even individual (i.e., superhero) has the means and the will to save everyone, weakest-link risks, at the other end of the spectrum, are dangers that might require literally every country to take appropriate action to prevent catastrophe, with no room for failure.2 3 We’ve always been at risk of natural disaster, but with advances in our level of technology the risk we pose to ourselves as a species becomes ever greater. Nuclear weapons are a well-known risk that we still live with to this day. The progress of technological research exposes us to new dangers such as bioengineered superbugs, nanotechnological menaces, and the risk of an out-of-control artificial intelligence with ill-intent. Increased levels of global coordination are needed to combat many of these risks, as described in our article on the cooperation possibilities frontier. There are other problems that don’t necessarily threaten the species or even civilization as we know it, but which are holding back the development of prosperity and progress. Armed conflict, around since the dawn of history, still haunts us today. Even though wars between great powers appear to be a thing of the past, regional conflicts still account for tremendous human suffering and loss of life in parts of the world without stable governance.4 Other problems have emerged precisely because of our successes in the past. The unprecedented advancement of human wellbeing and prosperity over the past century has been based in large part on the use of fossil fuels, thus exposing us to climate change. Widespread automation, already a stressor on society, will put increased pressure on the social and economic fabric of our societies over the next few decades. Global governance can help alleviate these issues in various ways – we refer the interested reader to the very detailed work in Ruling Ourselves. Finally, global governance will increasingly be judged not only by the extent to which it prevents harm, but also by its demonstrated ability to improve human wellbeing.5 Progress has let us set our sights higher as a species, both for what we consider to be the right trajectory for humanity and for our own conduct.6 Major advances in human wellbeing can be accomplished with existing technology and modest improvements in global coordination. Effective global governance is global governance that tackles these issues better than the regional governments of the world can independently. Global governance is key to solving global problems. Without it, we may not be able to avoid weakest-link existential risks or regulate new and dangerous technologies. With it, we may be able to prosper as we never have before. The next step is to determine how effective global governance can be achieved.

### L---AI Leadership

#### AI edge is key to China’s economy and domestic legitimacy.

Ding 18 (Jeffrey, Centre for the Governance of AI, Future of Humanity Institute, University of Oxford, “Deciphering China’s AI Dream,” March 2018, <https://www.fhi.ox.ac.uk/wp-content/uploads/Deciphering_Chinas_AI-Dream.pdf>, DOA: 1-5-2021) //Snowball

The implications of China’s AI strategy in the economic realm are numerous. Research from PwC in 2017 estimated that China had the most to gain from AI technologies, forecasting a potential 26% boost in GDP to benefits from AI.162 A report from McKinsey Global Institute supports this view, estimating that 51% of work activities in China can be automated - more than any other country in the world.163 Faced with unfavorable demographic trends, China could improve its productivity levels by integrating AI systems.164 This would enable China to sustain its economic growth and meet GDP targets. The stakes for global economic preeminence are stark. A report by PwC projects that the AI sector could contribute up to USD 15.7 trillion to the world economy by 2030.165

Economic benefit is the primary, immediate driving force behind China’s development of AI, so evaluating the economic impact of China’s AI strategy will be a key test of the strategy’s feasibility and success. Early signs support cautious optimism about China’s AI sector. Metrics from the section on China’s commercial AI ecosystem revealed that new AI companies and investment in the years 2014-2016 surpassed the number of companies and investment in all the years prior. These figures should be tempered by the potential for speculative over-investment to cause boom-bust cycles and the need for more concrete figures directly tied to economic growth, such as revenues and assets. As earlier analysis on megaprojects demonstrated, China’s industrial policy approach to scientific innovation has been criticized for diverting resources from bottom-up, investigator-driven projects to large national projects run by mediocre laboratories, on the basis of personal connections.

### 1NC---!D---Taiwan Invasion

#### No Taiwan war---China can’t invade and wouldn’t risk it.

Tyson 20, Staff writer citing Drew Thompson, a former Pentagon official overseeing China policy. (Ann Scott, 11-12-2020, "U.S., China, Taiwan: Why the tense status quo may stick – for now", *Christian Science Monitor*, https://www.csmonitor.com/World/Asia-Pacific/2020/1112/U.S.-China-Taiwan-Why-the-tense-status-quo-may-stick-for-now)

Barring a military mishap, however, and despite the elevated tensions, experts on both sides say larger strategic calculations lessen the likelihood of an all-out war over Taiwan that would trigger conflict between China and the U.S., both nuclear powers. Beijing’s military capabilities – which do not yet guarantee success in an armed takeover – Taiwan’s growing asymmetric defenses, and the prospect of allied intervention all leave Beijing unlikely to use force anytime soon, despite its often-repeated vows to unify, military analysts say. “China is still deterred from using force to reunify because they have no assurance of success,” says Drew Thompson, a former Pentagon official overseeing China policy.

## Inequality

#### When faced with social unrest, elites reflexively become more democratic to stay in control

Christian Houle 14, PhD, University of Rochester, political science professor @ MSU, winner of the 2011 Kellogg/Notre Dame Award for best paper in comparative politics presented at the MPSA convention, “Inequality, Economic Development, and Democratization”, https://christianhoule.files.wordpress.com/2014/06/houle-inequality-economic-development-and-democratization2.pdf

Acemoglu and Robinson (2006) – who do not test their predictions – propose a second possible relationship between inequality and democratization. Unlike most other authors, they argue that the relationship is inverted U-shaped. In equal autocracies, the population simply does not demand democracy because it has little to gain in terms of redistribution. At intermediate levels of inequality, however, the population has incentives to demand democracy. At the same time, the ruling elites are unwilling to use repression, because the cost of redistribution is relatively low; and so they democratize. But when inequality is high, the elites opt for repression, because the cost of redistribution is too high. Although these theories arrive at different conclusions, they share a similar understanding of the process leading to democracy.4 Democracy is viewed as an instrumental good – a tool to redistribute income – not an intrinsic good as in the modernization literature. Inequality between the masses and the ruling elites affects democratization by raising the stakes of holding office – and hence have the opportunity to set redistributive policies – for both groups. The masses trigger the democratization process by generating social unrest. In response, the ruling class can either maintain the regime through repression or establish a democracy. It grants democracy if the cost of repression and the risk of being ousted outweigh the cost of democracy in terms of redistribution. When faced with the possibility of a revolution, the elites opt for democracy, because under such a regime their interests are at least protected by the rule of law. Following Haggard and Kaufman (2012), I refer to this path to democracy as the ’distributive conflict’ route.

#### These findings are empirically verified AND robust *regardless of different ethnic or cultural circumstances* between states

Daron Acemoglu and James Robinson 6, Professor of Applied Economics in the Department of Economics at the Massachusetts Institute of Technology, and Professor of Government at Harvard University, “Economic Origins of Dictatorship and Democracy”, Cambridge University Press, 2006

In this chapter, we developed a model in which the level and distribution of income are endogenous and showed how the structure of the economy may help to determine the creation and consolidation of democracy. We emphasized that how important physical and human capital are compared to land in the production process – what we called the capital intensity of the economy – can influence the costs of both repression and coups and the burden of democracy for elites. This occurs because (1) repression and the use of force is more costly for capitalists and industrialists than it is for landowners; and (2) democracies will rationally tax land and the income from land at higher rates than capital and the income from capital. The ideas presented are tentative and have not been empirically tested; nevertheless, they are consistent with many case studies, historical material, and mainstream approaches to the theory of economic development. They are also consistent with the observed correlation between per capita income and measures of democracy. Although we did not explicitly analyze the issue in this chapter, it is important that these results do not depend on the nature of political identities. Even if political conflict were along the lines of ethnic groups X and Z rather than socioeconomic classes, greater capital intensity would have similar consequences for democracy. To see how capital intensity influences democracy, assume that the elites of each group own capital and land, whereas the rest just have their labor. Even if conflict is between ethnic groups, greater capital intensity still reduces the desire of the larger group X to redistribute away from the smaller group Z because this will now be more expensive. This result is true as long as there are some capital owners and landowners in group Z. This reduces the incentives of group Z to mount coups once democracy has been created. Further, in nondemocracy, which here is rule by group Z, greater capital intensity makes repression more costly for Z, which facilitates democratization for the reasons discussed.

#### With strong international institutions, populism doesn’t cause war

Cooper 16 — Louis F. Cooper (Ph.D. is from the School of International Service, American University), 12-6-2016, "WPTPN: Will Populist Nationalism Lead to Great-Power War?," No Publication, http://duckofminerva.com/2016/12/wptpn-will-populist-nationalism-lead-to-great-power-war.html

Several reasons present themselves. First, nuclear weapons have given the prospect of a global war, or any great-power war, a possibility of civilization-ending finality that it did not have in the past. Second, the security architecture created under U.S. leadership after World War II has arguably worked to reduce the likelihood of major armed conflict among the great powers. Third, the existence of a network of international institutions, both inside and outside the UN system, has pushed in the same direction. Fourth, it is very possible that, as John Mueller and Christopher Fettweis have argued, decision-makers have to come see great-power war as “subrationally unthinkable, or not even part of the option set for the great powers.”[ii] The extreme destructiveness of the twentieth century’s world wars, fueled partly by developments in technology, might well have produced long-term effects on how leaders and publics think about global or great-power war, in a way, for instance, that the Napoleonic Wars, for all their horror and bloodiness, did not. Phil Arena’s recent contribution to this series argues that if the U.S. under a Trump administration signals an unwillingness to defend its allies, then Putin might be tempted to gamble on an invasion of the Baltics or Kim Jong-Un similarly might gamble on an invasion of South Korea (and that would drag in China). Putting aside Kim Jong-Un for the moment as a special case, let’s consider Putin. As long as NATO exists – and Trump, despite his statements about the unfairness of the distribution of cost burdens, has not suggested, as far as I’m aware, that he wants to dissolve the alliance – then Putin would have to assume that an attack on the Baltics would trigger a NATO response. Even if Putin does not see great-power war as unthinkable or outside his “option set,” one would assume that for reasons of pure self-interest he would not want to risk a nuclear war. Nor, one might think, would he want to jeopardize the prospect of better (from his standpoint) relations with a U.S. administration less concerned with, among other things, his commission of war crimes in Syria or his annexation of Crimea than the Obama administration has been. For these reasons, I’m not too worried that the advent of the Trump administration will lead to a war with Russia over the Baltics. The Korean peninsula is, perhaps, a more worrisome situation. Chances are, however, that Trump, after taking office, will be prevailed upon to make reassuring noises about the U.S. commitment to South Korea, and that should suffice to deter Kim Jong-Un from doing anything too rash. The cautionary point here, admittedly, is that it’s not clear whether Kim can be counted on to behave in a minimally rational fashion. Putin, whatever one might think of him, is rational. It’s not entirely clear whether Kim is. However, if Kim is irrational then all bets are off regardless of what U.S. policy pronouncements are forthcoming. World politics is not invariably cyclical and states can learn from experience (as even Gilpin acknowledged). If one admits this and pays due attention to history, then it is plausible to think that the force of populist nationalism, as expressed in more erratic and/or less ‘internationalist’ official policy, will not, whatever its other effects may be, increase the low likelihood of a global war.

# 1NR

## FTC

#### Independent of war, ag decline kills billions

Lugar 4 – Richard G. Lugar, U.S. Senator from Indiana and Former Chair of the Senate Foreign Relations Committee, “Plant Power”, Our Planet, 14(3), http://www.unep.org/ourplanet/imgversn/143/lugar.html

To meet the expected demand for food over the next 50 years, we in the United States will have to grow roughly three times more food on the land we have. That’s a tall order. My farm in Marion County, Indiana, for example, yields on average 8.3 to 8.6 tonnes of corn per hectare – typical for a farm in central Indiana. To triple our production by 2050, we will have to produce an annual average of 25 tonnes per hectare. Can we possibly boost output that much? Well, it’s been done before. Advances in the use of fertilizer and water, improved machinery and better tilling techniques combined to generate a threefold increase in yields since 1935 – on our farm back then, my dad produced 2.8 to 3 tonnes per hectare. Much US agriculture has seen similar increases. But of course there is no guarantee that we can achieve those results again. Given the urgency of expanding food production to meet world demand, we must invest much more in scientific research and target that money toward projects that promise to have significant national and global impact. For the United States, that will mean a major shift in the way we conduct and fund agricultural science. Fundamental research will generate the innovations that will be necessary to feed the world. The United States can take a leading position in a productivity revolution. And our success at increasing food production may play a decisive humanitarian role in the survival of billions of people and the health of our planet.

#### Turns democracy and populism.

Lehane 17, is research manager for Future Directions International’s Global Food and Water Crises Research program. Her current research projects include Australia’s food system and water security in the Tibetan Plateau region. (Sinéad, 2-2-2017, Shaping Conflict in the 21st Century – The Future of Food and Water Security. www.hidropolitikakademi.org/shaping-conflict-in-the-21st-century-the-future-of-food-and-water-security.html)

In his book, The Coming Famine, Julian Cribb writes that the wars of the 21st century will involve failed states, rebellions, civil conflict, insurgencies and terrorism. All of these elements will be triggered by competition over dwindling resources, rather than global conflicts with clearly defined sides. More than 40 countries experienced civil unrest following the food price crisis in 2008. The rapid increase in grain prices and prevailing food insecurity in many states is linked to the outbreak of protests, food riots and the breakdown of governance. Widespread food insecurity is a driving factor in creating a disaffected population ripe for rebellion. Given the interconnectivity of food security and political stability, it is likely food will continue to act as a political stressor on regimes in the Middle East and elsewhere. Addressing Insecurity Improving food and water security and encouraging resource sharing is critical to creating a stable and secure global environment. While food and water shortages contribute to a rising cycle of violence, improving food and water security outcomes can trigger the opposite and reduce the potential for conflict. With the global population expected to reach 9 billion by 2040, the likelihood of conflict exacerbated by scarcity over the next century is growing. Conflict is likely to be driven by a number of factors and difficult to address through diplomacy or military force. Population pressures, changing weather, urbanization, migration, a loss of arable land and freshwater resources are just some of the multi-layered stressors present in many states. Future inter-state conflict will move further away from the traditional, clear lines of military conflict and more towards economic control and influence.

### 1NR---AT: XO Thumper

#### Enforcement high, resources key, sustained focus solves consolidation

King 21, John and Marylyn Mayo Chair in Health Law and Professor of Law at the University of Auckland (Jaime, “Stop Playing Health Care Antitrust Whack-A-Mole,” Harvard Bill of Health, <https://blog.petrieflom.law.harvard.edu/2021/05/17/health-care-consolidation-antitrust-enforcement/>)

The time has come to meaningfully address the most significant driver of health care costs in the United States — the consolidation of provider market power. Over the last 30 years, our health care markets have consolidated to the point that nearly 95% of metropolitan areas have highly concentrated hospital markets and nearly 80% have highly concentrated specialist physician markets. Market research has consistently found that increased consolidation leads to higher health care prices (sometimes as much as 40% more). Provider consolidation has also been associated with reductions in quality of care and wages for nurses. In consolidated provider markets, insurance companies often must choose between paying dominant providers supracompetitive rates or exiting the market. Unfortunately, insurers have little incentive to push back against provider rate demands because they have the ability to pass those rate increases directly to employers and individuals, in the form of higher premiums. In turn, employers take premium increases out of employee wages, contributing to the growing disparity between health care price growth and employee wages. As a result, rising health care premiums mean that every year, consumers pay more, but receive less. Dynamic health care antitrust enforcement is an idea whose time has finally come, but addressing the ills of consolidation in America’s health care system will require a comprehensive and multi-faceted approach. We have seen repeatedly how an entity with market power can respond quickly to negate the benefits of unilateral policy approaches, leading to an endless cycle of competition policy whack-a-mole. For instance, in the last decade, as health system merger and acquisition challenges became more successful, joint ventures and affiliations, especially with urgent care centers and private equity firms, became more frequent. Further, COVID-19 has exacerbated the threat of health care consolidation by leaving many independent hospitals and physician groups struggling financially and vulnerable to acquisition. Fortunately, the Biden/Harris administration appears uniquely poised to implement a comprehensive initiative to address health care consolidation. First and foremost, Biden has positioned key personnel with antitrust expertise, often with distinct knowledge of the health care industry, throughout his administration. For instance, the nomination of former California Attorney General Xavier Becerra, who championed health care antitrust efforts in the state, as Secretary of Health and Human Services was an inspired choice and presents a unique opportunity to enhance competition through Medicare policy. Biden’s appointment of Tim Wu to the National Economic Council and nomination of Lina Khan to one of five seats on the Federal Trade Commission (FTC) also signal a strong commitment to strengthening antitrust enforcement writ large. Second, the Biden administration should support recent efforts in Congress to address health care antitrust concerns. Senator Amy Klobuchar (D-MN) recently introduced a bill, the Competition and Antitrust Law Enforcement Reform Act, which introduces sweeping reforms that would expand funding to the Department of Justice (DOJ) and the Federal Trade Commission, strengthen prohibitions against anticompetitive mergers by forbidding mergers that “create an appreciable risk of materially lessening competition,” shift the burden of proof to require merging entities to demonstrate that the merger will not harm competition, and take steps to prevent dominant firms from engaging in anticompetitive conduct. Likewise, Senator Patty Murray’s (D-WA) Lower Health Care Costs Act of 2019 demonstrated a sophisticated understanding of how health care entities can use market power to obscure health care prices and negotiate anticompetitive contract terms, like all-or-nothing bargaining, gag clauses, and anti-steering provisions, and provided solid policy solutions to both issues. Providing support for bills like these will be essential to developing a comprehensive competition strategy. Third, on September 17, 2020, the Federal Trade Commission announced much needed plans to revamp the Merger Retrospective program. The Biden administration should provide substantial funding and resources to reinvigorate this program. Merger retrospectives, like Steven Tenn’s Sutter-Summit retrospective in 2008, have been pivotal and provided the FTC with much needed insight on how hospital mergers have leveraged the market power necessary to increase prices and harm consumer welfare. A newly revamped Merger Retrospective program holds great promise for antitrust enforcement in health care, especially if used to gain insight into whether and how vertical and cross-market health care mergers create anticompetitive harms. While a majority of consolidating transactions in health care include vertical or cross-market acquisitions, federal antitrust enforcement has been absent in this area. Fourth, Congress and the Trump Administration have moved mountains to expand price transparency in health care, which will greatly facilitate research into the effects of different types of health care consolidation and contracting practices on prices. The Biden Administration should stand firm on requiring hospitals, insurers, and self-insured employers to report negotiated health care prices, and dedicate resources to analyze that data to determine both the drivers of health care prices and the effectiveness of public policy initiatives designed to control prices. In addition, the Biden administration should promote transparency in health care consolidation by requiring all health care providers (hospitals, clinics, provider organizations, etc.) to report any material change in ownership to the Department of Health and Human Services and the FTC to allow the agencies to monitor consolidation patterns and look for stealth consolidation. All winds seem to blow in the direction of the Biden Administration taking significant action to address rampant consolidation in health care and its harms. Yet, doing so requires funding and willpower. Funding for the FTC and DOJ has decreased in relative dollars since 2010, despite a near doubling in merger filings. The FTC and DOJ need increased funding to expand their ability to review and challenge anticompetitive transactions and practices by dominant health care entities, revamp and expand the scope of their Merger Retrospective Review program, and provide technical assistance to state antitrust enforcers. Furthermore, the FTC should be granted the authority and requisite funding to challenge anticompetitive behavior by non-profit organizations, as they have developed a significant expertise in health care provider markets. Challenging the existing market dynamics in health care also demands the political will to take on some of the biggest industries in the nation (who make some of the largest lobbying contributions). As we have seen in recent challenges to the practices of dominant health care providers, the battle will be hard-fought. Yet, the alternative — allowing the health care industry to continue to siphon off ever-increasing portions of the economy and wages — is unacceptable and irresponsible. The Biden administration must make every attempt to improve the functioning of health care markets where possible, and implement price regulations in markets where competition has failed. Antitrust enforcement agencies must use the full force of their legal arsenal to restore competition in health care — and this may include breaking up large health systems that exploit their market power. For too long, the notion of “unscrambling the egg,” i.e., unwinding a previously consummated hospital merger, has been a non-starter in enforcement circles. To truly restore some form of competition in many health care markets, antitrust enforcers need to break up large systems, or at least have a credible threat of doing so. The Biden administration has an opportunity to reinvigorate our health care markets, but only if it is willing to adopt a bold, determined, and comprehensive competition strategy.

#### Health care enforcement is coming now---but it could be triaged in the case of overstretch

Galvin 9-10-2021 (Gaby, “Hospitals, Other Health Care Players Are Seeing ‘the Bar of Scrutiny’ Raised by Biden Regulators,” *Morning Consult*, <https://morningconsult.com/2021/09/10/health-care-antitrust-biden-administration/>)

When President Joe Biden tapped vocal critics of big tech companies for key antitrust roles, companies like Amazon.com Inc. went on high alert. But he’s pledged to crack down on anticompetitive behavior across sectors — including “unchecked mergers” in health care, and former officials and industry watchers say hospitals and other groups should tread carefully. Officials like Lina Khan, who was sworn in as chair of the Federal Trade Commission in June, and Tim Wu of the White House’s National Economic Council, haven’t gone public with how they plan to tackle health care consolidation. But early action from the administration points to hospital price transparency and heightened merger scrutiny as top priorities. “This administration is going to take a stronger approach to any antitrust enforcement than we’ve previously seen,” said Alexis Gilman, an antitrust lawyer at Crowell & Moring who worked in the FTC’s competition bureau, primarily during the Obama administration. “The bar of scrutiny does seem to have been raised.” Biden laid out his broad antitrust agenda in an executive order in July that singled out rural hospital closures and higher hospital prices in markets with little competition as reasons to support stronger FTC guidelines for health care mergers. Now, Gilman said the FTC appears to be taking more time to review details on proposed mergers that may have otherwise been cleared quickly or seen as “non-problematic.” The FTC’s public stances so far “reflect an agency that believes that prior enforcement has been a bit lax, and they’re going to tighten that up,” Gilman said. Health systems feeling the heat Industry watchers are taking cues from Sutter Health’s $575 million antitrust settlement, which received final approval from a federal judge in late August after a yearslong legal battle over allegations that the nonprofit health system in California engaged in price gouging. Notably, Health and Human Services Secretary Xavier Becerra sued Sutter Health in 2018 when he was California’s attorney general, and before joining the Biden administration, he said in March that he would continue to promote health care competition so patients “aren’t left holding the bag when big players dominate the market.” Given Becerra’s involvement, the case could offer a roadmap for health care competition policy in the Biden era at both the state and federal levels, said Elizabeth Mitchell, president and chief executive of the Purchaser Business Group on Health, which helped bring together employers and unions to file the lawsuit against Sutter Health. “I think it is very important that some of what we achieved in the Sutter case is applied more broadly,” Mitchell said. That includes efforts to promote hospital price transparency, a priority left over from the Trump administration. Meanwhile, Gilman points to the Sutter Health case and a federal settlement with North Carolina-based Atrium Health in 2018 as signs that health systems should “be a bit more cautious” when drawing up contracts that could be seen as anti-competitive, such as those that include measures that ban insurers from “steering” patients toward less expensive medical care or revealing pricing information. “I think there is — as a result of those two enforcement actions — increased risk, at the least for the largest systems that have meaningful shares in their local markets,” Gilman said. Provider groups are readying their defenses. In August, the American Hospital Association sent a letter to antitrust officials calling for more reviews of health insurance companies, saying payers have “largely escaped close scrutiny for conduct and practices that adversely impact both consumers and providers.” The group declined an interview request. David Maas, an antitrust lawyer at Davis Wright Tremaine LLP who works with health care providers, noted that ramped-up scrutiny on hospitals could hurt smaller physician groups or rural hospitals that are the only option for care in some communities. “We already have aggressive enforcement in that space, and it often is good and leads to more competitive marketplaces,” Maas said. “But just in the interest of being more aggressive, to push for even more enforcement in health care, I think could lead to some unfortunate outcomes, because a lot of health care providers are struggling.” Hospital mergers have slowed this year, with 27 deals completed in the first half of 2021 compared with 43 in the same time period last year, according to a Kaufman Hall analysis. While the number of deals has fallen, revenue is on par with previous years as health systems focus more on regional partnerships in new markets rather than acquiring smaller independent hospitals, the analysis said. Other health industries in regulatory crosshairs Hospitals aren’t the only health care groups getting a closer look in the Biden era. The FTC has also signaled interest in vertical mergers, when companies that don’t compete directly consolidate, and is looking to unwind life science company Illumina Inc.’s $7.1 billion acquisition of Grail Inc., which was finalized last month despite a lack of clearance from the FTC or European regulators. In Sept. 2 letters to GOP lawmakers who questioned the agency’s stance, Khan said the FTC is at a “crossroads” and has taken an “unduly permissive” approach in the past that’s allowed for massive companies to form across industries. Antitrust lawyers are closely watching the Illumina-Grail case, which will be “the first vertical merger case the FTC litigates in decades,” Gilman said. Another key deal to watch: Michigan-based Beaumont Health and Spectrum Health said last week they’re proceeding with a merger that would give the combined health system control of 22 hospitals, an outpatient business and a health plan covering 1 million people. If approved, the merger is expected to be finalized this fall. Collaborations between payers and providers — forming so-called “payviders” — have become increasingly common, with hospital systems launching their own health plans and health insurance giants such as UnitedHealth Group Inc. moving into health care delivery in recent years. “In the coming years, the for-profit insurers will start following United’s lead in acquiring, or effectively acquiring, more and more providers,” Maas said. Some analysts are skeptical of the Biden administration’s ability to meaningfully rein in such deals. “The idea that now Biden is going to direct the FTC to pay closer attention to health care mergers is a lot like closing the barn door after the horses have run out,” said Michael Abrams, co-founder and managing partner at health care consultancy Numerof & Associates. But “when you combine the payer and the provider, it’s the consumer who, more than ever, needs protection.” RELATED: Pharmacy Benefit Managers Are Feeling a Push From States to ‘Turn the Lights on’ to Their Business Practices Regulators picking their battles Going forward, Gilman said he expects agencies to “be less likely to either clear or settle vertical merger transactions” right away, which “could have some chilling effect.” But regulators will also have to “triage” top priority cases, given the FTC said it is being hit with a “tidal wave” of merger filings.

#### Law enforcement will be focused on health care now.

Shryock 21, analyst @ Medical Economics (Todd, “Hospital consolidations in crosshairs of Biden administration,” *Medical Economics*, <https://www.medicaleconomics.com/view/hospital-consolidations-in-crosshairs-of-biden-administration>)

As part of a sweeping executive order, President Biden addressed hospital mergers and their sometimes negative effects on patients and the health care system. The order specifies that the Justice Department and Federal Trade Commission review and revise their merger guidelines to ensure patients are not harmed by the mergers. The administration points out that hospital consolidation has hit rural areas especially hard, leaving many patients without good options for convenient and affordable health care services. Since 2010, 139 rural hospitals have shuttered, including a high of 19 last year during the pandemic.

#### Top of the agenda

Mitchell 21 (Joseph, “FTC cracks down on health tech: 7 things to know,” <https://www.beckershospitalreview.com/healthcare-information-technology/ftc-cracks-down-on-health-tech-7-things-to-know.html>)

Healthcare's data privacy and monopoly concerns top the FTC's agenda as its chair, Lisa Khan, completes her first two months in the role, according to the report. Seven things to know A trial kicked off Aug. 24 examining monopoly concerns in cancer screening technology. At issue is the acquisition of startup biotech firm Grail by genetic sequencing giant Illumina. The case was in the works before Ms. Khan's confirmation, but it showcases that health IT is part of the FTC's agenda, Politico reported. The way healthcare and tech companies handle sensitive data “is an area that I'm sure [Ms. Khan’s] very, very interested in," said Jessica Rich, former director of the FTC’s consumer protection bureau. The FTC will also closely watch hospital mergers, Ms. Rich said. "I expect her and the commission to take a very bold approach to what constitutes harm for both," Ms. Rich said. "I expect her to pay close attention to algorithms and potential discrimination in healthcare, both denials and pricing issues which the FTC's laws can address."

### 1NR---AT: Link Turn

#### 2---political backlash and partisanship undermine anti-trust enforcement via agency appointments, judge selection, and partisan pressures.

Kovacic 14, Global Competition Professor of Law and Policy @ George Washington (William, Politics and Partisanship in U.S. Antitrust Enforcement, *Antitrust Law Journal*, 2014, Vol. 79, No. 2 (2014), pp. 687-711)

What accounts for these and other notable variations in federal enforcement activity? One common explanation is "politics"9 - a shorthand expression for the capacity of elections and elected officials to bend the antitrust enforcement system to serve a set of policy preferences or constituent desires. By this view, the political process affects enforcement through presidential elections, the selection of agency leadership, the intervention of executive branch and congressional officials in routine agency decision making, and the appointment of federal judges who hear antitrust cases. It is unsurprising that a regulatory system rich in power and prosecutorial discretion would have some connection to the political process. The substantial economic significance of the statutes whose enforcement is entrusted to the DOJ and the FTC ensures that elected officials will study what these agencies do and sometimes seek to influence the exercise of their prosecutorial authority. It is also difficult to imagine that a nation would give significant responsibility to law enforcement bodies without some means for elected officials to hold agency officials to account for their policy choices. Expansive grants of authority tend to come with accountability strings attached. For academics, practitioners, and public officials, the question is not whether political forces surround the DOJ and the FTC, or whether decisions by elected officials sometimes influence agency behavior. They assuredly do.11 The relevant queries are how, and how much? This Article addresses these questions by examining one dimension of the relationship between the federal antitrust agencies and the political process. It discusses how electoral politics can increase the influence of partisanship in the operation of the DOJ and the FTC. As used in this Article, partisanship is a determined commitment to party goals and causes. It manifests itself in a tendency to exaggerate the virtues of the party and to disregard or devalue the accomplishments of political rivals. Through the political appointment of the DOJ and FTC leadership, partisanship can spill over into the formulation and presentation of agency policy. As will be shown, partisanship can have destructive effects. Among other consequences, partisan attitudes can lead officials to act in ways that serve party goals at the expense of the agency's programs and reputation. The partisan tends to overlook how continuity of policy and incremental improvements have strengthened the DOJ and FTC antitrust programs regardless of which party controls the White House.12 Partisanship impedes the development of a norm that recognizes the importance of cumulative improvements, respects past contributions to agency effectiveness regardless of party origin, and encourages long-term investments that enhance the agency's capability and reputation.13 The striving for electoral success can beget partisanship, and, by eroding support for a norm that encourages cumulative investments for improvement over the long term, partisan attitudes can diminish agency effectiveness. In this sense, politics can influence federal antitrust enforcement, and influence it negatively.

### 1NR---Link

#### Link Proper:

#### New enforcement priorities trigger a tradeoff from health care

Abbott 21, formerly served as general counsel of the Federal Trade Commission (Alden, “Lack of Resources and Lack of Authority Over Nonprofit Organizations Are the Biggest Hindrances to Antitrust Enforcement in Healthcare,” <https://www.mercatus.org/publications/antitrust-and-competition/lack-resources-and-lack-authority-over-nonprofit>)

Appropriate federal antitrust and consumer protection enforcement is good for the American economy. It promotes enhanced competition and consumer welfare. Regrettably, however, the effectiveness of federal enforcement in achieving these benefits is threatened by insufficient resources. As FTC Acting Chair Rebecca Kelly Slaughter explained in her April 20 testimony before the US Senate Committee on Commerce, Science, and Transportation, FTC employment has remained flat despite a growing workload, with merger filings doubling in recent years. Lauren Feiner reports on that testimony: “The absence of resources means that our enforcement decisions are harder,” [Slaughter] said. “If we think that we have a real case, a real law violation in front of us, but a settlement on the table that is maybe OK but doesn’t get the job done, we have to make difficult decisions about whether it’s worth spending a lot of taxpayer dollars to go sue the companies who are going to come in with many, many law firms worth of attorneys and expensive economic experts, versus taking that settlement.” I can attest to the accuracy of Slaughter’s observation, based on my experience as FTC general counsel in the Trump Administration. During my tenure, the FTC did indeed have to contend with resource limitations that adversely affected merger enforcement decision-making. The problem of resource constraints is particularly acute in the case of healthcare merger reviews, given the increasing consolidation of healthcare institutions. As one noted healthcare scholar stated in 2019, “The Affordable Care Act did not start the consolidation rapidly occurring with hospitals/health systems and medical groups, but it most definitely accelerated the movement to combine. In the last five years, the number and size of consolidations have been at an all-time high.”

#### **Enforcement against multiple companies magnifies the link.**

Sutner 20, News Director @ TechTarget. (Shaun, 12-15-2020, "Efforts to break up big tech expected to continue under Biden", *SearchCIO*, <https://searchcio.techtarget.com/news/252493702/Efforts-to-break-up-big-tech-expected-to-continue-under-Biden>)

Biden pushed on antitrust

Antitrust activists, though, are optimistic about the prospects of a Biden administration clamping down on big tech -- an outcome they argue is long overdue, with decades of light enforcement of antitrust laws. They are pushing Biden toward aggressive antitrust policy. Thirty-three antitrust, consumer and progressive groups in a letter on Nov. 30 urged Biden to reject the influence of big tech vendors and to exclude big tech executives, lobbyists, lawyers and consultants from his administration. Prominent among the signatories was Public Citizen, the liberal consumer advocacy group that has called for Biden to triple the FTC's annual funding, from $400 million to $1.2 billion. "At the front end we want these investigations to be pressed. There are supposed to be investigations of Amazon and Apple and we believe there are cases to be brought there," said Alex Harman, competition policy advocate at Public Citizen and former chief legal counsel to Sen. Mazie Hirono (D-Hawaii). "It's a lot to bring big antitrust cases against multiple companies, and that requires resources," Harman said. "As a lawyer, I don't want to say 'Biden does this,' but we want results that structurally change these companies. We don't want quick resolutions and quick settlements."

### 1NR---Link Uniqueness

#### Link can only go neg:

#### DOJ can’t do it all

**Palko** & Rand **19**, \*David, associate in Womble Bond Dickinson. \*\*Ripley, associate, one of the President’s United States Attorneys in North Carolina. (8/9/19, "Year One of Trump’s DOJ: An Overview of the Four Major Categories of Offenders", *JD Supra*, https://www.jdsupra.com/legalnews/year-one-of-trump-s-doj-an-overview-of-53913/)

Some of this decrease in the number of drug offenders can be attributed to the **zero-sum nature of DOJ resources** – the direction of **increased** **effort** toward offenses in **one** category will result in **fewer offenses** being prosecuted in **other categories**. But a part of this decrease is likely due to an increase in strategic prosecution of certain drug offenses in state court. In contrast to immigration offenses, which are crimes of exclusive federal jurisdiction, drug offenses are crimes of concurrent jurisdiction – they can be prosecuted either in state court or in federal court. In determining whether to prosecute a drug offense, federal prosecutors look at many factors, including whether the offense would likely be punished more seriously in state court or in federal court. Some state laws provide for harsher punishment for certain drug offenses than federal law does. For example, someone in North Carolina with no criminal record who possesses 28 grams of heroin is looking at a mandatory sentence under North Carolina law of 225-282 months in prison. In North Carolina’s federal courts, the guideline range for the same person with the same amount of heroin starts at 21-27 months. On the other hand, a person who has the highest level criminal record provided for under North Carolina law and who is in possession of 28 grams of crack cocaine is looking at a mandatory sentence under North Carolina law of 35-51 months in prison; the same person with the same amount of crack cocaine is looking at a federal advisory guideline range starting at 100-125 months.

### 1NR---AT: Alt Causes

#### FTC is empirically effective in healthcare which solves alt causes

Abbott 21, formerly served as general counsel of the Federal Trade Commission (Alden, “Lack of Resources and Lack of Authority Over Nonprofit Organizations Are the Biggest Hindrances to Antitrust Enforcement in Healthcare,” https://www.mercatus.org/publications/antitrust-and-competition/lack-resources-and-lack-authority-over-nonprofit)

During my years as an executive in the FTC’s Bureau of Competition and as FTC general counsel, I became quite familiar with FTC antitrust development and policy research applicable to healthcare. In my opinion, the FTC staff possesses the legal tools (with the exception of the nonprofit limitation, discussed earlier) to fully investigate and take action against anticompetitive behavior in this sector. What’s more, the FTC has had an excellent enforcement track record, including in hospital mergers. It currently is addressing a broad range of healthcare-related activity. Existing agency guidance, including the 2020 Vertical Merger Guidelines, provide ample support for appropriate, evidence-based, economically sound enforcement. New general legislation is not needed.

### 1NR---AT: Healthcare Uniqueness

#### Health consolidation drives high consumer spending

Barsotti 21, citing Professor of Economics Martin Gaynor (Scott, “Small Changes Can Have Drastic Impacts in Health Care,” <https://www.cmu.edu/news/stories/archives/2021/july/health-care.html>)

The U.S. health sector is a huge, sprawling, complicated network of providers, payors and policies that can seem hopelessly complex and stubbornly resistant to change. And while that is true in some respects, it is not to say that improving the system would be impossible. In fact, the U.S. health care sector is so mammoth, that even seemingly incremental fixes can have major impacts. Carnegie Mellon University economist Martin Gaynor has identified some of those fixes. "There are some very simple, straightforward things we can do that can really make a difference," said Gaynor, the E. J. Barone University Professor Of Economics And Public Policy in the Heinz College of Information Systems and Public Policy. On July 15, Professor Gaynor will be part of an expert panel on health care at Heinz College, moderated by Margot Sanger-Katz of The New York Times. Other panelists include Katherine Baicker from the University of Chicago, Zack Cooper from Yale University, and Shelley White-Means from the University of Tennessee. The panelists will discuss several major issues facing the American health system and propose solutions. Gaynor has extensively studied competition and consolidation in the U.S. health care market, a growing problem nationwide. He has testified before Congress that in markets where there is greater consolidation and less competition (many places in the U.S. only have one or two large health systems that dominate the local market), prices tend to increase substantially, without any improvements in quality (and in some cases reductions in quality). Gaynor remarks that health care consolidation has accelerated in recent years, negatively affecting consumers. Consolidation between close competitors causes prices — and health care spending — to go up. When that happens, the premiums that insurers charge to employers also go up, and workers end up footing the bill, either through reduced wages, paying a higher share of premiums, reductions in insurance coverage or in some cases all three.

#### Consolidation leads to closed-loop care---that drives high costs

Vaidya 21 (Anuja, “As independent practices vanish, experts debate the pros & cons of a consolidated market,” Med City News, <https://medcitynews.com/2021/07/as-independent-practices-vanish-experts-debate-the-pros-cons-of-a-consolidated-market/>)

Independent physician practices are fixtures in their communities, and their loss will lead to a less competitive market in terms of both cost and quality, said Anders Gilberg, senior vice president of Medical Group Management Association, in an email. “Although the impact of consolidation depends on the type of consolidation and how concentrated the market is, research shows that provider consolidation can lead to higher costs to patients without clear evidence of improved quality of care,” he said. Marni J. Carey, executive director of the Association of Independent Doctors, echoed this sentiment, adding that fewer independent practices mean less choice for patients. For example, when a patient goes to a primary care physician who is employed by a hospital, they may only receive referrals to specialists also employed by the hospital. This can result in a closed loop of care that could be far more costly than an independent physician who has more flexibility with regard to referrals. “Patients lose access [when practice acquisitions rise],” Carey said, in a phone interview. “[They] get funneled into systems and don’t get the wide latitude of choosing the best physician for their condition.”

### 1NR---AT: Impact Defense

#### Yes impact, their evidence is about animal feed which isn’t the internal link---also concedes we give a ton of other food aid which solves the impact.

Meador, 16 [KU BLUE] - Rob Meador is a journalist for Minnpost who specializes in the environment and energy

[By Ron Meador, "Does American ag feed the world? Not if you focus on the hungry countries," MinnPost, 10-6-2016, https://www.minnpost.com/earth-journal/2016/10/does-american-ag-feed-world-not-if-you-focus-hungry-countries/, accessed 8-12-2021]

Hardly any of the agricultural export value going to the 19 hungriest countries was in animal feed in 2015, and over half of the value was in food grains. In the hungriest countries, animal feed made up just 2 percent of the export value ($16.8 million). Food grains were at 59 percent ($426.4 million); fruits, vegetables and nuts were at 9 percent ($67.5 million); meat and dairy were at 22 percent ($156.9 million); and “other” was at 8 percent ($56.5 million).

#### Doesn’t thump the internal link, we are on the brink

FA 20 (Farm Aid, “Understanding the Economic Crisis Family Farms are Facing,” <https://www.farmaid.org/blog/fact-sheet/understanding-economic-crisis-family-farms-are-facing/>)

Faced with multiple years of losses that have whittled away equity, many farmers are making hard choices. Many are selling off land, livestock or equipment in an effort to hold on. Others are finding off-farm jobs to supplement farm income, only to see those jobs go away. Some farmers are choosing to retire early, while others are declaring bankruptcy in an effort to keep their farm. These tough choices are raising concerns that we are on the cusp of a slow but huge wave of farm losses not seen since the 1980s. Chapter 12 bankruptcy was created during the 1980s Farm Crisis specifically for family farmers and fisherman and offers one indicator of extreme stress in the farm sector. Because most farmers who are in crisis do not end up filing a Chapter 12, bankruptcy data is really just the tip of the iceberg that contains much larger number of farms in crisis. By June 2020, Chapter 12 bankruptcy filings totaled 580, representing an 8% rise from June 2019 levels.[25] The largest increases in bankruptcies came from the Midwest (23%), Northwest (70%) and Southeast (22%), with more than half of filings occurring in the Midwest alone over the last year. Wisconsin, the country’s second largest dairy state, had the country’s highest number of Chapter 12 filings (69) between July 2019 and June 2020, followed by Nebraska (38), Georgia (36), Minnesota (36), Iowa (33) and Kansas (32). In total, 23 states saw bankruptcy filings rise over the last 12 months, with the biggest increases occurring in Wisconsin, Oregon and Iowa.[26]

#### Hospital closures are the death-knell for rural America

Weingarten 18, writer and editor based in Tucson, Arizona, with a background in food systems, agriculture, and community organizing. Her journalism and creative nonfiction has appeared in the New York Times, The New York Review of Books, The Guardian, the Economic Hardship Reporting Project, Guernica, and Longreads, and elsewhere. She was a finalist for the James Beard Award in Investigative Reporting. (Debbie, “Rural Emergency: Hospital Closures Are Putting Farmers Out of Business,” *In These Times*, <https://inthesetimes.com/article/rural-poverty-hospital-closures-affordable-health-care-farmers>)

Still, rural communities are facing the closure of hospitals and clinics. In 2016, The National Rural Health Association (NRHA) announced that 673 rural hospitals were at risk to close. Of those, 210 were at ​“extreme risk” of closure. The NRHA warns that ​“Medical deserts are forming across the nation, significantly adding to the health care workforce shortage in rural communities. Seventy-seven percent of rural U.S. counties are already considered Primary Care Health Professional Shortage Areas.” Knudson says the health care industry is undergoing a significant transformation in terms of how medical care is being reimbursed. ​“Our reimbursement system is moving from a volume to value,” she says. ​“Historically hospitals have been reimbursed by the number of hospitalizations they provided — you have 10 hospitalizations and you get reimbursed for 10 stays. Our country has really shifted as much as possible to outpatient to make health care more affordable.” That means a decrease in admissions, more outpatient procedures, and less reimbursable care for hospitals. Additionally, Knudson says many of the rural hospitals closing are in states that have not expanded Medicaid, which has led to a higher number of uninsured patients. ​“When people are uninsured, it’s difficult to collect payment for that hospitalization.” Hospital closures can be devastating to rural communities, creating gaps in access to the detriment of residents. ​“Many of these hospital closures are happening in areas with the highest concentration of heart disease and diabetes, and in some of the poorest communities in the country,” says Maggie Elehwany of the NRHA. ​“When that hospital closes, it’s like putting a nail in the coffin of that community. You can’t attract businesses or families with kids or keep retirees. So we’re fighting not only for rural hospitals, but also for the economies of these rural communities as well.”

#### US shocks prevent extinction –causes global conflict and destabilizes international order

DoCampo 17 [Isabel DoCampo joined the Council's Global Food and Agriculture Program in 2015 and currently serves as a research associate. Previously, she has conducted research for Vivo en Positivo, a Bolivian HIV organization, and served as a fellow for the Project on International Peace and Security, through which she presented a policy brief regarding epidemic security at the National Press Club in Washington, DC. DoCampo holds a BA in international relations with a minor in public health from the College of William and Mary 2-8-2017 https://www.thechicagocouncil.org/blog/global-food-thought/food-secure-future-warding-instability-and-conflict]

Food Insecurity and Price Shocks can Spark Violence and Political Instability

We have learned time and again that food supply shocks—like food price spikes—lead to instability, violence, and even regime collapse. In 2007 and 2008, when global food prices spiked dramatically, the governments of Haiti and Madagascar fell in the wake of food price-related protests. In 2010 and 2011, food prices were again implicated in the destabilizing uprisings of the Arab Spring. More recently, severe food shortages and soaring inflation have sparked rioting and lootings throughout Venezuela, as 90 percent of Venezuelan families struggle to afford food.

Council research has found that food price-related unrest occurs most often in urban areas, particularly in low- and middle-income countries. Africa and Asia, where rates of undernourishment are high and rates of urbanization are higher, housed 28 of the 29 riots that occurred during the food price spikes in 2007-2008 and 2010-2011. In developing cities on these continents, impoverished urban dwellers may spend up to 50 percent of their incomes on food. Additionally, food supplies in these cities many be tenuous—either dependent on food imports or domestic production vulnerable to external shocks. As such, urban consumers in low- and middle-income countries may face chronic food insecurity, significant food price volatility, and little ability to absorb price shocks—these factors all contribute to the likelihood of rioting and unrest in urban areas plagued by hunger crises.

Rural citizens—though they aren’t able to mobilize as readily as their urban counterparts—are deeply impacted by instability in agricultural markets and chronic food insecurity. Rural communities depend on stable food prices, sufficient agricultural inputs, and fair agrarian policy to sustain their livelihoods. In their absence, rural residents may be more likely to engage in civil unrest. The Revolutionary Armed Forces of Colombia (FARC)—which concluded peace negotiations with the government in December after a bloody, 52-year conflict—was formed by disenfranchised rural communities, who had suffered from a collapse in agricultural markets and a lack of agrarian reform. FARC continued to recruit poor, rural people throughout its insurgency.

Food Insecurity is a Powerful Driver for Migration

Food insecurity is not only a potential driver of conflict, but it can also spur large-scale migration. The World Food Programme and the International Organization for Migration first identified this relationship in the migratory patterns of subsistence farmers and households impacted by drought in El Salvador, Guatemala, and Honduras in 2014. They found that food insecurity proved a significant factor in decisions to migrate, particularly to the United States, while violence may have also played a less consistent role in outward migration from the region.

This is a phenomenon we, sadly, see playing out today across the Middle East and sub-Saharan Africa. In South Sudan, where nearly one third of the population is in need of emergency food assistance as a result of civil war, 450,000 people have left the country since July 2016. Conflict in Syria, meanwhile, has decimated agricultural production, destroying agricultural infrastructure and disrupting food supply chains. With little ability to generate livelihood or secure sufficient food, many farmers and rural households have had no choice but to migrate. Those that have fled to refugee camps in the region continue to face hunger as funding cuts have restricted the ability of organizations like WFP and UNHCR to supply sufficient rations and aid; many refugees have chosen to migrate farther, to Europe in many cases, in response.

Food Security Promotes International Security

The impacts of food insecurity, especially when they provoke instability and unrest, reach well beyond national borders.

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When food insecurity topples governments, the international order is invariably altered and regions are destabilized. When food insecurity forces migration across regions, or continents, international relations are strained, public services are weakened, and families are torn apart.

These are lessons, however, that are too often employed in hindsight. In Cameroon, the United Nations Development Programme has begun to provide agricultural inputs and training to youth, who, without economic alternative, were being recruited to Boko Haram. The Colombian government incorporated agricultural development and rural poverty reduction measures into its peace treaty with FARC, having completed its first rural census in 45 years in 2015.

We all have enormous stake in ensuring the food security of individuals and communities around the world—in providing both consumers and producers with the resilience to withstand shocks from climate, conflict, or any extreme conditions. We have the opportunity, now, to do so before further instability threatens our collective welfare. Otherwise, we will continue to face new iterations of the challenges we see today: deeply entrenched conflict, widespread migration, and unimaginable human suffering.