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### 1AC---Economy ADV

#### Standards-Setting Organizations (SSO’s) are industry members who jointly establish standards for information tech defined by the adoption of standard-essential patents (SEP’s), which are licensed to companies who wish to implement the tech in their product, called implementers, on Fair, Reasonable, and Non-Discriminatory (FRAND) terms. Current standards promote price gouging, FRAND enforcement is critical.

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I. Standard Setting and the Competitive Process

The fundamental economics in the information technology sector, driven by network effects, implies that there is enormous value associated with establishing compatibility standards. Popular standards include the mobile broadband standards used in cell phones, which are established by the 3rd Generation Partnership Project (3GPP), and the Wi-Fi technology for wireless local area networks, which is enabled by the 802.11 standard established by the Institute of Electrical and Electronics Engineers (IEEE).4

There are many SSOs, and their rules and procedures differ considerably. In addition to IEEE, leading SSOs include the International Organization for Standardization (ISO), the International Telecommunication Union (ITU), the European Telecommunications Standards Institute (ETSI), the Internet Engineering Task Force (IETF), and the World Wide Web Consortium (W3C).5 SSOs generally establish standards by holding a series of committee meetings among industry participants. These meetings culminate in a vote on a technical specification that describes what features or attributes a product must have in order to comply with the standard. Most SSOs are open to all industry participants and seek to operate on a consensus basis, applying certain voting rules. SSOs do not normally engage in patent licensing, nor do they specify how patent royalties will be divided up among patent holders. They leave that to their members, which in some cases form patent pools to address these issues.6

SSOs adopt specific policies relating to intellectual property rights (IPRs).7 These IPR policies are generally intended to enable the SEP holders to obtain reasonable royalties for licensing their patents, while prohibiting them from charging excessive royalties after other industry participants have committed to the standard. At that point, firms committed to implementing the standard— which we call “implementers”—would find it very costly to avoid using the patented technology. For this purpose, most SSOs require SEP owners to license their SEPs on FRAND terms.8

FRAND policies are especially necessary because negotiations between SEP holders and implementers generally take place only after the implementers have used and infringed the technologies claimed by the SEPs. Standards involving information and communications technology can involve hundreds or even thousands of SEPs, many with uncertain boundaries for infringement. In addition, a time lag exists between patent application and patent issuance. For these and other reasons, it is impractical for implementers to enter into negotiations for patent licenses with all SEP owners prior to the establishment of a standard and to their implementation of it.9

The fact that patent negotiations generally do not take place until after implementers have used and infringed the technologies has several critical implications. First, at the time of negotiation, implementers are locked into the standard and the technologies claimed by the SEPs—that is, the cost to switch to an alternative technology or standard at that point—ex post—is much greater than it was ex ante, before the patented technology was first included in the standard. Ex post, the patent holder is no longer competing to have its technology included in the standard, nor is it competing to have implementers of the standard use its technology. Instead, because the patent holder owns an asset that is essential to the standard, implementers have no choice but to use the patented technology.

If the standard is commercially successful, implementers are willing to pay a much larger royalty for use of the patented technology than they would have paid ex ante, when the SEP holder faced competition from other technologies. In these circumstances, the SEP holder can be said to have obtained monopoly power in the market in which the patented technology is licensed for use in implementing the standard.10

Second, because of lock-in and the implementer’s ongoing infringement, the potential for litigation looms large in licensing negotiations. In effect, the parties are negotiating about how to settle an infringement suit, and that negotiation is heavily influenced by their predictions as to what the court will do if they cannot agree. This situation is not unique to SEPs; it arises frequently when firms are faced with patent infringement claims for products they have independently developed or technologies they have inadvertently infringed. Patent law addresses such instances by specifying that patent holders are entitled to “reasonable royalties,” defined as the royalties that the parties would have negotiated prior to the infringement and thus prior to lock-in.11 Those hypothetical ex ante royalties reflect the market value of the patent license. Notwithstanding the law’s embrace of this principle, however, as a practical matter, patent holders are generally able to recover more than the ex ante value of the patent when litigation occurs after the implementers are locked in. Further, negotiations in the shadow of litigation after lock-in tend to result in royalties in excess of the ex ante or market value of the patented technology.12

Third, the shadow of litigation is particularly problematic in the communications and technology sector, in which products typically include hundreds or thousands of patented technologies. A court-ordered injunction involving such products would deprive the implementer of not only the value of the technology covered by the patent-in-suit, but also the value of the entire product.13 Implementers that are forced to bear the risk of an injunction are thus induced to agree to royalties greater than those that would be appropriate if only the value of the patented technology were at stake. Those royalties systematically provide SEP holders with excessive compensation in comparison with the benchmark of ex ante royalties.

These implications of lock-in and ex post dealings are well-understood: they represent an example of the general concept of lock-in and opportunism developed by Oliver Williamson.14 The Federal Circuit has also recognized the market distortions caused by the inclusion of patented technologies in public standards and the resulting danger of patent holdup involving SEPs.15

For these and other reasons, the SEP holder has ex post monopoly power that, if left unchecked, would enable it to obtain royalties far in excess of the royalties that it could earn in a competitive market.16 To address this common problem and limit ex post opportunism by SEP holders, SSOs typically require participants that own SEPs to make certain FRAND commitments. In particular, by requiring a commitment to license on “fair and reasonable” terms, the FRAND requirement aims to prevent, or at least reduce, the extent of monopoly pricing by SEP holders. And by requiring a commitment to license on “nondiscriminatory” terms, the FRAND requirement can prevent SEP holders from extracting monopoly premiums by selective licensing or, more important, migrating their monopoly power from the FRAND-regulated market to unregulated standard-implementing product markets by licensing to only one or a few implementers or licensing to selected implementers on discriminatorily favorable terms.

#### Patent holdup is accentuated by the Ninth Circuit’s recent decision in *FTC v. Qualcomm* that permits ICT firms to engage in innovation-stifling conduct with antitrust impunity.

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Standards can enhance competition and consumer choice, but they also massively inflate the value of patents deemed essential to the standard, and give their owners the power to sue companies that implement the standard for money damages or injunctions to block them from using their SEPs. When standards cover critical features like wireless connectivity, SEP owners wield a huge amount of “hold-up” power because their patents allow them to effectively block access to the standard altogether. That lets them charge unduly large tolls to anyone who wants to implement the standard.

To minimize that risk, standard-setting organizations typically require companies that want their patented technology incorporated into a standard to promise in advance to license their SEPs to others on fair, reasonable, and non-discriminatory (FRAND) terms. But that promise strikes at a key tension between antitrust and patent law: patent owners have no obligation to let anyone use technology their patent covers, but to get those technologies incorporated into standards, patent owners usually have to promise that they will give permission to anyone who wants to implement the standard as long as they pay a reasonable license fee.

Qualcomm is one of the most important and dominant companies in the history of wireless communication standards. It is a multinational conglomerate that has owned patents on every major wireless communication standard since its first CDMA patent in 1985, and it participates in the standard-setting organizations that define those standards. Qualcomm is somewhat unique in that it not only licenses SEPs, but also supplies the modem chips used by a wide range of devices. These include chips that implement wireless communication standards, which lie at the heart of every mobile computing device.

Although Qualcomm promised to license its SEPs (including patents essential to CDMA, 3G, 4G, and 5G) on FRAND terms, its conduct has to many looked unfair, unreasonable, and highly discriminatory. In particular, Qualcomm has drawn scrutiny for bundling tens of thousands of patents together—including many that are not standard-essential—and offering portfolio-only licenses no matter what licensees actually want or need; refusing to sell modem chips to anyone without a SEP license and threatening to withhold chips from companies trying to negotiate different license terms; refusing to license anyone other than original-equipment manufacturers (OEMs); and insisting on royalties calculated as a percentage of the sale price of a handset sold to end users for hundreds of dollars, despite the minimal contribution of any particular patent to the retail value.

In 2017, the U.S. Federal Trade Commission [sued](https://www.ftc.gov/news-events/press-releases/2017/01/ftc-charges-qualcomm-monopolizing-key-semiconductor-device-used) Qualcomm for violating both sections of the Sherman Antitrust Act by engaging in a number of anticompetitive SEP licensing practices. In May 2019, the U.S. District Court for the Northern District of California agreed with the FTC, identifying numerous instances of Qualcomm’s unlawful, anticompetitive conduct in a comprehensive [233-page opinion](https://www.eff.org/document/ftc-v-qualcomm-district-court-opinion). We were pleased to see the FTC take action and the district court credit the overwhelming evidence that Qualcomm’s conduct is corrosive to market-based competition and threatens to cement Qualcomm’s dominance for years to come.

But this month, a panel of judges from the Court of Appeals for the Ninth Circuit unanimously [overturned](https://www.eff.org/document/ninth-circuit-opinion-ftc-v-qualcomm) the district court’s decision, reasoning that Qualcomm’s conduct was “hypercompetitive” but not “anticompetitive,” and therefore not a violation of antitrust law. To reach that result, the Ninth Circuit made the patent grant more powerful and antitrust law weaker than ever.

According to the Ninth Circuit, patent owners don’t have a duty to let anyone use what their patent covers, and therefore Qualcomm had no duty to license its SEPs to anyone. But that framing requires ignoring the promises Qualcomm made to license its SEPs on reasonable and non-discriminatory terms—promises that courts in this country and around the world have consistently enforced. It also means ignoring antitrust principles like the essential facilities doctrine, which limits the ability of a monopolist with hold-up power over an essential facility (like a port) to shut out rivals. Instead, the Ninth Circuit held rather simplistically that a duty to deal could arise only if the monopolist had provided access, and then reversed its policy.

But even when Qualcomm restricted its licensing policies in critical ways, the Ninth Circuit found reasons to approve those restrictions. For example, Qualcomm stopped licensing its patents to chip manufacturers and started licensing them only to OEMs. This had a major benefit: it let Qualcomm charge a much higher royalty rate based on the high retail price of the end user devices, like smartphones and tablets, that OEMs make and sell. If Qualcomm had continued to license to chip suppliers, its patents would be “exhausted” once the chips were sold to OEMs, extinguishing Qualcomm’s right to assert its patents and control how the chips were used.

Patent exhaustion is a century-old doctrine that protects the rights of consumers to use things they buy without getting the patent owner’s permission again and again. Patent exhaustion is important because it prevents price-gouging, but also because it protects space for innovation by letting people use things they buy freely, including to build innovations of their own. The doctrine thus helps patent law serve its underlying goal—promoting economic growth and innovation. In other words, the doctrine of exhaustion is baked into the patent grant; it is not optional. Nevertheless, the Ninth Circuit wholeheartedly approved of Qualcomm’s efforts to avoid exhaustion—even when that meant cutting off access to previous licensees (chip-makers) in ways that let Qualcomm charge far more in licensing fees than its SEPs could possibly have contributed to the retail value of the final product.

It makes no sense that Qualcomm could contract around a fundamental principle like patent exhaustion, but at the same time did not assume any antitrust duty to deal under these circumstances. Worse, it’s harmful for the economy, innovation, and consumers. Unfortunately, the kind of harm that antitrust law recognizes is limited to harm affecting “competition” or the “competitive process.” Antitrust law, at least as the Ninth Circuit interprets it, doesn’t do nearly enough to address the harm downstream consumers experience when they pay inflated prices for high-tech devices, and miss out on innovation that might have developed from fair, reasonable, and non-discriminatory licensing practices.

We hope the FTC sticks to its guns and asks the Ninth Circuit to go en banc and reconsider this decision. Otherwise, antitrust law will become an even weaker weapon against innovation-stifling conduct in technology markets.

#### Weakened antitrust enforcement emboldens firms to follow Qualcomm’s lead, which collapses FRAND integrity.

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While the FRAND process has been highly productive, it is also fragile. Firms are tempted to make commitments at the beginning when the incentive to join is large, but renege on them later when they can profit by doing so. At least in this particular case, private FRAND enforcement had not worked very well. Qualcomm had been able to violate FRAND commitments in order to exclude rivals and obtain higher royalties than FRAND would permit, largely with impunity. Other firms will very likely follow Qualcomm’s lead. If that happens the FRAND system will fall apart, doing irreparable injury to the modern wireless telecommunications network or, at the very least, diminishing the leadership role of the United States in preserving effective network competition.

While governments can be heavily involved in standard set-ting,9 the implementation of technical standards in information technologies is largely the work of private actors. Government involvement is limited mainly to enforcement of contract, intellectual property, or antitrust law. As private actors, those involved in standard setting or compliance are fully subject to the federal antitrust laws.

This Article addresses one question: when is an SSO participant’s violation of a FRAND commitment an antitrust violation, and if it is, of what kind and what are the implications for remedies? It warns against two extremes. One is thinking that any violation of a FRAND commitment is an antitrust violation as well. In the first instance FRAND obligations are contractual, and most breaches of contract do not violate any antitrust law. The other extreme is thinking that, because a FRAND violation is a breach of contract, it cannot also be an antitrust violation. The question of an antitrust violation does not de-pend on whether the conduct breached a particular agreement but rather on whether it caused competitive harm. This can happen because the conduct restrained trade under section 1 of the Sherman Act, was unreasonably exclusionary under section 2 of the Sherman Act, or amounted to an anticompetitive condition or understanding as defined by section 3 of the Clay-ton Act.10 The end goal is to identify practices that harm com-petition, thereby injuring consumers.

The Ninth Circuit’s Qualcomm decision will make antitrust violations in the context of FRAND licensing much more difficult to prove, even in cases where anticompetitive behavior and consumer harm seem clear.11 Indeed, in this case the court itself acknowledged the harm to consumers but appeared to think that they were not entitled to protection.12 If this decision stands, FRAND obligations will to a larger extent have to be settled through private litigation and the federal antitrust enforcement agencies will have a diminished role. Anticompetitive behavior by one firm that is not effectively disciplined will lead others to do the same thing.

#### Monopoly pricing and selective licensing incentivizes rent-seeking and undermines 5G innovation.

Actonline 20, the App Association represents more than 5,000 app companies and information technology firms across the mobile economy; (August 26th, 2020, “Save Our Standards: The Ninth Circuit Court of Appeals Reverses Decision in FTC v. Qualcomm”, <https://actonline.org/2020/08/26/save-our-standards-the-ninth-circuit-court-of-appeals-reverses-decision-in-ftc-v-qualcomm/>), ability edited

Moreover, the FRAND agreement is a critical tool used by standard setting organizations to ensure the process enhances competition and does not run afoul of antitrust laws. Generally, a collaboration between competitors to choose market winners or set prices raises significant questions for competition regulators. Royalty free and FRAND licensing requirements were created by standards bodies to avoid potential antitrust scrutiny by limiting the market power and the potential for abuse by those involved in developing a standard. This is why the American National Standards Institute (ANSI) will not accredit any standards developing organization (SDO) that does not require standard-essential patent holders to provide licensing terms at least as favorable as FRAND.

The most important beneficiary of open interoperability standards and FRAND licensing requirements are the entrepreneurs and small businesses that have long fueled America’s innovation engine. They don’t have giant patent portfolios, market power, or the resources to hire legions of lawyers and spend years battling SEP abusers in civil court. Without some level of certainty about their ability to obtain licenses—let alone what they may cost—entrepreneurs will have trouble justifying the pursuit of any innovation that uses a standard and will certainly struggle to raise money from investors for such innovation. And Qualcomm’s vague and toothless promise simply “not to sue” smaller companies and component makers is no substitute for a license.

The adoption of 5G technology is expected to open unprecedented opportunities for innovation and economic growth as we move toward a world where everything from cars to tractors to buildings will connect to wireless networks. At every stage of the information technology revolution, America has been the undisputed leader because of the unparalleled entrepreneurial innovation ecosystem that we have built. If 5G SEP holders are able to arbitrarily refuse licenses to smaller firms, it would ~~cripple~~ undermine America’s innovation ecosystem at the start of the next big wave of innovation. As economic tensions continue to rise with China, Chinese-based companies could use their 5G SEPs as international economic weapons to thwart U.S. competitors.

The 5G standard is supposed to be a platform for competition, innovation, and entrepreneurship, but if the Ninth Circuit decision is allowed to stand, it will become a chokepoint for snuffing out competitors and demanding monopoly rents. Open standards and FRAND licensing commitments are fundamental to competition in the modern economy, and the idea that they aren’t a subject for antitrust enforcement is patently absurd.

#### A trusted and credible system for ICT innovation is critical to rapid tech diffusion and economic growth---absent FRAND, the system will collapse.

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It is easy to take a pessimistic view about whether the system will break. If the current trend continues, the system is likely to break at some point for the simple reason that companies will not trust it anymore. The series of legal disputes witnessed over the past years – sometimes referred to as the “smartphone patent wars” – has been fodder for a pessimistic reading of “the two tales of SEPs”. While it is common in the business world that disputes over patents and licenses are settled in courts, various SEP disputes have revealed problematic aspects of the SEP market that are different from those disputes that follow the normal stream of business and contracts. Often, the SEP disputes are less concerned about the rights and boundaries of patents, and more about antitrust limits to market behavior: they concern market abusive practices and restrictions to competition as much as they are about intellectual property.

If the SEP system actually does break at some point, the consequences would be felt throughout the economy. SEPs have been a critical part of the ICT revolution. SEPs have allowed for the fast rates of innovation diffusion that the world has witnessed over the past quarter of a century. All the computer and Internet related products and services that people are now dependent upon for their private and professional lives are intricate webs of intellectual property. As many as 250,000 patents can be used to claim ownership of some technical specification or design element in a single smartphone (NYT 2012). A laptop, suggests one calculation, implements more than 250 interoperability standards (Biddle et al. 2010), and the number of SEP holders for 3G and 4G standards grew from 2 in 1994 to 130 in 2013 while the number of SEPs rose from fewer than 150 in 1994 to more than 150,000 in 2013 (Galetovic and Gupta 2016). The standardization-body ETSI has registered more than 150,000 declarations of SEPs from companies, and ETSI is just one of many bodies in the world of ICT standardization. For the 3G standard, the same body has about 24,000 patents that have been declared essential. Now, with the economy yet again on the threshold of big technological change, a trusted and credible system for creators and users of technology to standardize proprietary technology would be a boon for innovation, interoperability and – ultimately – the consumers.

And there are reasons for optimism. Although many of the problems in the SEP regimes need to be addressed, the numbers above indicate that the SEP system is in fact attractive to patent holders and SEP implementers. It is easy to see why: neither holders nor implementers are presented with alternative options that on the face of it would be far more profitable for them. In other words, there simply would not be as many patents declared as essential if both creators and users of technology believed the SEP system worked to their disadvantage or was grossly unfair. While the reality for some companies may be that legal disputes and unpredictability prompt them to find other ways than SEPs to get access to key technologies for their products, it remains the case that most stakeholders have strong economic incentives to maintain a balanced SEP system that is trusted.

First, standard essential patents are an asset for creators of technology because, by becoming essential to a standard, their volumes of sales for technologies that users value rise significantly. As many holders want to raise more revenues for their SEPs and – ideally – have the freedom to contract with buyers on their terms, they can expand their customer base when they agree to sell patented technology in accordance with a set of rules that are designed to prevent SEP holders exploiting the weakness of a customer that has grown dependent on having access to their technology.

Second, SEPs are hugely beneficial also to those that buy the licenses – the implementers or users. Through the SEP system, they can access technologies that are interoperable and work with different products and functionalities – and they can do it under conditions that, if history is a guide, in most cases give them stable and predictable terms of contract. As a consequence, both creators and users can focus on their competitive advantages and profit on the economies of scale and specialization. Downstream firms do not need to develop their own upstream technology and upstream firms do not need to package their technologies in end-customer products in order to make their products valuable.

Third, standard-setting organisations (SSOs) also have a big stake in an SEP system that works well – and, like creators and users of technology, they would stand to lose significantly if the SEP system were to collapse.

Lastly, the biggest beneficiaries are individual consumers – those who buy the end products using FRAND-conditioned SEPs. The advent of SEPs and the rules represented by FRAND have enabled a development of fast technology creation and contributed to the rapid diffusion in ICT goods and ICT-based services. The SEP system has also allowed for new competition, both between existing technologies and brands, and from new ones that have stepped into the market with the ambition to disrupt it, again to the benefit of the consumer. It is difficult to imagine that the ICT and digital development would have been as fast as it has been if SEPs had not been a central feature of the market.

The changing fortunes of companies operating in the cellular and smartphone market would not have been possible if there had not been an SEP system that supported competition. Now that the world economy is on the doorstep of new innovations that are dependent on a great number of input technologies – e.g. the Internet-of-Things, transport connectivity and intelligent vehicles – it is crucially important for the consumer that a balanced and functioning SEP system is maintained and that actors in the system converge towards it – which would ultimately meet their economic interests.

#### ICT innovation is key to post-COVID economic recovery and long-term growth.

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Introduction

As the global economy has entered recession in 2020, triggered by the COVID-19 pandemic, the human casualties, and economic damage are perceived to be very large. Even as the health crisis will gradually become manageable, the impact on economic growth can be long-lasting and the recovery path can take several years. In particular, growth drivers such as the pace of job creation, income generation and investment may take several years to get back to pre-crisis trends. Initially the productivity of those growth drivers may be of less concern as the mantra of ‘we’ll do what it takes to avoid worse’ is predominant in this phase of the crisis.

However, once the recovery gets underway the productive use of resources is key to sustained growth. While we do not ignore the short-term challenges of the economic recovery, our primary focus in this paper is on the productivity puzzle from a long-term perspective. Productivity is driven by technological change and innovation which, in turn, depends on investment in human and physical capital as well as in other ‘missing capitals’ often referred to as intangible assets. Indeed, those investments create a positive feedback effect, as the productivity it generates also helps to make more efficient usage of scarce resources in the future. When properly measured and valued, productivity also provides a critical yardstick to realise a fairer distribution of the gains from economic growth to those who bring the resources to bear. It thereby creates the incentives for people to produce and business to invest helping to drive economic growth and raise living standards.

Unfortunately, in the aftermath of the global financial crisis of 2008/2009, many economies around the world, especially advanced economies, have failed to recharge the economy by powering productivity as the key source of growth in the long term. Indeed the latest update of The Conference Board Total Economy Database (July 2020) points at significant weakening in labor productivity growth in Europe up to 2019 (figure 1a–c). While the United States experienced somewhat faster productivity growth from 2017 to 2019 than the Euro Area and the United Kingdom, it still has not recovered to the rates of productivity growth from before the global financial crisis either.

The slowdown in productivity growth over the past 15 years has been well documented. There are multiple causes including an exhaustion of catch-up potential in emerging markets impacting economies along entire global value chains, and the drag from the global financial crisis because of low demand and weak investment, too low interest rates causing misallocations an overreliance on cheap labor, and failing fiscal policies (Bauer et al., 2020; Cette et al., 2016; Crafts, 2018; Dieppe, 2020; Fernald et al., 2017; Syverson, 2016).1 Technical measurement issues regarding inputs and outputs may have played a role as well.

In our earlier work we have stressed the importance of time lags in the adoption of new technologies, and in particular the complexity in generating productivity growth from the latest round of new digital technologies since the early 2010s, including the move toward mobile, ubiquitous access to broadband, the rise of cloud storage and advances in artificial intelligence (AI) and robotics (van Ark, 2016a, 2016b; van Ark and O’Mahony, 2016; van Ark et al., 2016).

While the first priority for economic recovery from the COVID-19 crisis is to restore jobs, it is important that any employment-intensive growth path does go together with a productivity revival. In this paper, we argue that it is possible to avoid another productivity slowdown. Underneath the aggregate figures, there is evidence pointing toward a possible tipping point at which many advanced economies may expect to see more widespread impacts from the adoption and absorption of digital technology on productivity and GDP growth.

In Section 2 we review the latest literature on the productivity impacts of general purpose technologies (GPTs), including the notion of time lapses through which digital technologies result in faster productivity growth. We also look at patterns by which innovation and productivity effects GPTs emerge across industries and disperse across the economy. We explain why the New Digital Economy (NDE) is especially characterised by long lag effects.

In Section 3 we provide an empirical analysis of productivity growth by industry data to observe whether we can detect a distinct pattern across groups of industries pointing to a structural improvement in recent years. We use a taxonomy on digital intensity by industry which was recently developed by the Organisation for Economic Co-operation and Development (OECD) (Calvino et al., 2018), showing that the most digital-intensive industries have experienced a relatively strong performance in terms of labor productivity growth since 2007 and especially since 2013.

In Section 4 of the paper, we discuss the connection between labor and skills in the digital economy, which we believe provides the key to a productivity revival. We developed a new metric on innovation competencies by occupation on the basis of data from the O\*Net database on occupation-specific descriptors in the United States (Hao et al., 2018). When applied to the United Kingdom, we find that innovation competencies point at stronger productivity effects by industry.

In Section 5 we focus on how productivity has been behaving in the short-term during the COVID-19 recession. In particular, we address the potential trade-offs between traditional pro-cyclical recovery effects and scarring effects the recession leaves, especially on the labor market. We argue that increased adoption and usage of digital technologies during the COVID-19 crisis may create a positive productivity effect. In the final section, Section 6, we will review our hypothesis that a productivity revival could be imminent in the light of the recovery from the COVID-19 crisis. In order not to miss this opportunity again, as happened a decade ago, we argue that a coordinated effort from business and policy is needed, and has to be delivered in such a way that the gains from productivity will be more widespread and such that those who provide the resources for growth are incentivised to deliver them in an efficient way.

2. The productivity paradox of the New Digital Economy

It is well known that General Purpose Technologies (GPTs), defined as new methods of producing and inventing new goods and services which are important enough to have a long-term aggregate impact on the economy, can take a significant amount of time to translate to faster productivity growth at the aggregate level of the economy. This is inherent to the three critical characteristics of a GPT as identified by Bresnahan and Trajtenberg (1995).2

1. Pervasiveness –The GPT should spread to most sectors.

2. Improvement –The GPT should get better over time and, hence, should keep lowering the costs of its users.

3. Innovation spawning –The GPT should make it easier to invent and produce new products or processes.

Historical analysis has focussed on productivity trends in previous technology phases (Bakker et al., 2019; Crafts, 2004). Recent literature has shown that the information and communication technology (ICT) revolution of the past 50 years can be characterised as a GPT and doesn’t pale with previous GPTs such as steam technology, electricity and the combustion engine. For example, Hempell (2005) concludes that ‘investment in information and communication technologies (ICT) are closely linked to complementary innovations and are most productive in firms with experience from earlier innovations’. In a more recent analysis of the evolution of the Internet, Simcoe (2015) argues that the modularity of the internet has prevented a fall in return to investments in innovation by ‘facilitating low-cost adaptation of a shared general-purpose technology to the demands of heterogeneous applications’. In a review of the data, Liao et al. (2016) conclude that:

‘...ICT investment does contribute to productivity but not in the usual manner –we find a positive (but lagged) ICT effect on technological progress. We argue that for a positive ICT role on growth to actually take place, a period of negative relationship between productivity and ICT investment together with ICT-using sectors’ capacity to learn from the embodied new technology was crucial. In addition, it took a learning period with appropriate complementary co-inventions for the new ICT-capital to become effective and its gains to be realised. Our findings provide solid, further empirical evidence to support ICT as a general purpose technology’.

#### Growth solves nuclear war.

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What Is To Be Done?

The first marching order is to dodge any kind of perpetual war of the sort that George Orwell outlined in  “1984,” which engulfed the three super states of Eastasia, Eurasia, and Oceania, and made possible the totalitarian Big Brother regime. A long-running Cold War-type confrontation would almost certainly take another form than the one that ran from 1945 until the downfall of the Soviet Union.

What prescriptions can be offered in the face of the escalating competition among the three global powers? First, by staying militarily and economically strong, the United States will have the resources to deter its peers’ hawkish behavior that might otherwise trigger a major conflict. Judging by the history of the Cold War, the coming strategic chess match with Russia and China will prove tense and demanding—since all the countries boast nuclear arms and long-range ballistic missiles. Next, the United States should widen and sustain willing coalitions of partners, something at which America excels, and at which China and Russia fail conspicuously.

There can be little room for error in fraught crises among nuclear-weaponized and hostile powers. Short- and long-term standoffs are likely, as they were during the Cold War. Thus, the playbook, in part, involves a waiting game in which each power looks to its rivals to suffer grievous internal problems which could entail a collapse, as happened to the Soviet Union.

Some Chinese and Russian experts predict grave domestic problems for each other. They also entertain similar thoughts about the United States, which they view as terminally decadent and catastrophically polarized over politics, ethnicity, and the future direction of the country. So, the brewing three-way struggle also involves a systemic contest, which will test the competitors’ economic and political institutions.

At this juncture, the world is entering a standoff among the three great and several not-so-great powers. Averting war, while defending our interests, will prove a challenge, calling for deft policy, political endurance, and economic growth, as well as sufficient military force to keep at bay aggressive states or prevail over them if ever a war breaks out.

#### Economic growth is responsible for drastic improvements in global living standards, and is the only path for future improvements.

Cowen 18, \*Tyler Cowen is a Holbert L. Harris Professor at George Mason University and Director of the Mercatus Center; (October 16th, 2018, “Stubborn Attachments: A vision for a society of free, prosperous, and responsible individuals”, <https://www.goodreads.com/en/book/show/31283667-stubborn-attachments>)

How good is growth, anyway ?

The history of economic growth indicates that, with some qualifications, growth alleviates misery, improves happiness and opportunity, and lengthens lives. Wealthier societies have better living standards, better medicines, and offer greater personal autonomy, greater fulfillment, and more sources of fun. While measured wealth does not exactly correspond to Wealth Plus, these two concepts have come pretty close to one another in the past, especially across the range of outcomes we have observed (as opposed to hypothetical thought experiments and counterfactuals).

We often forget how overwhelmingly positive the effects of economic growth have been. Economist Russ Roberts reports that he frequently polls journalists about how much economic growth there has been since the year 1900. According to Russ, the typical response is that the standard of living has gone up by around fifty percent. In reality, the U.S. standard of living has increased by a factor of five to seven, estimated conservatively, and possibly much more, depending on how we measure prices and the values of outputs over time, a highly inexact science.

The data show just how much living standards have gone up. In 1900, for instance, almost half of all U.S. households (forty-nine percent) had more than one occupant per room and almost one quarter (twenty-three percent) had over 3.5 persons per sleeping room. Slightly less than one quarter (twenty-four percent) of all U.S. households had running water, eighteen percent had refrigerators, and twelve percent had gas or electric lighting. Today, the figures for all of these stand at ninety-nine percent or higher. Back then, only five percent of households had telephones, and none of them had radio or TV. The high school graduation rate was only about six percent, and most jobs were physically arduous and had high rates of disability or even death. In the mid-nineteenth century, a typical worker might have put in somewhere between 2,800 and 3,300 hours of work a year; that estimate is now closer to 1,400 to 2,000 hours a year. 6

Until recently, polio, tuberculosis, and typhoid were common ailments, even among the rich. U.S. presidents George Washington, James Monroe, Andrew Jackson, Abraham Lincoln, Ulysses S. Grant, and James A. Garfield all caught malaria during their lives. Antibiotics and vaccines have existed for only a tiny fraction of human history, and it is no coincidence that they emerged in the wealthiest time period humanity has ever seen. There is also a strong and consistent relationship between wealth and rates of infant mortality; small children do best when they are born into wealthier countries, and that is because wealth supplies the resources to take better care of them.

As recently as the end of the nineteenth century, life expectancy in Western Europe was roughly forty years of age, and food took up fifty to seventy-five percent of a typical family budget. The typical diet in eighteenth-century France had about the same energy value as that of Rwanda in 1965, the most malnourished nation for that year. One effect of this deprivation was that most people simply did not have much energy for life.

In earlier time periods, most individuals performed hard physical labor, and a college or university education—or even a high school education—was a luxury. Leisure time has risen with economic growth. In 1880, about four-fifths of individuals’ discretionary time was spent working, according to economist Robert Fogel. Today we spend about fifty-nine percent of our time doing what we like, and that may rise to seventy-five percent by 2040. 8

The splendors of the modern world are not just frivolous baubles; they are important sources of human comfort and well-being. Imagine that a time traveler from the eighteenth century were to pay a visit to Bill Gates today. He would find televisions, automobiles, refrigerators, central heating, antibiotics, plentiful food, flush toilets, cell phones, personal computers, and affordable air travel, among other remarkable benefits. The most impressive features of Gates’s life, seen from the point of view of a person from the eighteenth century, are those shared by most citizens of wealthy countries today. My smartphone is as good as his. The very existence of an advanced civilization—the product of cumulative economic growth—confers immense benefits to ordinary citizens, including their ability to educate and entertain themselves and choose one life path over another. For further arguments along these lines, I recommend Steven Pinker’s recent book, Enlightenment Now: The Case for Reason, Science, Humanism, and Progress . 9

The economic growth of the wealthier countries benefits the very poor as well, though sometimes with considerable lags. The distribution of wealth changes over time, and not all growth trickles down, but as an overall historical average, the bottom quintile of an economy shares in growth. 10 You can see this by comparing the bottom quintile in, say, the United States to the bottom quintile in India or Mexico.

The richer economy can also do more to elevate the living standards of immigrants. Poor people who move to rich countries usually receive higher incomes and have better living conditions, and their children do better still. The richer the receiving country, the more new immigrants tend to benefit. Central American immigrants to the United States do better than Central American immigrants to Mexico or Nepalese immigrants to India. Immigrants also send remittances back home at a rate that far exceeds governmental foreign aid. Actual upward mobility in the United States far exceeds what the usual numbers indicate, because published statistics on upward mobility do not typically include a comparison with pre-immigration outcomes.

But the chain of benefits does not stop there. Migrants will often return to their home countries, bringing new skills and new business connections. Both India and Israel have developed vibrant technology and software scenes precisely because of their close ties with the start-up scene of the United States. English-language universities in English-speaking countries have trained many thousands of Asian students in science and engineering, again leading to new businesses and, eventually, higher economic growth in their home countries.

New medicines and technologies developed in wealthy nations also make their way to the rest of the world, as illustrated most conspicuously by the rapid spread of the cell phone and now the smartphone. One study predicts that if the leading twenty-one industrial countries were to boost their R&D by half a percentage point of GDP, U.S. output alone would grow by fifteen percent. But it doesn’t end there: output in Canada and Italy would grow by about twenty-five percent, and the output of all industrial nations would increase by 17.5 percent, on average. In the less economically developed countries, output would increase by about 10.6 percent on average. 11

Although these historical processes have often embodied unfairness and long lags of decades or more, economic growth has nonetheless brought wealth to the poor and elevated their status. The Greek city-states and the Roman Empire benefited from maritime trade across the Mediterranean; those regions in turn spread growth-enhancing institutions around Europe, Northern Africa, and the Middle East. The commercial revolution of the late Middle Ages and Renaissance reopened many of the trade routes of antiquity, and eventually human beings started to climb out of the Malthusian trap of very low per capita incomes at subsistence. The wealth of the West helped to enable the export miracles of the East Asian economies. Today, most poor countries seek greater access to wealthier Western and Asian markets, and flourish if they can achieve it. 12

For all the recent increases in inequality within individual nations, global inequality has declined over the last few decades, in large part because of growth in China and India. And the growth in these emerging nations was largely driven by earlier growth in the West and in East Asia. China, for instance, engaged in “catch-up” growth by adopting Western technologies and exporting to the wealthier nations. China has gone from being a quite poor nation to a “middle-income” nation with a sizable middle and upper class.

Although recent media coverage has focused almost exclusively on within-nation magnitudes, recent world history has been an extraordinarily egalitarian time. It is above all else a story about how global economic growth helps the poor. There has been a squeezing of the middle class in the wealthier nations, in part because of increasing global competition. Still, we have seen economic growth, aggregate wealth, and global income equality all rising together over the last twenty-five years. Many citizens in East Asia, South Asia, and Latin America have seen significant gains in their standard of living, and much of this has been a trickle-down effect from the earlier growth of the wealthier countries. Much of Africa is now following suit, bolstered in part by China’s demand for raw materials, and also by the spread of modern technologies such as affordable cell phones. 13

Sometimes extended periods of growth do not confer full or fair benefits to the poor or lower classes, for instance during the early phase of the British Industrial Revolution in the late eighteenth century. Still, the historical record suggests that it was better for Britain to push ahead with economic growth, as this eventually drove the greatest boost in living standards the world has ever seen. To be sure, there were probably better policies which, had they been adopted, would have distributed the benefits of growth more widely (e.g., fewer wars and Poor Law reform and free trade for the British). But even taking misguided policies into account, Britain fared better by pursuing economic growth rather than turning its back on the idea, even though significant real wage gains for the working class often did not arrive until the 1840s.

Nobel Laureate Amartya Sen has promoted the idea of “capabilities” as, if not quite a substitute for economic growth, then an alternative focus. Sen points out that our positive opportunities in life often matter more than the amount of cash in our bank accounts. He also notes that some parts of the world, such as the state of Kerala in India, have relatively good health and education indicators, even though their per capita incomes are relatively low.

Sen’s points are well taken, but they do not put a fundamental dent in the relevance of wealth, or, as I am calling it here, Wealth Plus. The significant benefits accrued from capabilities, such as health benefits, are accounted for in Wealth Plus, even if they are not properly represented in current GDP measures. In other words, Kerala is wealthier than some limited statistical measures imply. Wealth and good social outcomes are still strongly correlated on average, and this correlation is stronger over longer time horizons. For instance, if Kerala does not grow much in more narrow economic terms, it is unlikely to look so impressive in its social indicators fifty or one hundred years from now. Even today, Kerala manages as well as it does in large part because so many Keralans take jobs in wealthier countries, especially in the Gulf States, and send money back home. And compared to other Indian states, Kerala has an above-average measure of wealth, as well as above-average consumption expenditures, both of which are accounted for in traditional statistics. 14

The truth is that economic growth is the only permanent path out of squalor. Economic growth is how the Western world climbed out of the poverty of the year 1000 A.D. or 5000 B.C. It is how much of East Asia became remarkably prosperous. And it is how our living standards will improve in the future. Just as the present appears remarkable from the vantage point of the past, the future, at least provided growth continues, will offer comparable advances, including, perhaps, greater life expectancies, cures for debilitating diseases, and cognitive enhancements. Billions of people will have much better and longer lives. Many features of modern life might someday seem as backward as we now regard the large number of women in earlier centuries who died in childbirth for lack of proper care.

I myself have written of the great stagnation, a slowdown in growth which overtook the Western world starting in about 1973. It would be a failure of imagination, however, to believe that human progress has run its course. The more plausible view is that progress is unevenly bunched, we have been in a slow period as of late, various new developments are percolating, and we should do our best to help them along. Whether we like it or not, economic growth and technological progress do not always arrive at a steady pace.

World history offers various precedents for the idea of a “great transformation” leading to enormous increases in the quality and quantity of human lives. Our ancestors did not foresee the evolution of humans, the agricultural revolution, the “urban revolution” (Sumeria and Mesopotamia, circa 4000 B.C.), or the Industrial Revolution. For that matter, the East Asian revolution in economic growth was not widely anticipated. Each development development dramatically changed the human condition over time, and eventually very much for the better. The history of economic growth, to some extent, is the history of working out the consequences of such unforeseen transformations. It is unlikely that we have seen the last of such revolutions, at least provided that civilization manages to stay afloat.

Looking into the more distant future makes the question of the economic growth rate all the more important. For instance, a two percent rate of economic growth, as opposed to a one percent rate, makes only a small difference across the time horizon of a single year. But as time passes, the higher growth rate eventually brings about a very large boost to well-being. To make this concrete, here’s an experiment: redo U.S. history, but assume the country’s economy had grown one percentage point less each year between 1870 and 1990. In that scenario, the United States of 1990 would be no richer than the Mexico of 1990. 15

It is also worth pondering some comparisons with higher rates of economic growth, of the sort we often see in emerging economies. At a growth rate of ten percent per annum, as has been common in China, real per capita income doubles about once every seven years. At a much lower growth rate of one percent, such an improvement takes about sixty-nine years.

Robert E. Lucas, Nobel Laureate in Economics, put the point succinctly: “The consequences for human welfare involved in questions like these are staggering: once one starts to think about [exponential growth], it is hard to think about anything else.” 16

Even if you don’t regard material wealth as central to human well-being, economic growth brings many other values, including, for instance, much greater access to the arts and education. Economic growth also gives individuals greater autonomy and minimizes the chance that their destiny will be determined by the time and place in which they were born. It remains true that many individuals are born poor or are born into families that do not much respect formal education or are born far away from cities. Still, ask yourself a simple question: has there ever been a time in human history when so many individuals had such a good chance of becoming world-class scientists ?

Individuals today are more able to shape their futures, choose their friends, communicate with the outside world, and weave together diverse cultural strands when building out their personal narratives. Benjamin M. Friedman, in his brilliant The Moral Consequences of Economic Growth , shows just how many of the virtues of the modern world depend on higher and indeed growing levels of wealth. 17

The bottom line is this: the more rapidly growing economy will, at some point, bring about much higher levels of human well-being—and other plural values—on a consistent basis. If some set of choices or policies gives us a higher rate of economic growth, those same choices or policies are akin to a Crusonia plant.

#### Innovation diffusion solves uneven global development and contributes to drastic increases in global productivity.

Eugster et al. 19, \*[Johannes Eugster](https://voxeu.org/user/270976), Economist, IMF; [Giang Ho](https://voxeu.org/user/223188), Economist in the European Department, IMF; [Florence Jaumotte](https://voxeu.org/user/222643), Deputy Division Chief, Research Department, IMF; [Roberto Piazza](https://voxeu.org/user/270975), Economist, IMF; (June 12th, 2019, “Technology diffusion and global living standards”, https://voxeu.org/article/technology-diffusion-and-global-living-standards)

The innovation landscape is changing

A striking development in recent years has been the rise of South Korea and China as innovators, whether measured by patenting or R&D spending. China’s R&D spending is now second only to that of the US (Figure 1). South Korea and China are today among the top five most innovative countries in a number of sectors, either based on the stock of R&D or the stock of international patents. Their rise has been particularly pronounced in the electrical and optical equipment sector and, for South Korea, also in machinery and equipment.

Notably, innovation between economies at the technology frontier (G5) has been diverging from other economies. Since the early 2000s, there has been a pronounced slowdown in the growth of patenting – and to a lesser extent R&D – in the G5. This mirrors the well-documented slowdown in labour productivity and total factor productivity. Growth in innovation and productivity held up better in emerging market economies and, to a lesser extent, in other advanced economies (Figure 2).

Diverging dynamics could reflect changes in the way innovation diffuses from the frontier to other regions. The dramatic increases in international trade and capital flows, and the progress in information and communications technologies, have made it easier for countries, especially emerging market economies, to access the international stock of knowledge. Much recent research highlights the importance of trade and foreign direct investment for technology diffusion (e.g. Keller 2004, 2011).

In recent papers (Eugster et al. 2018, IMF 2018), we take a new look at the process of international technology diffusion and its evolution as globalisation has progressed since the mid-1990s. We ask three main questions:

Have knowledge flows become more globalised?

What was the role of foreign knowledge flows in boosting domestic innovation and, more generally, productivity, especially in emerging market economies?

What was the impact of increased international competition – resulting for example from China opening up to global trade – on innovation and cross-border technology diffusion?

To answer these questions, we exploit the rich global patent dataset (PATSTAT), maintained by the European Patent Office, in addition to measures of R&D and productivity. Our methodology builds on the work of Peri (2005) and Coe and others (2009), but extends it by introducing the industry dimension, widening the geographical scope of the analysis to include emerging market economies, and focusing on the most recent decades (1995-2014).

More globalised knowledge flows

PATSTAT allows us to trace knowledge flows using cross-patent citations, that is, the extent to which countries cite patents from other innovators as prior knowledge in their own patent applications. A first look at the data (Figure 3) suggests knowledge flows have increased significantly over the last two decades, and China and South Korea (depicted in Figure 3 as 'other Asia') have become substantially more integrated in global citations, both as citing and as cited innovators.

Figure 3 The evolution of cross-patent citations within, and across, regions between 1995 and 2014

But we need to look beyond raw citation counts. To measure the intensity of knowledge diffusion, we follow Peri (2005) and estimate the predicted frequency at which a given country-sector cites innovations of the technology leaders (taken to be the G5) – relative to the presumed 'frictionless' frequency of citation within the technology leader. This is based on a model in which cross-patent citations between country-sector pairs are a time-varying function of geographical distance between the two, technological distance, whether the countries share a common language or have historic colonial ties, and a large number of fixed effects which control for the stock of innovations and institutional changes in the propensities to patent and cite.

Using this measure confirms that the share of technology leaders’ knowledge that diffuses to emerging market economies has increased steadily and significantly over time – and this finding is robust to excluding China from the 'recipient' economies (Figure 4). In contrast, the diffusion of knowledge from the G5 to (non-G5) advanced economies has remained flat or even moderated somewhat – albeit from a higher level – since the global financial crisis.1

Figure 4 Estimated intensity of knowledge diffusion

Capitalising on knowledge flows

Next, we ask whether foreign knowledge flows impacted the innovation capacity and productivity of recipient countries. Our findings suggest that they do, and increasingly so. We estimate the impact of knowledge flows from technology leaders (G5) – measured by their R&D stock interacted with the estimated intensity of knowledge diffusion presented above – on patenting, and on labour and total factor productivity of other countries.2

We find that both emerging market and other advanced economies have been able to capitalise on knowledge flows from the G5 to increase domestic innovation (measured by patenting) – with foreign knowledge playing a relatively larger role than domestic R&D in emerging market economies. These results also apply to productivity, suggesting that knowledge from the G5 has contributed to boosting income levels in other countries.

The impact on productivity is economically meaningful, especially for emerging market economies. For instance, between 2004 and 2014, knowledge flows from the technology leaders may have generated, for an average country-sector, about 0.7 percentage point of labour productivity growth per year (Figure 5). This amounts to about 40% of the observed average sectoral productivity growth in this period.

Figure 5 Contribution of foreign knowledge to labour productivity growth in emerging market economies (annual % growth across country sectors)

The impact of foreign knowledge flows on domestic technological progress has increased significantly over time. This is especially true for disembodied measures of technological progress such as innovation and total factor productivity (but not for labour productivity).

Growing competition from emerging market economies

We also examine the effect of growing international competition on foreign knowledge flows.

The degree of product market competition is a key theoretical determinant of innovation activity. Its intensity has changed over time, shaped in part by the reduction in trade barriers with globalisation. We construct two measures of international competitive pressures that are reasonably exogenous to developments in specific country-sectors:

The evolution of import penetration from China in US industries. We use this measure to instrument import penetration in 'recipient' advanced economies.

Indices of industry concentration at the global level. These exclude China from our sample because, as the largest non-G5 country, it could introduce significant reverse causality between domestic innovation and our global concentration measure. We find that, consistently across both measures, greater international competitive pressure has increased both the level of sectoral innovation and its sensitivity to foreign knowledge flows.

Although, theoretically, competition has ambiguous effects on innovation, our results point to a positive empirical relation internationally. A small but growing number of papers has tried to empirically address this question. Autor et al. (2016) find that increasing competition from China has lowered innovation in US industries, while Bloom et al. (2016) find the opposite for European firms. Our results capture the conclusions of Bloom et al. (2016), as many European countries are included in our sample of countries. However, they cannot be directly compared to Autor et al. (2016), because we consider the US only as a source of knowledge flows, and not as a sample country.

Conclusions

Globalisation has intensified the international diffusion of technology, which is crucial to share growth potential across countries and boost global growth. The positive impact has been particularly large for emerging market economies, helping increase productivity for them, and supporting income convergence. Our results also suggest that the growing competition from emerging market economies may lead to more innovation, even in advanced economies.

#### Patent holdup is real and necessitates intervention, even if it can’t be systemically proven.

Contreras 19, \*Jorge Contreras, Professor, University of Utah S.J. Quinney College of Law; (2019, “MUCH ADO ABOUT HOLD-UP”, <https://www.illinoislawreview.org/wp-content/uploads/2019/08/Contreras.pdf>)

III. CAN WE PLEASE STOP SEARCHING FOR SYSTEMIC HOLD-UP?

It is not the purpose of this article to critique the data or methodologies used by researchers who claim that there is no evidence of systemic hold-up. Though questions remain, the data presented in the cited studies finding no empirical evidence of systemic hold-up present plausible descriptions of current markets for products such as smart phones and other connected technology devices. Instead, this critique is directed at the core assumption that runs through each of these studies: that a lack of evidence of systemic hold-up means that hold-up does not represent a threat that justifies policy intervention. In this Part, I argue that, notwithstanding the findings of these studies, patent hold-up in standardized product markets may indeed be a threat that merits preventative policy measures, but that those measures should be directed toward the prevention of well-understood and actionable forms of anticompetitive conduct rather than the economic phenomenon of hold-up.

A. The Absence of Systemic Hold-Up Does Not Mean that Hold-Up Does Not Occur

In a 2017 article, Galetovic and Haber utilize an extended analogy drawn from the field of Mayan archeology to make the point that scholars sometimes ignore the facts in front of them in order to cling to pre-formed (and empirically unsupported) beliefs.92 In this analogical tradition, I will use a hypothetical from public health epidemiology to illustrate a related point. Let us consider the often fatal and highly contagious viral infection Ebola. U.S. public health officials, aware of the dangerous effects of Ebola, might propose the implementation of prophylactic measures to prevent the spread of Ebola in the United States. Such measures might include early detection systems at U.S. hospitals, a network of Ebola experts ready to investigate suspected cases, and potential vaccines for particularly vulnerable populations. All of these measures, of course, would come at a cost. Those opposing the incurrence of this cost might argue that such measures are unjustified because there is no empirical evidence that Ebola is a problem in the U.S. After all, there are no documented outbreaks of the disease, and the only reported cases have been sporadic and linked to other factors (such as health workers returning from abroad). In fact, both lifespan and overall health in the United States have been improving steadily over the past several decades. Most declines in population health can be traced to causes such as tobacco use, poor dietary choices, lack of exercise and the like, but not to Ebola. Thus, because there is no evidence that Ebola outbreaks have occurred in the United States nor any linkage between decreased health and Ebola, and because the overall health of the United States population continues to improve, there is no justification for preventative measures to stop Ebola outbreaks in the United States.

This reasoning is, of course, fallacious and, in the case of a disease like Ebola, dangerously so. In the field of public health, prophylactic measures are often taken before a health risk affects a significant portion of the population. This is the reason for prophylactic measures in the first place. In the field of public health, it is widely recognized that risks arising from any number of environmental and pathogenic sources can be assessed based on laboratory analysis and test cases, without population-level epidemiological data. In fact, once population level data for such outbreaks is available, it is often too late: an epidemic has broken out and millions are at risk. Luckily, it is doubtful that public health officials would apply the fallacious reasoning outlined above to important public health decisions.

Curiously, however, this “Ebola fallacy” has taken root in the debate over patent hold-up. As discussed above, the purported lack of empirical evidence of system-wide patent hold-up is used as a justification for abandoning or forestalling policy interventions aimed at reducing the risk of hold-up. Because hold-up has not been detected at a systemic level, so the argument goes, it must not be a problem. Therefore, measures designed to prevent hold-up from occurring must be the result of gratuitous or over-zealous policy making. The logical fallacies in this argument should be apparent.

In fact, there are numerous examples of anticompetitive conduct by individual firms in markets that are not otherwise overrun by anticompetitive behavior. For example, in 2009, the Federal Trade Commission brought an action against pharmaceutical manufacturer Solvay and a group of generic drug manufacturers for violating Section 5 of the FTC Act by entering into an arrangement whereby the generic manufacturers agreed not to challenge Solvay’s patent on its AndroGel product and not to market their generic versions of AndroGel, in exchange for a significant payment by Solvay to each of the generic manufacturers (a so-called “pay for delay” scheme).94 The Supreme Court held in 2013 that such conduct was actionable and reversed the Eleventh Circuit’s dismissal of the FTC’s claim.95 Yet even in 2009, the year in which the FTC brought its action, of the 68 agreements settling patent disputes filed by pharmaceutical manufacturers with the FTC,96 the FTC estimated that only 19 of these (28%) were potential pay for delay agreements; and by 2014, the year after the Actavis decision, only 21 out of 160 such agreements (13%) were deemed by the FTC likely to represent illegal pay for delay schemes.97 Thus, while pharmaceutical industry patent settlements have attracted significant attention as potentially anticompetitive arrangements, most such settlements do not merit investigation by the FTC.98

An even more telling example is found in the area of mergers and acquisitions. During fiscal year 2016, a total of 1,832 merger and acquisition transactions were reported to the FTC and DOJ under the Hart-Scott-Rodino Antitrust Improvements Act.99 Of these, the FTC challenged only twenty-two (1.2%). 100 Thus, while some anticompetitive mergers may exist, the vast majority are not anticompetitive.101 But the absence of market-wide anticompetitive conduct in the area of mergers and acquisitions hardly excuses the handful of transactions that do present antitrust risks, nor does it suggest that mergers should not be subject to governmental monitoring and, when merited, enforcement.

B. Protective Measures May Already Be Working to Reduce Hold-Up

Another important factor that should be considered regarding the purported lack of empirical evidence of systemic hold-up is the effect that existing policy measures have already had in reducing hold-up. As noted above, the threat of patent hold-up was a primary motivating factor for many SDOs to adopt policies requiring the disclosure and licensing of SEPs. These policies have been in place for decades. In the United States, the first such policy was adopted in 1959 by the American Standards Association (the predecessor to today’s American National Standards Institute (ANSI).102 Today, every one of the more than 200 ANSI-accredited developers of American National Standards must adhere to ANSI’s essential requirements, including the adoption of such a licensing policy for SEPs. Similar policies have existed in European and international standards organizations since at least the 1980s.103 These policies, which were developed by SDOs in large part to reduce the likelihood of hold-up within standard-setting systems, have had several decades to work, and it is likely that the lack of observed hold-up in some studies can be attributed to the successful operation of these policies.

Similarly, antitrust and competition enforcement agencies in the U.S. and Europe have been aware of the potential for hold-up connected with standardization for many years. Accordingly, they have brought enforcement actions when it has been alleged that hold-up behavior has resulted in a violation of the antitrust laws. High-profile enforcement actions against patent holders such as Rambus, 104 Google 105 and Qualcomm106 send powerful deterrent signals to the market and warn others not to engage in similar behavior lest they, too, become the subject of agency enforcement. Like SDO policies, it is likely that the general market awareness of agency interest in standard-setting and hold-up has, to a degree, limited the amount of hold-up that is actually attempted in the marketplace, thereby limiting the direct evidence of hold-up as a systemic problem.

But do the deterrent effects of SDO and agency efforts to reduce hold-up signify that hold-up is not a problem? Certainly not. To reach such a conclusion would be perverse: akin to claiming that burglary is not a problem in a neighborhood that experiences reduced burglary rates after it has implemented an active neighborhood watch program and enhanced policing.

C. Indicia of Healthy Markets do not Prove the Absence of Anticompetitive Conduct

As noted above, one of the principal arguments advanced by commentators seeking to refute the “hold-up theory” is that markets for telecommunications products, namely smart phones, are robust – evidenced by increasing product functionality, decreasing consumer prices and rapid innovation -- and that this degree of robustness indicates that hold-up cannot be a problem in these markets.107 If hold-up were a problem in these markets, they reason, we would see product stagnation, stable (but high) prices, and a lack of competition – features associated with classic examples of hold-up in markets for products such as natural resources and agricultural goods.108

But this argument relies on a false syllogism: hold-up results in market dysfunction; if a market functions well, then it cannot be subject to hold-up. The weaknesses in this argument are multifold. First, hold-up may exist in individual instances without sufficient weight to affect overall market characteristics, particularly in a large global market such as mobile telecommunications. Thus hold-up may exist, even in a market that outwardly appears to be functioning well. Second, there is no valid counterfactual to use to compare the health and robustness of the market for mobile telecommunications products.109 Other consumer electronics devices, such as televisions and DVD players, do not compare well with mobile telecommunications devices, which have taken on a unique character in the modern networked economy. Thus, observing the strength of the market fails to answer the critical questions “compared to what?” and how much stronger the market might be (through more product diversity, functionality, price reduction) without hold-up?

A simple historical illustration is useful in this context. During the decade leading up to the enactment of the Sherman Antitrust Act of 1890, several major U.S. commodity markets (e.g., steel, salt, petroleum, coal, sugar, lead, and others) came under intense scrutiny for a variety of allegedly anticompetitive industrial arrangements. One might have argued that these markets, had they been subject to the sorts of anticompetitive collusion that the Sherman Act sought to address, should have seen reductions of output and increases in price. Yet, between 1880 and 1890, U.S. output of salt, petroleum, steel, and coal all increased significantly, and prices of steel, sugar and lead all dropped significantly.110 Do these positive market indicia demonstrate that the subject markets were not subject to anticompetitive collusion, and that the Sherman Act was not necessary? Certainly, investigations of these industries revealed significant cartel behavior. I would suggest that few commentators today would argue that the coal, steel, sugar and other major industrial producers of the late nineteenth century were innocent of collusive and anticompetitive conduct, or that the Sherman Act was not a necessary and beneficial measure for the U.S. economy.111 Yet, had we relied solely on the positive characteristics exhibited by these markets as proof that anticompetitive conduct did not exist, then perhaps the Sherman Act never would have been enacted.

By the same token, the fact that global markets for standardized products such as computers and smart phones appear to be thriving does not itself refute the possibility of hold-up nor the existence of anticompetitive conduct in these markets. Nor does it allow regulators and policy makers to drop their guard or cease to monitor these important industries.

### 1AC---Solvency

#### Plan: The United States federal judiciary should substantially increase prohibitions on private sector conduct that is more restrictive of competition than reasonably necessary to enable creation of information technology standards.

#### The plan requires SSO’s to administer reasonable action to prohibit ex post opportunism---that strengthens FRAND effectiveness while enabling SEP holders to capture appropriate royalties---which is the best competition-innovation balance.

Melamed & Shapiro 18, \*A. Douglas Melamed is Professor of the Practice of Law at Stanford Law School; \*Carl Shapiro is the Transamerica Professor of Business Strategy at the Haas School of Business at the University of California at Berkeley; (May 2018, “How Antitrust Law Can Make FRAND Commitments More Effective”, https://www-cdn.law.stanford.edu/wp-content/uploads/2018/05/How-Antitrust-Law-Can-Make-FRAND-Commitments-More-Effective.pdf)

3. Application of the Basic Legal Principles

The antitrust principle is straightforward: industry-wide collaboration through SSOs to establish procompetitive standards is permitted only if it is no more restrictive of competition than reasonably necessary to enable creation of the standards. When standard setting predictably creates technology monopolies that, if unrestrained, will enable anticompetitive ex post opportunism that would otherwise not occur, an SSO that does not take effective measures to pre- vent or minimize such ex post opportunism engages in conduct that is more restrictive of competition than necessary. In that case, the SSO and, in appropriate cases, its members, may well violate Section 1 of the Sherman Act.

Under this principle, SSO procedures and FRAND rules should be evaluated based on whether they lead to reasonable SEP royalties, using the competitive ex ante licensing standard discussed above, which has been adopted by the courts in patent law. Put differently, FRAND rules should be evaluated based on their ability to prevent SEP holders from obtaining more than the ex ante value of their technology from implementers.

This limitation would not prevent a SEP holder from proﬁting, perhaps greatly, from participating in the SSO and having its patented technology included in the standard. The SEP holder continues to be rewarded for its technology because the inclusion of its technology in the standard can still greatly increase the volume of licensing opportunities available to the SEP holder.

Whether a particular set of FRAND rules are sufficiently effective in preventing ex post opportunism will depend on the particular circumstances. The procedural unfolding of the case will also depend upon the circumstances. As a general matter, the case would probably be structured as an ordinary Rule of Reason case.82

First, the plaintiff would have to demonstrate harm to competition as a result of the collaboration of the SSO’s members, many of which compete with one another. In this case, the harm to competition would stem from the ability of the SEP holder to exercise monopoly power by obtaining royalties in excess of the competitive, ex ante level. The decision to include patented technologies in the standard would be the allegedly unlawful agreement. Notably, the court need not determine what a FRAND royalty is; it would suffice to determine that market power has been created or exercised, and that existing SSO rules and policies were not adequate to prevent the competitive harm. The defendant, which could be the SSO or perhaps one or more SSO members, would win at this point if the plaintiff failed to show harm to competition. If might fail if the standard faces substantial competition and the court concludes that the SEP holder therefore does not have market power or if the SSO’s rules and policies are found to be effective in preventing ex post opportunism, even if the plaintiff or even the court thinks that other rules and policies would be preferable.

Second, if the plaintiff makes the requisite showing of harm to competition, the defendant(s) would then have to show some procompetitive justiﬁcation— in this case, the beneﬁts of the standard. These two initial steps should be straightforward.

Third, if as is likely the defendant is able to show a procompetitive justiﬁcation, the plaintiff would have to show that the SSO could have used available, reasonable alternatives to realize the efficiency beneﬁts with less or none of the competitive harms. The plaintiff might identify reasonable alternatives that would have led to a different standard, based on including unpatented technology in the standard or perhaps involving fewer SEPs or fewer owners of SEPs, which would be less subject to patent holdup. More likely, the plaintiff could suggest alternative SSO rules that would not change the standard, but would reduce the likelihood or extent of ex post opportunism. For example, the plaintiff might suggest more rigorous FRAND-type rules, such as rules that set forth more precise principles on which FRAND royalties are to be determined and the circumstances under which SEP holders might seek injunctions.

Fourth, the burden would then shift to the defendant(s) to show that the beneﬁts of the standard could not have been realized if the SSO had adopted any of the proffered alternatives or that those alternatives were unrealistic.83 The plaintiff would be entitled to judgment if the court concludes that those beneﬁts could have been realized with less competitive harm if the SSO had adopted the standard with different IPR rules or policies.

Our overall sense, based on experience and the empirical literature, is that the extant FRAND rules are generally useful, but tend to be inadequate because they are imprecise and leave unresolved such critical issues as (a) the meaning of a reasonable royalty, even conceptually; (b) the meaning of “non-discriminatory;” (c) to whom licenses must be offered; and (d) under what circumstances may a SEP holder obtain an injunction.84 These imprecise FRAND commitments are therefore not sufficient to adequately prevent ex post opportunism. The recent revisions to IEEE’s FRAND policy represent a signiﬁcant step in the right direction, but even this advance leaves important questions unanswered.85 If FRAND rules are inadequate in these ways, litigation involving extant FRAND rules would likely be resolved only at the ﬁnal, fourth step. The defendant would be able to demonstrate the beneﬁts created by the standard; the plaintiff would be able to demonstrate the creation of market power and that other reasonable and practical rules or policies would ameliorate the problem. The case would thus turn on whether the defendant is able to demonstrate that signiﬁcant beneﬁts associated with standardization could not have been realized if the SSO had adopted those other rules or policies.

The court would have available a variety of possible remedies if the plaintiff prevails. Implementers that paid supracompetitive royalties or were unlawfully excluded in whole or in part from product markets as a result of the inadequate FRAND policies would be entitled to damages and, in some cases, to treble damages.86 If the unlawful SSO conduct is regarded as the collective action of the SSO and its members, which is likely to be the case in most instances, SSO members would be jointly and severally liable for the damages. Forward-looking injunctive relief aimed at restoring competition would need to be fashioned to the requirements of the individual case. For example, a court could order the SSO to adopt a new rule or policy proposed by the plaintiff. If the court is reluctant to take on that governance role, it might give the SSO a period of time—maybe ninety days—to develop a rule, subject to the court’s ultimate approval, which would adequately ameliorate the competitive problem created by the SSO. Alternatively or in addition, the court might order the parties to attempt to negotiate a rule or policy on which they can agree. And, depending on the circumstances, the court might order SEP holders, including at least those that were defendants in the case, to comply with the new SSO rules and policies.

#### Threatening antitrust liability lures SSO’s into adopting best practices.

Lemley & Shapiro 13, \*Mark Lemley is the William H. Neukom Professor at Stanford Law School and a partner at Durie Tangri LLP; \*Carl Shapiro is the Transamerica Professor of Business Strategy at the Haas School of Business, University of California at Berkeley and a Senior Consultant at Charles River Associates; (2013, “A SIMPLE APPROACH TO SETTING REASONABLE ROYALTIES FOR STANDARD-ESSENTIAL PATENTS”, (https://faculty.haas.berkeley.edu/shapiro/frand.pdf)

Under our approach, many of these issues should become moot, since the patentee cannot obtain an injunction (or transfer the patent to someone who can) against a willing licensee, and since competitors are not involved in jointly setting the reasonable royalty rate. If SSOs set clear, reasonable rules following the best practices we recommend, and parties follow those rules, there should be little or no need for antitrust to intervene. Indeed, even the risk of non-disclosure of a patent is lessened, since the patentee has committed to license its essential patents whether or not it discloses them. For the most part, the rules we have described are self-executing, meaning that even if a party tries to break the rules set by the SSO there still may be no need for antitrust to intervene. Thus, we suggest that parties who abide by these procedures—patentees, implementers, and the SSOs themselves—should be immune from antitrust liability for activities that merely follow those rules.107 They have entered into an arrangement that is on balance good for competition, one that allows patentees to receive reasonable royalties but prevents holdup and reduces the risk of monopolization by trickery.

The fact that antitrust remains a last resort available when SSOs don’t follow best practices may have two practical benefits, however. First, under our approach the promise of avoiding the risk of antitrust liability will be a powerful incentive for both SSOs and patent owners to adopt the best practices we propose. Second, the risk of antitrust liability may be relevant when an individual patentee wants to adopt best practices but the SSO governing the standard has not yet done so. We propose that a patentee that unilaterally commits to the FRAND procedures we describe here should be immune from antitrust liability for following these procedures.108 A patentee’s unilateral binding commitment to arbitration could be enforced whether or not it was elicited by an SSO. Thus, just as the prospect of antitrust immunity might lure SSOs to adopt best practices, it might also lure patentees to implement those practices even if the SSO has not done so. Given the large number of standard-essential patents based on preexisting standards,109 and given that SSOs tend to update their IP rules rather slowly,110 this is not a small matter.

#### The exponential expected value of economic growth to future well-being makes securing it a moral imperative.

Cowen 18, \*Tyler Cowen is a Holbert L. Harris Professor at George Mason University and Director of the Mercatus Center; (October 16th, 2018, “Stubborn Attachments: A vision for a society of free, prosperous, and responsible individuals”, https://www.goodreads.com/en/book/show/31283667-stubborn-attachments)

So often we are tempted to put pleasure first and postpone our chores and our pains. The present is so real and vivid, and the future seems so distant and abstract. Many people cannot fully grasp that when the future comes, it will be as real as the present is right now.

I am struck by how people respond when they are given a choice between the immediate present, the future, and the more distant future. Very often they are biased toward the immediate present. For instance, a person might realize that a benefit in two years’ time is about the same in value as that same benefit in three years’ time. That’s a rational posture. That same person, however, may prefer a dollar today to three dollars three weeks from now. 1 But when the comparison is between ten years from now and twenty years from now, people exhibit much more patience, and many people would even say that a benefit ten years from now is about as valuable as the same benefit twenty years from now.

In other words, individual time preference usually focuses on the immediate vs. the only somewhat distant. If we can get over our initial impatience for receiving a reward now, our intellect is very often capable of seeing that we should care about the more distant future as much as we should care about the less distant future. For the most part, we’re actually fairly rational about time, except for this fixation on the “now” moment and the “very soon/right away” horizon.

We are programmed for the now moment for reasons which are inapplicable to most of our public policy choices and obsolete as a fundamental tool of moral reasoning. Human beings evolved under brutal hunter-gatherer conditions; they had good reason to pay special attention to the now moment. If you didn’t get the “now” right, there might not be a tomorrow. If you let a piece of meat sit, it would spoil or be seized by your neighbor or consumed by marauding animals overnight. It wasn’t like sitting on T-Bills in your Fidelity account. So we may have an innate biological preference for the “now,” but we will do better if we can get past it, if we can tap into the part of ourselves that recognizes that a benefit in twenty years’ time is about as valuable as that same benefit in thirty years’ time.

If you are the kind of person who is inclined to seize the current benefit, you will do best if you can find a way to link these immediate rewards to a superior payoff in the future. Young people, uneducated people, and those with lower IQs and problems with cognition or self-control find it hardest to make this connection. Those same people are also more likely to have problems with obesity, gambling, impulse control, and even violence. These correlations don’t philosophically prove that their impatient choices are incorrect (maybe the gamblers are the wise ones and the rest of us are fools for missing out on their risky delights), but they do lend support to the idea that these individuals are making a mistake. They are failing to imagine the future and its import. Further evidence suggests that children who are more impatient have more trouble in school and are more likely to encounter disciplinary action. 2

Very often the choice between the present and the future takes place at the social level. Many social policies influence whether benefits and costs come sooner or later, and if we are to make a choice, we need to decide how impatient we are going to be. I worry about the logical implications of impatience, if we were to apply such impatience to a longer time horizon. Together with Derek Parfit, I once wrote: 3

Why should costs and benefits receive less weight, simply because they are further in the future? When the future comes, these benefits and costs will be no less real. Imagine finding out that you, having just reached your twenty-first birthday, must soon die of cancer because one evening Cleopatra wanted an extra helping of dessert. How could this be justified ?

Economists and other social scientists often speak of a “discount rate.” A discount rate tells us how to compare future benefits to current benefits (or costs) when we make decisions. When the discount rate is high, we are counting future costs and benefits for less. Let’s speak in terms of pleasure (or pain) as a magnitude that corresponds, however roughly, to a real number scale. A five percent discount rate, defined annually, means that 100 units worth of pleasure today is equal to 105 units worth of pleasure a year from now. A ten percent discount rate would set this equality at 110 units worth of pleasure a year from now, and so on.

A discount rate of zero means that a future benefit (or cost) counts for as much as a comparable benefit in the present. A person with a zero discount rate would not see any point in putting off going to the dentist. There’s no reason not to get it over with.

If there’s one thing we’ve learned, it’s that discount rates matter. In your personal life it affects how hard you work, how much you drink and gamble, and what kind of education you get. At the social level, the discount rate pertains to questions of how hard we should be fighting climate change and how much we should invest in preserving biodiversity. If we dismiss the importance of the distant future, action will not seem imperative. But if we pay heed to the distant future, we will see these as major concerns.

Discounting also matters for how hell-bent we are on pursuing a higher rate of economic growth. A higher growth rate means that the future, at some point in time, will be much richer than it would be otherwise, and, as I argued earlier, it also means that human beings will be much better off. How compelled should we feel to bring about this wealthier state of affairs ? If you only care about today, you won’t be as motivated to act in favor of higher sustainable growth.

Most of us are altruistic, especially toward our own children and grandchildren. But this form of partial altruism does not make us care much about other people’s grandkids. When people vote or otherwise make choices that affect future generations as a whole, they often behave quite selfishly. Political time horizons tend to be very short, often extending no further than the next election or the next media cycle. Voters are keen to receive more government spending now and postpone the required taxes to the more distant future. Few governments do everything they can to promote economic growth for the more distant future. The bottom line is that caring about the future is not something that happens automatically, even if you dearly love, or will dearly love, your grandchildren. When it comes to the discount rate for social decisions, we need to choose wisely.

For certain decisions, such as whether or not to cut down a tree, market forces induce even selfish people to think about the more distant future. If you leave the tree standing, it might be worth more money. If you own a Rembrandt painting, you’ll probably keep it in decent shape, even if you’re a selfish, uncultured bastard who doesn’t care about the artistic patrimony of the Dutch. These kinds of examples, however, apply only when there are well-defined property rights to specific assets. The motivations behind these behaviors won’t spur us to preserve the environment or maximize the rate of sustainable economic growth. Once again, the proper depth of concern for the more distant future does not come to us automatically, at least not in a wide variety of cases.

Expressed differently, when it comes to non-tradable and storable assets, markets do not reflect the preferences of currently unborn individuals. The branch of economics known as welfare economics holds up perfect markets as a normative ideal, yet future generations cannot contract in today’s markets. If we were to imagine future generations engaging in such contracting, current decisions might run more in their favor. Circa 2018, the future people of 2068 can’t express their preferences across a lot of the choices we are making today, such as how rapidly to boost future wealth or how much to mitigate the risk of serious catastrophes. 4

Let’s now consider some basic choices about how to value the distant future. Again, think of a decision-maker weighing present and future interests, in this case human lives. The way discounting works, if we discount the future by five percent, a person’s death today is worth about thirty-nine billion deaths five hundred years from now. Alternatively, at that same discount rate, one death two hundred years from now is equal in value to 131.5 deaths three hundred years from now. Upon reflection, few people, putting aside their selfish interest in the current time period, would share these conclusions as a basis for ethical decision-making. 5

Or consider the comparison prospectively. Under any positive discount rate, no matter how low, one life today could be worth more than one million lives in the future. It could even be worth the entire subsequent survival of the human race, if we use a long enough time horizon for the comparison. At the very least, we should be skeptical that positive discount rates apply to every choice before us. Sometimes we should be less impatient and pay the future greater heed.

Even if you think that individual impatience is sometimes justified, impatience will not justify the positive discounting of well-being across generations. Time preference may mean that an individual prefers to have a good steak dinner sooner rather than later. Even if this is rational—after all, you’re getting hungrier by the minute—this kind of time preference doesn’t apply across longer time frames, including future generations. Our still-unborn great-great-grandchildren will not receive benefits for some time. But in the meantime they are not sitting around, waiting impatiently with rumbling stomachs. It cannot be argued that their forthcoming slice of time is worth less simply because they must wait for it. Similarly, it cannot be argued that Medieval peasants benefited from having been born before us and thus having eaten their bread sooner. When we consider long periods of time and count the years before individuals are born, we need to discard impatience as a factor of relevance because it just doesn’t apply. Time preference therefore does not justify the significant discounting of the distant future, even if it justifies Tom’s wanting to have his steak dinner sooner rather than later. 6

Another way of thinking about why a high time discount rate is wrong involves a somewhat unusual—some would say kooky—thought experiment. Einstein’s theory of relativity suggests that there is no one factual answer to the question, “What time is it ? ” Any measurement of time (when is “now” ? ) is relative to the perspective of an observer, and to the velocity of that observer relative to the speed of light. In other words, if you are traveling very fast, you are moving into the future at an especially rapid rate. Yet it seems odd, to say the least, to discount the well-being of people as their velocity increases. If, for instance, we sent off a spacecraft at nearly the velocity of light, the astronauts would return to Earth, hardly aged, many millions of years hence. Should we pay less attention to the safety of our spacecraft, and thus to the welfare of our astronauts, the faster those vehicles go ? Should we—as a result of positive discounting—not give them enough fuel to make a safe landing ? And if you decline to condemn these brave astronauts to death, how are they different from other residents of the distant future ?

Instead of letting our speedy astronauts die, we can think of the universe as a block of four-dimensional space-time. We would not discount human well-being for temporal distance per se any more than we would discount well-being for spatial location per se . In moral terms, maybe time really is an illusion, as Buddha suggested thousands of years ago.

That said, discounting for risk is justified in a way that discounting for the pure passage of time is not. If a future benefit is uncertain, we should discount that benefit accordingly because it may not arrive. But such a practice does not dent a deep concern for the distant future. It is precisely because we discount for risk that we seek to protect our future against great tragedies, thereby making that future less risky. If we boost the long-term sustainable growth rate, for instance, we are indeed making the future less risky. Rather than ignoring risk, a future-oriented perspective takes long-term risk into account and attempts to lower it. The factor of risk might encourage you to spend your money now, otherwise someone might steal it. But it won’t discourage us from caring a lot about long-term sustainable growth.

Before moving on, let’s consider the relevance of the numerical comparisons presented above of events which lie one hundred, two hundred, or even five hundred years into the future. It might seem that nothing we do today can affect the world that far out, most of all when it comes to policy issues. Yet the most recent evidence suggests that good (or bad) political and economic decisions, and the general existence of prosperity, have persistent effects that stretch for centuries into the future. Colonial policies from the sixteenth and seventeenth centuries have persistent effects on prosperity today, and there is even research suggesting that the prosperity of a region well before the birth of Christ holds predictive power for the prosperity of those regions today. 7

For whatever reason, good institutions and a history of prosperity tend to have enduring effects. Wealth can fund and enable better government, and that in turn gives rise to further wealth and better institutions. Institutional memories of economic success and good governance can persist for long periods of time. Cultural practices such as business savvy or an interest in external markets can last for centuries.

England, which led the Industrial Revolution, had positive institutional features stretching far back in its history, such as relatively free labor markets in Medieval times and the carving out of a coherent national unit with a language, an army, and a parliament. The practices of the empire then carried some of these institutions across the oceans, such as when the British settled much of North America and the Antipodes (though not every region benefited from the brighter side of British rule). It’s no accident that many of the original territories of the Roman Empire remain some of the world’s wealthiest and most successful nations. China was also a relatively wealthy nation in earlier times, and that prosperity is reemerging today. For centuries, Chinese entrepreneurs around the world have shown special commercial savvy; this again has something to do with history.

Of course, the persistence of prosperity does not apply in every case. Much of the Arab world is currently well below its historic relative standing; Baghdad might have been one of the best and most interesting cities to live in about a thousand years ago, but today it is struggling. Still, if we think in terms of averages, we see plenty of evidence that history can matter over very long time spans. Therefore, any act which strengthens good institutions today has, in expected value terms, a causal stretch running centuries into the future. Once again, this means that our choice of discount rate is of critical importance.

We can also see the importance of faith to the overall argument. To fully grasp the import of doing the right thing, and the importance of creating wealth and strengthening institutions, we must look very deeply into the distant future. As I have argued at length, this is a conclusion suggested by reason. But in the real world of actual human motivations, the application of abstract reason across such long time horizons is both rare and unhelpful when it comes to getting people to do the right thing. The actual attitudes required to induce an acceptance of such long time horizons are, in psychological terms, much closer to a kind of faith. We cannot see these very distant expected gains, but we must believe in them nonetheless, and we must hold those beliefs near and dear to our hearts. In this sense, we should strongly reject the modern secular tendency to claim that a good politics can or should be devoid of faith.

There are, of course, many bad forms of faith in politics, and we should not encourage political (or other) beliefs in willful disregard of reason. But we cannot kick away faith itself as a motivational tool, as politics is of necessity built on some kind of faith. The lack—and, indeed, the sometimes conscious rejection—of the notion of faith, as is common in secular rationalism, is one of the most troubling features of the contemporary world. It has brought us some very real gains in terms of personal freedom, but it also threatens to diminish our ability to make the very best choices.

#### Economic data restricts biases, promotes critical thinking, and prevents flawed decision-making errors---rejecting economists plagues public discourse with innumeracy that results in worse outcomes.

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Thus, when economists preach the virtues of globalization, market solutions or cost-benefit analysis, they sound to critics on the left like corporate shills lacking any moral anchor. To critics on the right, they sound like globalist elites who despise patriotism.

Yet it is precisely their love of numbers that makes economists invaluable. By stripping the emotions from pressing problems, economists can often illuminate the most practical ways to tackle them—but only if ordinary people and their representatives are prepared to listen.

Economics emerged in the 1700s as an offshoot of moral philosophy. Known then as political economy, its pioneering practitioners—such as David Hume and Adam Smith —believed that liberating individual self-interest, rather than following religious or political authority, maximized society’s well-being.

Smith made this case most memorably in “The Wealth of Nations” (1776), in which he famously invoked the benevolent “invisible hand” of the free market. But for today’s economists, David Ricardo’s “The Principles of Political Economy and Taxation,” published in 1817, was even more of a breakthrough.

Most people aren’t surprised if a doctor, who could be a better caregiver to her children than a nanny, chooses instead to spend that time seeing patients and pays a nanny out of what she earns. Thanks to Ricardo, economists know that the same principle applies to countries. The average American worker can probably make more tires than a foreign worker, but his edge at producing grain is even greater—and thus the U.S. should export grain and import tires. This theory, known as “comparative advantage,” is both counterintuitive and powerful.

Ricardo went further, extolling the pacifying power of free trade: It “binds together, by one common tie of interest and intercourse, the universal society of nations throughout the civilized world,” he wrote. Most economists still agree that globalization fosters political stability and cooperation.

Non-economists have always found this emphasis on material interests and motives somewhat distasteful. In 1790, Edmund Burke, who was friends with Hume and Smith, wrote in “Reflections on the Revolution in France,” “The age of chivalry is gone. That of sophisters, economists, and calculators has succeeded; and the glory of Europe is extinguished forever.”

The influence of economists truly blossomed in the 20th century. The Great Depression gave birth to macroeconomics, the study of how consumption, investment, income and interest rates interact in the aggregate.

In search of better tools to manage the economy, the federal government commissioned economists in the 1930s to calculate gross national product. Convinced that the economy could no longer be left to its own devices, Congress passed the Employment Act in 1946, which established, among other things, a Council of Economic Advisers to provide the president with the necessary expert guidance.

The next year, Paul Samuelson’s seminal book, “Foundations of Economic Analysis,” used mathematics to formalize the key axioms of economics. He touched off a revolution that equipped economists with ever more powerful methods for explaining and analyzing economic behavior. They increasingly adopted the trappings of the physical sciences, hoping to achieve a similar degree of objective truth and predictive power.

Math did clarify economic thinking, but it didn’t improve its forecasting accuracy, which remains dreadful. Virtually no economists predicted the financial crisis of 2007-08 and the recession that followed. Nor has economics rid itself of bias. Economists who advise presidents and prime ministers routinely shape their analyses to validate particular political views.

In recent decades, the stature of economists has taken a beating from two critiques in particular. The first, popular especially on the left, argues that economists are slaves to the assumption that individuals act rationally and in their own best interests. These critics point to psychological and experimental evidence that shows how often people violate the axioms of Econ 101: Our spending and investment habits are often driven by emotions, rules of thumb, ignorance and shortsightedness. The financial crisis seemed to be the ultimate proof, as highly paid bankers and traders, armed with state-of-the-art economic techniques, took on so much risk that they nearly destroyed the global financial system.

Economists consider national borders and sovereignty annoying obstacles to the free flow of goods, capital and people.

The second critique originates from populist, nativist and nationalist movements in the world’s more prosperous countries. Economists consider national borders and sovereignty annoying obstacles to the free flow of goods, capital and people. The new movements of the right see them as essential preconditions for national identity and cohesion. Many Britons voted for Brexit because control over immigration and their laws mattered more to them than the pecuniary advantages of the European common market.

These trends have fed a broader mistrust of experts and elites. During last year’s election campaign, Mike Pence, Mr. Trump’s vice-presidential running mate, dismissed statistical evidence of the U.S. economy’s health by saying, “People in Fort Wayne, Indiana, know different.” In the months after Mr. Trump’s victory, his team wondered whether it should even appoint a chairman of the Council of Economic Advisers. (The administration eventually nominated Kevin Hassett, a highly regarded economist from the conservative American Enterprise Institute.)

In Greece, economists aren’t simply mistrusted; they’re prosecuted. During the 2000s, Eurostat, the EU’s statistical arm, had repeatedly questioned the accuracy and political independence of Greek statistics. Soaring deficits in 2009 triggered a crisis and forced Greece to seek a bailout in 2010. Mr. Georgiou, a Greek native who received his Ph.D. from the University of Michigan and spent 21 years at the International Monetary Fund, took over Greece’s statistical agency that August. Officials had already shown previous debt and deficit figures to be understated. He revised them further upward and earned for his agency a clean bill of health from Eurostat.

Politicians of the left and right accused him of inflating Greece’s debts to justify its creditors’ demands for austerity. Prosecutors charged him with making false statements and improperly disseminating statistics without his board’s approval. Courts acquitted him, but the second set of charges was reinstated, resulting in this month’s conviction. Mr. Georgiou, who now lives in a suburb of Washington, D.C., plans to ask Greece’s supreme court for a retrial.

Mr. Georgiou says that his real offense, in the politicians’ eyes, was breaking from the past practice of “resisting” and “negotiating” with outsiders, such as the EU, over what official Greek data would show. The politicians needed a scapegoat to preserve their own “political narratives,” he says. He calls the implications of his case “terrifying” for other professionals responsible for economic statistics.

Economists bear some blame for the public and political backlash. Their disagreement with populist policies has often colored their predictions. British economists, including Mr. Carney, thought that Brexit would unleash so much uncertainty that markets and the economy would tank. American economists foresaw similar swoons if Mr. Trump became president. Both were wrong, at least thus far: Economies in both countries have chugged along, and stock markets in particular have soared. There may be long-term costs, of course, but those may be hard to detect.

Economists didn’t predict the financial crisis, but they did help to arrest it.

But such misjudgments don’t justify the charges leveled at economists. Take, for example, their inability to predict financial meltdowns. Crises almost by definition are unpredictable. In a recent essay, Ricardo Reis, an economist at the London School of Economics, argues that failing to foretell a financial crash is no more an indictment of economics than failing to predict when a patient will die is an indictment of medicine. Economists didn’t predict the financial crisis, Prof. Reis notes, but they did help to arrest it by applying theory and experience: “The economy did not die, and a Great Depression was avoided, in no small part due to the advances of economics over many decades.”

Another caricature of economists is that they try to emulate physicists, fetishizing elegant, abstract mathematical models disconnected from economic reality. Paul Romer, the chief economist at the World Bank, derisively calls this approach “mathiness.” The critique is certainly fair in some corners of academia, but it is increasingly untrue of the profession as a whole.

In 1963, roughly half the papers published in the top three American economics journals were theoretical, according to a tally by Daniel Hamermesh, now at Royal Holloway, University of London. By 2011, that figure had shrunk to 28%; the remainder were empirical papers based on public data, on data gathered by the authors or on experiments. Economic debates these days are won not by the best theory but by the best data: Statistics are more important than calculus. Economists are far more obsessed with measurement than with math. When public discourse is plagued by innumeracy, this capacity to count is no small thing.

Economists are also instinctively skeptical of simple explanations. They are trained to look for equilibrium, which is another way of saying, “When you change one thing, how do other things respond? Where do things settle once all interactions have occurred?”

Advocates for a higher minimum wage extol the benefits to workers. Economists ask: Will it change employers’ demand for workers who earn the minimum wage? Or what they pay workers who earn just above the minimum? Or the prices they charge, or how much market share they lose to companies that don’t face the higher minimum or how much they invest in automation? Does it reduce turnover and thus make workers more productive?

Advocates of tariffs on imported steel focus on the benefit to domestic steelmakers and their workers. But economists ask: What happens to steel-consuming companies that now face higher prices, as well as to their workers and customers? Does penalizing imports boost the dollar and hurt U.S. exports?

The more data economists collect, the better they can map such complex interactions. Seemingly simple questions seldom have simple answers. A higher minimum wage helps workers in some circumstances but hurts them in others. Tariffs help some workers but hurt many others. Global warming will do some economic harm, but not enough to justify banning fossil fuels.

Sometimes, this attachment to numbers conveys a false precision. Critics say that the Congressional Budget Office overestimated how many people would get insurance under Obamacare and must therefore be overestimating how many will lose it if the law were to be replaced. But the CBO always warned that its estimates were highly uncertain; what no economists doubted, including those working in Mr. Trump’s administration, is that the number would be large. Economists could confidently predict that price controls would lead to shortages in Venezuela, though not how severe they would be.

Non-economists see all this as hopeless equivocation, but it is actually the way that evidence drives science. Economists still have their ideological leanings, but data has helped to restrict these biases. Surveys of top academic economists by the University of Chicago show considerable agreement, even among liberals and conservatives.

For example, the scholars almost all agree that fiscal stimulus reduced unemployment after the last recession and that trade with China benefits Americans by providing them with cheap goods. A study by Gordon Dahl and Roger Gordon of the University of California, San Diego, found that disagreement among economists was greatest where the empirical research was most sparse, as with the issue of whether natural-gas fracking helps U.S. exports.

Though economics remains an imperfect science, it has come a long way in 200 years. Its greatest challenge today isn’t the quality of the analysis it supplies, but whether there is still sufficient demand for it.

#### Alternatives to economic rationality have no explanatory power and only make economics more insidious.

Beabout 8, \*Gregory R. Beabout is an adjunct fellow of the Center for Economic Personalism and Associate Professor of Philosophy at Saint Louis University; (“Challenges to Using the Principle of Subsidiarity for Environmental Policy”; 5 U. St. Thomas L.J. 210 (2008))

Economics offers many insights into how the world around us works, much more than would be possible to summarize even in a full-length law review article with many footnotes.5 From among those many insights, I have selected three "propositions" that demonstrate the fundamental points that economics is necessary, but not sufficient, to address environmental issues and that economics is necessary, but not sufficient, to reconcile the obligations of faith toward the poor and the need to protect the environment. By "propositions" I mean fundamental truths about human behavior and the natural world that we ignore at our peril, truths as basic as the laws of gravity or humanity's susceptibility to sin. We can write statutes or regulations that ignore these-and Congress, legislatures, and regulators the world over frequently do-but such measures risk the same fatal results as bridges built without accounting for gravity. These propositions I will offer are economic "theory," but they are theory in the sense that the laws of gravity are a theory and are founded upon economic insights spanning hundreds of years of careful analyses, testing of hypotheses, and rigorous debates. That does not mean all economists agree on all policy implications or that every prediction by an economist comes true. It does mean that the core principles of the discipline are not mere matters of opinion and that economics is not a "point of view" to be accorded equal weight with folk tales or political preferences. All theories of how the world works are not equal -some work better than others and the ones that work deserve greater weight in policy debates than the ones that do not. Economics' great strength is that it is a concise and powerful theory that explains the world remarkably well. Those who ignore its insights are doomed to fail. Science fiction author Robert Heinlein coined the phrase "TANSTAAFL" as a shorthand way of saying "There Ain't No Such Thing As A Free Lunch" in his classic 1966 science fiction novel The Moon is a Harsh Mistress, in which he described a revolution by residents of lunar colonies against oppressive governments on Earth in 2076.6 Heinlein had the revolutionaries emblazon TANSTAAFL on their flag and wove the principle through the free lunar society he imagined-a place where even air cost people money. "No free lunch" means that everything costs something. Everything. No exceptions. At a minimum, if I spend my time doing one activity, I cannot spend that time doing something else. Economists refer to the idea that resources devoted to one activity are unavailable for other activities as "opportunity cost." If we do X, we cannot use those resources to do Y. The failure to recognize that there is an opportunity cost to committing resources to any given use can have disastrous consequences because when we do not recognize that our actions have costs we cannot intelligently consider our alternatives. And if we cannot assess the costs and benefits of our alternatives, we cannot make reasoned choices among them.7 In short, tradeoffs matter, and we need to pay attention to them.

#### Consequentialism best informs ethical decision-making. Deontological rubrics divert political responsibility for atrocity.

Zanotti 17, \*Laura Zanotti, Associate Professor Department of Political Science, Virginia Tech, (January 13th, 2017, “Reorienting IR: Ontological Entanglement, Agency, and Ethics,” International Studies Review)

Furthermore, if we accept Barad’s position that we are “of the world” and not above the world, theorizing looks more like a practice endowed with performative political effects than a quest for the discovery of the “true nature” of what exists. Therefore, intellectual undertakings are a form of political agency and come with great responsibility. Such responsibility requires the need for exercising prudence in making truth statements about what is universally good or naturally inevitable. Assumptions about linearity of causal relations, universal laws of history, or ontological properties of entities yield two problematic effects. On the one hand, they may stifle political imagination; on the other hand, they could encourage actions based upon abstract prescriptions rather than upon careful diagnosis of the forces that obtain in the situation at hand. In an entangled world, there are no externalities. Arguments that divert responsibility by basing political choices upon abstract principles or aspirations and, as a result, that treat what happens on the ground as “unintended consequences” or “collateral damage,” are ethically thin and politically dangerous.

In fact, unintended consequences may well be the result of irresponsible political decision-making that does not include a competent assessment of the practical configurations that constitute the context of action and the means necessary to achieve stated goals. Such attitudes, Amoureux and Steele (2014) have suggested, have led to disastrous initiatives, such as the Bush administration’s invasion of Iraq. Likewise, Kennedy (2006) has shown that the bland rhetoric of jus in bello that provides standardized criteria regarding the number of acceptable civilian casualties (conveniently called collateral damage) produces the effect of diverting responsibility from those who conduct war while assuaging their consciences concerning the injuries and deaths their choices are inflicting. Kennedy (2004) has also shown that as a result of the preference for universal normativity, the human rights profession (which he calls “the invisible college”) is more concerned with protecting abstract norms than with acting politically so as to devise viable solutions to specific problems.

Universal norms and bureaucratic routines play a major role in prescribing and justifying UN peacekeeping interventions. As Jean Marie Guehe ́nno argued more than a decade ago, strategies of international intervention based upon assumptions of causal linearity and invariance may amount to hubris. Norms and rules can also offer grounds for appeasement. The massacres that occurred in Rwanda and Srebrenica in the 1990s provide examples of how, by uncritically following institutionalized rules, United Nations peacekeepers permitted atrocities. UN employees are not cold-blooded monsters or extremely callous individuals. They follow norms and rules, key examples of which include the principle of “impartiality,” Security Council mandates, and “rules of engagement.” By doing so, however, they have often fallen short of considering the possible consequences of decisions in specific situations. The United Nations’ failure to take action to prevent the Rwanda and Srebrenica genocide testifies to the fact that following universal norms (i.e., the imperative to preserve impartiality) and bureaucratic reasoning (i.e., the rules of engagement prescribing not to intervene to disarm any party of the conflict) set the stage for avoiding a careful assessment of what was at stake on the eve of the massacres. These ways of reasoning also appeased consciences for not making decisions accountable to the people in danger (Zanotti 2014).

# 2AC

## ADVANTAGE---ECONOMY

### 2AC---AT: China K---Top

#### Western IR explains China’s behavior---suggesting otherwise ignores decades of Chinese history, which is equally as orientalizing.

Chong 20, PhD, associate professor of political science at the National University of Singapore and a Harvard-Yenching Institute Visiting Scholar for 2019-2020. (Ja Ian, 11/9/20, "Roundtable 12-2 on *Thucydides’s Trap? Historical Interpretation, Logic of Inquiry, and the Future of Sino-American Relations*", *H-Diplo | ISSF*, https://issforum.org/roundtables/12-2-thucydides)

Chan’s finding that misplaced worries about the PRC and its intentions stem in part from misunderstandings of perspectives on international politics that are informed by theories from “the West” rather than China deserves elaboration and debate. So-called “Western” international relations theories often have parallels in the Chinese tradition, broadly construed. Work analyzing Spring and Autumn, Warring States, Song, and Ming documents indicate that the strategic thought that is prominent in these periods closely resembles statecraft familiar to those in the contemporary “West.”[16] Texts as varied as the Han-era annals Records of the Grand Historian and the Ming-era fiction Romance of the Three Kingdoms will suggest the same.[17] Parallels between “Western” and “Chinese” approaches to politics are unsurprising. Several millennia of collective human experience, thought, and debate over statecraft, conflict, as well as governance are almost certainly bound to produce similarities in responses.

Dividing the world into “Western” and “Chinese” views of the world ignores the fact the PRC has disagreements with ostensibly “non-Western” polities such as India, Indonesia, Japan, Korea, and Vietnam, each with their own distinct philosophical traditions.[18] Also, despite sharing cultural origins, people in the PRC and on Taiwan disagree fundamentally issues of political valAues and rights, not the relatively simple issues of who should rule China or what a Chinese state should entail geographically.[19] Moreover, the PRC’s ruling Chinese Communist Party draws at least some of its inspiration from European thinkers in the form of Karl Marx and Vladimir Lenin. Successive dynasties from historical China also proved themselves very adept at conquest—that is how regimes and empires get built.[20] Attributing tensions between the United States and PRC to culture suggests an overly monolithic view of the rich and varied philosophical and political traditions both major powers draw from, giving them less credit than is due.[21]

To claim that contemporary international scholarship and U.S. policy are unable to adequately understand China because they are “Western” may oversimplify the nature and seriousness of problems dogging U.S.-China relations and their consequences for the world. Relegating difference to culture is not only Orientalizing, it can encourage a misplaced expectation that understanding can bring some sort of happy, mutually acceptable outcome. Perhaps Beijing and Washington understand each other well. They simply disagree fundamentally over values and interests in ways that make finding mutually acceptable accommodation increasingly difficult. This does not have to imply that either side is morally superior or normatively “better” than the other, just that understanding provides little promise for improving relations and avoiding confrontation. Better accounting for such possibilities invites fuller consideration of the roles that agency and contingency play in major power relations, two features that Chan clearly identifies as critical in the volume.

#### No self-fulfilling prophesy---theorizing about the danger of US-China war creates the caution and risk-aversion necessary to avoid it.

Wang 20, Professor of Political Science at Western Michigan University. He holds a Ph.D. in political science from the University of Chicago. (Yuan-kang, 11/9/20, "Roundtable 12-2 on *Thucydides’s Trap? Historical Interpretation, Logic of Inquiry, and the Future of Sino-American Relations*", *H-Diplo | ISSF*, https://issforum.org/roundtables/12-2-thucydides)

Throwing the Baby Out with the Bathwater?

Chan warns that the discourse on Thucydides’s Trap and power transition can create a self-fulfilling prophecy. If leaders believe in Thucydides’s Trap and act accordingly, it may create the anticipated conditions that make war more likely. Talking and thinking in terms of Thucydides’s Trap will influence the state’s construction of its identity as well as its definition of interests and preferences. The discourse is harmful because it encourages ‘othering’ the opponent and contributes to confrontation.

Should we, then, throw out the proposition that war is more likely when the system is undergoing a power transition?

It might be worthwhile to go back to what Thucydides’s Trap refers to: “the severe structural stress caused when a rising power threatens to upend a ruling one. In such conditions, not just extraordinary, unexpected events, but even ordinary flashpoints of foreign affairs, can trigger large-scale conflict.”[112] Instead of creating a self-fulfilling prophecy, this statement should induce caution from leaders in Beijing and Washington. Understanding the danger of war is the first step to avoid being trapped in it. Like Chan, Allison seeks to offer “a set of principles and strategic options for those seeking to escape Thucydides’s Trap and avoid World War III.”[113]

Obviously, historical analogies cannot completely capture an ongoing event. Allison himself cautions against “facile analogizing” and emphasizes that “the differences matter at least as much as the similarities.”[114] The purpose of analogizing Thucydides’s Trap is not to shoehorn China and the United States into the roles of Athens and Sparta respectively, as Chan suggests (17-18), but to underscore the enduring feature of international politics throughout the ages. The dynamics of conflict highlighted by Thucydides remain as relevant today as it was two thousand years ago.

Many scholars accuse structural theory of determinism, as Chan does, (14, 34), even though structuralists do not adopt it. States can go to war for a variety of reasons. Attempting to isolate a single cause for all wars is impossible. The proposition that war tends to break out during a power transition is better understood as a probabilistic—not deterministic—statement. The structural tensions cause by power shifts can substantially increase the probabilities of war, much like dry leaves waiting for a spark, but it does not mean that war will inevitably break out. Properly understood, Thucydides’s Trap cautions us to be prepared for the danger of war during a power transition.

Overall, Chan’s book provides a stronger critique of power transition theory than of Thucydides’s Trap. Students of power shifts should take his argument seriously and avoid the pitfalls he identifies. We should not, however, hastily dismiss the warnings of Thucydides’s Trap.

#### No impact to threat inflation---government officials are adept at accurately capturing China’s behavior. Empirics work, and purely academic accounts are inaccurate.

Chan 04, \*Steve Chan, College Professor of Distinction at the University of Colorado; (“Extended Deterrence in the Taiwan Strait: Learning from Rationalist Explanations in International Relations”, Asian Affairs: An American Review , Fall, 2004, Vol. 31, No. 3 (Fall, 2004), pp. 166-191)

Rationalist interpretations do not imply that people are omnipotent in their ability to procure and process information. We know all too well that people are subject to a variety of cognitive and perceptual errors (for example, Jervis 1976; Levy 1997; Kahneman and Tversky 2000; Tversky and Kahneman 1977). This recognition of limits to rationality, however, hardly warrants general attributions of naivete, even stupidity, to government leaders. On the contrary, it seems sensible to start from the premise that officials know their counterparts far better than scholars may wish to acknowledge. Washington, Beijing, and Taipei, for instance, invest enormous time, effort, and resources in trying to gain an accurate understanding of each other. Academics have a hard time claiming any special insight or unique source of wisdom, whether it is based on mastery of the other side's language, intimate familiarity with its culture, or access to timely and sensitive information with restricted distribution. If anything, they are usually at a considerable disadvantage on these scores when compared to diplomats, intelligence analysts, and even journalists and business people. Indeed, academics in fields such as history and political science typically operate in the realm of common knowledge, outdated information, and mundane data. This confession in turn implies that at least for some of us, our individual and collective forte lies with the analysis of persistent empirical patterns and the formulation of general models of foreign policy conduct.

#### Shoring up deterrence creates predictability in threat perception---the alternative is cultural bias or suspicious gut reaction.

Lupovici 08, Post-Doctoral Fellow Munk Centre for International Studies University of Toronto, (Amir, “Why the Cold War Practices of Deterrence are Still Prevalent: Physical Security, Ontological Security and Strategic Discourse,” <http://www.cpsa-acsp.ca/papers-2008/Lupovici.pdf>)

Since deterrence can become part of the actors’ identity, it is also involved in the actors’ will to achieve ontological security, securing the actors’ identity and routines. As McSweeney explains, ontological security is “the acquisition of confidence in the routines of daily life—the essential predictability of interaction through which we feel confident in knowing what is going on and that we have the practical skill to go on in this context.” These routines become part of the social structure that enables and constrains the actors’ possibilities (McSweeney, 1999: 50-1, 154-5; Wendt, 1999: 131, 229-30). Thus, through the emergence of the deterrence norm and the construction of deterrence identities, the actors create an intersubjective context and intersubjective understandings that in turn affect their interests and routines. In this context, deterrence strategy and deterrence practices are better understood by the actors, and therefore the continuous avoidance of violence is more easily achieved. Furthermore, within such a context of deterrence relations, rationality is (re)defined, clarifying the appropriate practices for a rational actor, and this, in turn, reproduces this context and the actors’ identities. Therefore, the internalization of deterrence ideas helps to explain how actors may create more cooperative practices and break away from the spiral of hostility that is forced and maintained by the identities that are attached to the security dilemma, and which lead to mutual perception of the other as an aggressive enemy. As Wendt for example suggests, in situations where states are restrained from using violence—such as MAD (mutual assured destruction)—states not only avoid violence, but “ironically, may be willing to trust each other enough to take on collective identity”. In such cases if actors believe that others have no desire to engulf them, then it will be easier to trust them and to identify with their own needs (Wendt, 1999: 358-9). In this respect, the norm of deterrence, the trust that is being built between the opponents, and the (mutual) constitution of their role identities may all lead to the creation of long term influences that preserve the practices of deterrence as well as the avoidance of violence. Since a basic level of trust is needed to attain ontological security, 21 the existence of it may further strengthen the practices of deterrence and the actors’ identities of deterrer and deterred actors.  In this respect, I argue that for the reasons mentioned earlier, the practices of deterrence should be understood as providing both physical and ontological security, thus refuting that there is necessarily tension between them. Exactly for this reason I argue that Rasmussen’s (2002: 331-2) assertion—according to which MAD was about enhancing ontological over physical security—is only partly correct. Certainly, MAD should be understood as providing ontological security; but it also allowed for physical security, since, compared to previous strategies and doctrines, it was all about decreasing the physical threat of nuclear weapons. Furthermore, the ability to increase one dimension of security helped to enhance the other, since it strengthened the actors’ identities and created more stable expectations of avoiding violence.

## K---CAP

### 2AC---AT: !---Fascism

#### Capitalism doesn’t lead to fascism.

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Does Capitalism eventually lead to Fascism? In the US it doesn’t and it won’t. Many people in the world believe that Capitalism will eventually lead to Fascism. [Some claim](https://eand.co/you-cant-talk-to-americans-about-the-things-they-need-to-hear-most-5d6392935586) that nearly everyone, except Americans, understand this. The reality is that American Capitalism, when practiced correctly, leads to more individual freedom, more individual responsibility, low rates of taxation and a limited role for government. These principles are opposite to the principles of Fascism. People in other countries simply do not understand the value that Americans place on freedom. In every other country, the population is willing to sacrifice some freedom for the appearance of more security or safety. As our own [Benjamin Franklin](https://www.npr.org/2015/03/02/390245038/ben-franklins-famous-liberty-safety-quote-lost-its-context-in-21st-century) said, “Those who would give up essential Liberty, to purchase a little temporary Safety, deserve neither Liberty nor Safety.” Admittedly today, there are Americans who appear willing to challenge Franklin’s words. There is a deep division in the US today, mostly centered around the role of government. Historically, Americans favored a very limited role for government. Today there is a movement toward a larger role for government. That means some Americans want the government to control key markets like the market for healthcare. The US is the only developed country in the world that does not have some kind of national health insurance. Recent surveys rank the [US 15th](https://www.usnews.com/news/best-countries/slideshows/countries-with-the-most-well-developed-public-health-care-system) for the quality of the healthcare system. Rational, freedom-oriented Americans would reject that claim. Most Americans would say that if they were seriously ill or suffering from a serious injury, they would rather be in the US, where the most advanced protocols and the most advanced equipment are readily and easily available. In virtually every other country, that is not the case. The reality is that the US leads the way for advancements in healthcare. Because of our capitalist system and the resulting profit motive, the US has already developed three vaccines for the worldwide Covid pandemic with at least three more about to be approved. The US led the world in producing lifesaving equipment including ventilators. Some argue that Capitalism produces billionaires who eventually have too much power because of their wealth. Some want to limit the number of billionaires. In the US, it is exactly the opposite. We would like to see as many billionaires as possible. Why? Because to become a billionaire a person has to make a huge contribution to the welfare of the citizens like Jeff Bezos, or Bill Gates or Elon Musk did. Capitalism is about freedom and free markets. Capitalism is about competition. Freedom and competition always lead to higher quality products, lower costs of production, faster innovation and more profitable companies. But the current objection to Capitalism revolves around the distribution of income. In Capitalism an individual is paid according to the value of the contribution that the individual makes. Very simply, the more valuable the contribution, the more income the individual earns. Because there are vast differences in contributions, an unequal distribution of income results. Some in the US believe that this large income inequality is not fair. Indeed measured by what economists call the [GINI coefficient](https://www.statista.com/statistics/219643/gini-coefficient-for-us-individuals-families-and-households/#:~:text=In%202019%2C%20according%20to%20the,over%20the%20past%2030%20years.), the US has a high degree of [income inequality](https://www.indexmundi.com/facts/indicators/SI.POV.GINI/rankings). To a freedom-oriented American this is normal and is how it should be. It is social justice. As the recently deceased American economist Walter Williams said, “ But let me offer you my definition of social justice: I keep what I earn and you keep what you earn. Do you disagree? Well then tell me how much of what I earn belongs to you — and why?” In the US system, an individual is free to figure out how to increase the value of their contribution. Unfortunately, the current administration believes that large income inequality is bad and must be corrected by taking income away from those who have earned large amounts and giving the income to people, who for whatever reason, did not earn it. While compassionate Americans allow some of this, the basic concept is just un-American. The citizens of every other country in the world, simply do not understand the great American experiment in Capitalism and a truly Representative Democracy, where the people make major decisions and not some ruling class. Historians thought the experiment would fail in 1861 when a Civil War ripped the US. We lived through that war and eventually became stronger while gaining an even deeper understanding of freedom. American Capitalism won’t lead to Fascism. In fact, once the US gets back to the basic principles that made us great, freedom will flourish and the capitalistic system will become even stronger. The four basic principles allowed the US to go from the birth of a nation to the largest economy and the most prosperous country in the world in about 150 years. Other countries were hundreds and even thousands of years older. Individual freedom, individual responsibility, low rates of taxation and a limited role for government work with Capitalism and Democracy to encourage more prosperity, more freedom and more control by the people rather than some government official. If only citizens of the other countries in the world understood that.

### 2AC---Cap Good---Global South

#### Globalization is immensely beneficial for improving quality of life in the Global South---it’s also widely supported which proves their epistemic skepticism is from an ivory tower.

Horner et al. 18 (Rory, Global Development Institute, University of Manchester, Manchester, UK, “Globalisation, uneven development and the North–South ‘big switch’,” Cambridge Journal of Regions, Economy and Society 2018, 11, 17–33 doi:10.1093/cjres/rsx026)

Citizen surveys further reveal dramatic changes in attitudes to globalisation across and within the global North and South. While such surveys have methodological limitations,1 the results indicate distinctive trends that support the thesis of the ‘big switch’. Among people in the global South, polls have consistently found quite positive attitudes towards globalisation. In 2007, the Times of India claimed that ‘Indians believe globalisation benefits their country’, citing a poll by the Chicago Council on Global Affairs and World Public Opinion that 54% of Indians answered ‘good’ compared to 30% ‘bad’ to the question of whether increasing economic connections ‘with others around the world is mostly good or bad’. More recently, Stokes (2016) reported on Pew Research Surveys from 2016 which found that 60% of Chinese think their country’s involvement in the global economy is good (compared to 23% who think it is bad), while 52% of Indians surveyed thought it was good compared to 25% who said it was a problem. A recent YouGov survey of 20,000 people across 19 countries found a majority believed that globalisation has been a force for good. That survey found the most enthusiasm for globalisation in East and South-East Asia, where over 70% in all countries believed it has been a force for good. The highest approval, 91%, was in Vietnam, a relative latecomer to globalisation (Smith, 2017).

By contrast, public support for globalisation in the global North has plummeted. Bhagwati (2004) cited an Environics International Survey presented at the 2002 World Economic Forum Meetings to argue that disillusionment with globalisation was not universal; ‘anti-globalisation sentiments are more prevalent in the rich countries of the North, while pluralities of policy makers and the public in the poor countries of the South see globalisation instead as a positive force’ (2004, 8). Although Bhagwati suggested this was an ‘ironic reversal’, it proved to be in line with a 2007 BBC World Service poll that found 57% of people in G7 countries thought the pace of globalisation was too rapid, whereas the majority of those in ~~developing~~ countries surveyed thought it was just right or too slow (e.g. IMF, 2008; Pieterse, 2012). A 2007 Pew Global Poll similarly found a decline in the percentage of people in many Northern countries who believed trade had a positive impact. In its analysis of the survey results, Kohut and Wilke (2008, 6–7) commented that ‘it is in economically stagnant Western countries that we see the most trepidation about globalisation’. Almost 10 years later, The Economist (2016) reported on a YouGov survey of 19 countries, which found that fewer than half of people in the USA, UK and France believed that globalisation is a ‘force for good’ in the world. This broad change in attitude toward globalisation is playing out in national electoral politics as well as gatherings such as the World Economic Forum and the meeting of the Asia-Pacific Economic Cooperation.

The ‘big switch’ and the geography of uneven development

The ‘big switch’ seemingly confounds the predictions of the most vocal proponents and critics of globalisation alike. Uneven development is dynamic and relates to differences both within and among countries (Sheppard, 2016). Naïve claims that the world is flat or that economic globalisation is ‘win-win’ have rightly been dismissed (Baldwin, 2016; Christopherson et al., 2008; Turok et al., 2017), yet it is also insufficient to suggest that globalisation simply leads to a reproduction of existing inequalities, overlooking how that unevenness may be changing as a result of new macroeconomic geographies (Peck, 2016). While trade theory could predict that there would be ‘losers’ in the global North from international economic integration, proponents of economic globalisation have asserted that they would be few in number and could be compensated. More recently, it appears that a large group of people feel more forsaken than compensated. Similarly, for those who embraced Marxian political economy, and warned of its negative consequences in the South, the apparent optimism and support for globalisation in the South may have been unexpected. The sceptical internationalists (e.g. Evans, 2008; Kaplinsky, 2001; Stiglitz, 2006) should be acknowledged, however, for forecasting downsides in the global North. As we outline below, many people in the global North have experienced relative stagnation, whereas, albeit from a very low starting point and amidst considerable inequality, many people (but not all) have experienced improved development outcomes in the global South. We then explore what this apparent ‘big switch’ may tell us about contemporary economic globalisation.

The new geography of global uneven development

Significant portions of the population in the USA and other countries in the global North have experienced limited, if any, income gains in an era of globalisation. Milanovic’s (2016) ‘elephant graph’ (Figure 1) has quickly become a popular way to demonstrate the relative stagnation experienced in North America and Europe in recent decades. Exploring changes in real incomes between 1988 and 2008, he showed that those who particularly lost out on any relative gain in income were the global upper middle class (those between the 75th and 90th percentiles on the global income distribution) and the poorest 5% of the world population. Of these least successful percentiles, 86% of the population were from mature economies in the global North (Lakner and Milanovic, 2016, 23). Considering these contrasts more widely, a growing body of evidence shows that the global North’s dominance in the global economy is receding, with the share of high-income countries in global GDP having fallen from 76.8% in 2000 to 65.2% in 2015 (see Figure 1).

A different picture emerges in the global South. In Figure 1, it was Asians who comprised 90% of the population in the percentiles which did best in terms of relative income gains from 1988 to 2008 (Lakner and Milanovic, 2016, 223). The UNDP has remarked that

A striking feature of the world scene in recent years is the transformation of many ~~developing~~ countries into dynamic economies…doing well in economic growth and trade … they are collectively bolstering world economic growth, lifting other ~~developing~~ economies, reducing poverty and increasing wealth on a grand scale. (UNDP, 2013, 43)

The share of global GDP of low and middle income countries increased from 22.5% in 2000 to 34.1% in 2015 (Figure 2). Much of this increase is accounted for by China, as well as India and Brazil. Their share of global GDP, only 4.6% in 1960, 6.6% in 1990 and 9.3% in 2000, had almost doubled in the 21st century to 18% by 2015.

The development context of the global South has changed significantly since the turn of the Millennium, across a variety of important indicators. The total number of people in the world living on less than $1.90 per day (i.e. extreme poverty) has more than halved from 1.69 billion in 1999 to 766 million in 2013. At least by official estimates, the share of the population in the global South who are living in extreme poverty has fallen considerably this century. Whereas the percentage of the population in the global South with a daily consumption level of less than $1.90 was 33.4% in 1999, it was just 13.4% in 2013.2 The percentage of the world’s countries classified by the World Bank as low-income, albeit a very low threshold, more than halved within the first 15 years of the 21st century. Moreover, the total number of countries which are highly dependent on aid (having a net ODA > 9% of GNI) has fallen considerably, from 42 in 2000 to 29 in 2015, or from 34.1% to 23.2% of all low and middle-income countries with data available over that period.3

Considered overall, in comparison with the 1990s, the global South, in aggregate, now earns a much larger share of world GDP, has more middle-income countries, more middleclass people, less aid dependency, considerably greater life expectancy and lower child and maternal mortality. Table 1 provides some summary indicators for high-income countries (HICs) and low and middle-income countries (L&MICs), as somewhat imperfect approximations for global North and South.

After two hundred years of a ‘divergence, big time’ (Pritchett, 1997) between developed and ~~developing~~ countries following the Industrial Revolution, recent measurements suggest a change in the pattern of global inequality across a number of indicators (Horner and Hulme, 2017). The Global GINI of income distribution across all individuals in the world has fallen from 69.7 in 1988 to 66.8 in 2008 and 62.5 in 2013 (World Bank, 2016, 81). Analysis presented in the World Bank’s Taking on Inequality (2016) suggests that, in 1998, 26% of global income inequality was related to differences within countries, with the remaining 74% relating to differences among countries. By 2013, these shares were 35 and 65%. Two hundred years of a great divergence between global North and South now seems to have had some reversal, although more than half of an individual’s income can be accounted for by the country where he/she lives or was born (Milanovic, 2013). Inter-country inequality, rather than intra-country inequality, is still dominant, but it accounts for a diminished share of income-based and other inequalities (World Bank, 2016).

### 2AC---Cap Good---War

#### Growth increases stability and disincentivizes conflict and expansionism---decline causes war.

Szayna et al 17, Research department director of the Defense and Political Sciences Department and a senior political scientist at the RAND Corporation. He has over 30 years of experience in national security policy and defense analysis. From 1997 to 2011 he served as associate director of the Strategy, Doctrine, and Resources Program in RAND's Army Research Division. His research has focused on aspects of strategic planning for the U.S. armed forces, post-conflict stability and reconstruction operations, and coalition interoperability. He gave testimony for the U.S. House of Representatives and has been a keynote speaker at a number of defense conferences. Szayna received a B.A. in history and philosophy from Villanova University and an M.A. in international relations from Claremont Graduate School. Also Angela O’Mahony, Jennifer Kavanagh, Stephen Watts, Bryan Frederick, Tova C. Norlen, Phoenix Voorhies. (“Conflict Trends and Conflict Drivers: An Empirical Assessment of Historical Conflict Patterns and Future Conflict Projections”. 2017. https://www.rand.org/pubs/research\_reports/RR1063.html)

There are a number of factors that could lead to discontinuous changes in this metric. For example, a global economic downturn could lead to sharp reductions in development aid that could threaten any improvements in governance that had been made with the benefit of that assistance. Alternatively, a major jump in global energy costs could induce widespread fiscal crises similar to those of the 1970s and 1980s, ultimately leading to reduced state capacity. The branch scenario in red projects essentially no improvements in state capacity over the period in question, so larger changes would entail the rapid erosion of the capacity of states that are already relatively capable. Such changes are certainly possible, but they would constitute an example of nonlinear disruptive change. On balance, our projection is that state capacity is likely to continue to improve, which will tend to exert a downward pressure on the likelihood of intrastate conflict. Prevalence of Consolidated Democracies Consolidated democracies are less likely to fight one another and to be involved in internal conflict. While this correlation is clear, the mechanism by which democracies reduce conflict is more contested. The literature on interstate conflict has focused on the greater transparency and consistency of democratic regimes that allow them to credibly commit to peaceful solutions to disputes and the possibility that domestic norms and greater political accountability may make democratic states less likely to pursue violent conflicts.8 There are fewer arguments that the greater ability of consolidated democracies to resolve grievances within the political system leads to less intrastate conflict.9 We note, however, that partial democracies or the process of democratization itself may not be particularly peaceful and may even be associated with an increase in conflict.10 Given the importance of consolidated democracy in the literature on conflict, there is already a great deal of work in the academic literature on measurement of democracy. Several aggregate measures of democracy have been developed that include the competitiveness of elections; the state’s respect for civil, political, and minority rights; and freedoms of the press and religion. The most widely used measure of consolidated democracy, and the one we employ, comes from the Polity project. By coding a wide range of regime characteristics, such as political 8 Arend Lijphart, Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries, New Haven, Conn., and London: Yale University Press, 1984; Peter Liberman, Does Conquest Pay? The Exploitation of Occupied Industrial Societies, Princeton, N.J.: Princeton University Press, 1996; Charles Lipson, Reliable Partners: How Democracies Have Made a Separate Peace, Princeton, N.J.: Princeton University Press, 2003. 9 Håvard Hegre, Tanja Ellingsen, Scott Gates, and Nils Petter Gleditsch, “Toward a Democratic Civil Peace? Democracy, Political Change, and Civil War, 1816–1992,” American Political Science Review, Vol. 95, No. 1, March 2001, pp. 33–48; Christian Davenport, State Repression and the Domestic Democratic Peace, New York, N.Y.: Cambridge University Press, 2007. 10 Hegre et al., 2001; Lars-Erik Cederman, Kristian Skrede Gleditsch, and Simon Hug, “Elections and Ethnic Civil War,” Comparative Political Studies, Vol. 46, No. 3, 2012, pp. 387–417. 49 competition and constraints on the executive, an aggregate “Polity score” is produced, ranging from –10 to 10. Values of 6 or higher are typically used to identify the presence of a democracy, with a more conservative measurement of 8 or higher often used to identify consolidated democracies. We use this metric to calculate the percentage of all states that are consolidated democracies, with the historical values denoted by the black line in Figure 3.2. Figure 3.2. Prevalence of Consolidated Democracies SOURCE: Historical data: Monty G. Marshall and Keith Jaggers, Polity IV Data Set [Computer file; version p4v2012], College Park, Md.: Center for International Development and Conflict Management, University of Maryland, 2002; projections calculated by authors. We projected the baseline scenario by fitting a trend line to the historical data and calculating the future values.11 This projection is represented in the figure by the gray line. We calculated the two branch scenarios as one standard deviation above and below the baseline projection; they are shown in the figure by the blue and red lines, respectively. Discontinuous growth in the prevalence of democracies could result from various tippingpoint effects. If a high percentage of the world’s population were governed through democracy, other forms of government may come to be seen as illegitimate, and greater international pressure may be brought to bear to remove them. Within the time frame of our study, a dramatic reversal in the prevalence of consolidated democracies appears to be less likely. The reversion of 11 The trend line was fit using a generalized linear model linked to a binomial logit function. The resulting projections are therefore bounded between 0 and 1 (in this case, 0 and 100 percent). The model used in Figure 3.2 has a Pearson statistic (1/df) of .0037, suggesting a high degree of fit with the data. 50 consolidated democracies to autocracies historically has been extremely rare and is unlikely in the absence of extreme economic decline, the conquest of democracies by more powerful autocracies, or both. Either of these potential paths is likely to lead directly to increases in future conflict levels as well. Degree of Ethnic and Sectarian Polarization The academic literature generally agrees that a high level of ethnic and sectarian polarization is not sufficient by itself to cause conflict either within or between states. However, there is also agreement that in the intrastate context, where group mobilization occurs along ethnic lines, identity can become a significant contributing factor for violence, especially when strengthened by socioeconomic and sociopolitical grievances. Consequently, we identified the degree of ethnic and sectarian polarization as one of the primary factors likely to affect the level of intrastate conflict in the future. Evidence also shows that while ethnicity may not lead to conflict by itself, it may work to prolong conflicts and increase the intensity of violence in those conflicts that are already occurring.12 Such effects will most likely be strengthened if ethnic groups are deliberately disadvantaged by the state or if they are territorially based and have secessionist or separatist demands.13 Scholars tend to agree that ethnic and sectarian polarization, while a strong predictor for increased levels of intrastate conflict, is not a strong driver for conflicts between states. However, if regional and international actors become involved in intrastate conflicts, or if conflicts spread across borders, such polarization could also affect levels of interstate conflict. Such a scenario is especially likely where ethnic kin-groups in neighboring states become involved with secessionist movements.14 Quantifying ethnic and sectarian polarization is inherently difficult. While various measures have been tried, such as linguistic differences (e.g., ethno-linguistic fractionalization) or religious preferences, they are often criticized for not capturing the cleavage that gives rise to political mobilization. For example, different ethnic groups may share the same religion, and one ethnic group may speak multiple languages. It can also be difficult to determine when certain identities in a society are increasing in salience, and when they are becoming less relevant. One prominent 12 Rajat Ganguly and Raymond Taras, Understanding Ethnic Conflict: The International Dimension, Longman Publishers, 2002; Fearon and Laitin, 2003; and Daniel Bar-Tal, “Sociopsychological Foundations of Intractable Conflicts,” American Behavioral Scientist, Vol. 50, No. 11, 2007. 13 Gurr, 1970; Stephen M. Saideman, and William R. Ayres, “Determining the Causes of Irredentism: Logit Analyses of Minorities at Risk Data from the 1980s and 1990s,” Journal of Politics, Vol. 62, No. 4, November 2000, pp. 1126–1144; Monica Duffy Toft, The Geography of Ethnic Violence: Identity, Interests, and the Indivisibility of Territory, Princeton, N.J.: Princeton University Press, 2003. 14 John A. Vasquez, and Brendan Valeriano, “Territory as a Source of Conflict and a Road to Peace,” in Jacob Bercovitch, Viktor Kremenyuk, and I. William Zartman, eds., The Sage Handbook of Conflict Resolution, Los Angeles, Calif.: SAGE, 2009, pp. 193–209. 51 attempt to quantify relevant ethnic identities is the Minorities at Risk data set at the University of Maryland, which identifies minority groups by their “at risk” status—that is, by the extent to which they are disadvantaged in their relationships with other groups in the state in which they reside. However, the Minorities at Risk data identify such “at risk” groups somewhat subjectively, and the project does not claim to be comprehensive. An alternative, objective measure is to look for the degree of formal discrimination against ethnic, religious, or linguistic groups. The creation or removal of official laws providing for formal discrimination can help to identify states where identity-based grievances may become more or less salient. For capturing the degree of ethnic and sectarian polarization, therefore, we looked at the percentage of states with formal discrimination against minorities, where such minority groups make up at least 5 percent of the state’s population. We used the Ethnic Power Relations data set (EPR), which tracks the extent of access to state power for all politically relevant ethnic groups in every country of the world from 1946 to 2013. It includes annual data on more than 733 groups and codes the degree to which their representatives held executive-level state power—from total control of the government to being formally barred from holding political office. While the disadvantage of such a proxy may be that it potentially fails to capture some of the unofficial social discrimination that can lead to group mobilization, the advantage is that it allows for a more objective measure of sectarian tension. The overall levels of ethnic or sectarian polarization in the figure below may therefore be understated, but we can have more confidence in the general trend line than we could with more subjective data sources. We projected the baseline scenario by fitting an exponential trend line to the available historical data and calculating the future values.15 The projection is shown by a gray line in Figure 3.3. We calculated the two branch scenarios as one standard deviation above and below the baseline projection; they are shown by a red and blue line, respectively. 15 The exponential trend line fit to the data has the equation: y = 0.3098e-0.012x. The trend line has a high degree of fit with the data, with an R² of 0.85. 52 Figure 3.3. Percentage of States with Discriminated Minorities SOURCE: Historical data: Andreas Wimmer, Lars-Erik Cederman, and Brian Min, “Ethnic Politics and Armed Conflict: A Configurational Analysis of a New Global Data set,” American Sociological Review, Vol. 74, No. 2, 2009, pp. 316–337; projections calculated by authors. Discontinuous change in this variable may occur as a result of several factors. Historically, ethnic and sectarian factors often have increased in relevance after the breakup of larger states and empires, including the breakup of the Soviet Union in the early 1990s, or the end of colonialism in the 1960s. The breakup of other large, multiethnic states in the future could result in a similar outcome. Extremely high levels of resource stress because of population pressures also could prompt increased ethnically based conflict within states. Ethnic and sectarian polarization and grievances are latent in many societies, and may become politically important in order to mobilize groups to violence under conditions of severe resource or economic privation. Rate of Economic Growth Economic growth affects the prevalence of conflict in several ways. While territorial expansion traditionally has been a major cause of interstate war, states with higher levels of economic development may be less motivated to pursue such expansion because of the lower relative value of land inputs in an industrialized economy. Moreover, their reliance on international capital markets may increase the potential costs of disruptions from serious 53 international crises.16 At the intrastate level, economic growth (if broadly shared) reduces grievances, bolsters the capacity of the state to handle security challenges, and increases the population’s opportunities for licit employment, thus raising the opportunity costs of participating in rebellions or insurgencies.17 Growth benefits that accrue along ethnic or sectarian lines, however, might increase the potential for intrastate conflict, as discussed in the previous section, and sharp declines in the rate of economic growth could be associated with an increased risk of internal conflict as well.18 Therefore, there are at least two different concepts that any operationalization of this factor should attempt to capture: the overall level of economic development and changes in the rate of economic growth. Over the short term, wealthy countries tend to remain wealthy and poor countries tend to remain poor, and their degree of wealth may have a strong effect on their overall likelihood of being involved in conflict. In addition, sharp declines in the rate of growth for a range of states may increase their likelihood of intrastate conflict in particular.

### 2AC---Cap Good---Warming

#### A plethora of indicators demonstrate that catastrophic climate change can be averted. The momentum exists, but capitalizing on it is key.

Wallace-Wells 21, \*David Wallace-Wells is deputy editor of New York magazine, where he also writes frequently about climate change and the near future of science and technology; (January 18th, 2021, “After Alarmism”, https://nymag.com/intelligencer/article/climate-change-after-pandemic.html)

The change is much bigger than the turnover of American leadership. By the time the Biden presidency finds its footing in a vaccinated world, the bounds of climate possibility will have been remade. Just a half-decade ago, it was widely believed that a “business as usual” emissions path would bring the planet four or five degrees of warming — enough to make large parts of Earth effectively uninhabitable. Now, thanks to the rapid death of coal, the revolution in the price of renewable energy, and a global climate politics forged by a generational awakening, the [expectation](https://climateactiontracker.org/global/temperatures/) is for about three degrees. Recent pledges [could bring us closer to two](https://climateactiontracker.org/publications/global-update-paris-agreement-turning-point/). All of these projections sketch a hazardous and unequal future, and all are clouded with uncertainties — about the climate system, about technology, about the dexterity and intensity of human response, about how inequitably the most punishing impacts will be distributed. Yet if each half-degree of warming marks an entirely different level of suffering, we appear to have shaved a few of them off our likeliest end stage in not much time at all.

The next half-degrees will be harder to shave off, and the most crucial increment — getting from two degrees to 1.5 — perhaps impossible, dashing the dream of avoiding what was long described as “catastrophic” change. But for a climate alarmist like me, seeing clearly the state of the planet’s future now requires a conspicuous kind of double vision, in which a guarded optimism seems perhaps as reasonable as panic. Given how long we’ve waited to move, what counts now as a best-case outcome remains grim. It also appears, miraculously, within reach.

In December, a month after Biden was elected promising to return the U.S. to the Paris agreement, the U.N. celebrated five years since the signing of those accords. They were five of the six hottest on record. (The sixth was 2015, the year the agreement was signed.) They were also the years with the highest levels of carbon output in the history of humanity — with emissions equivalent to what was produced by all human and industrial activity from the speciation of Homo sapiens to the start of World War II.

They have also been the five years in which the nations of the world — and cities and regions, individuals and institutions, corporations and central banks — have made the most ambitious pledges of future climate action. Most of them were made in the past 12 months, in the face of the pandemic. Or, perhaps, to some degree, because of it — because the pandemic demanded a full-body jolt to the global political economy, provoking much more aggressive government spending, a much more accommodating perspective on debt, and a much greater openness to large-scale actions and investments of the kind that might plausibly reshape the world. And because decarbonization has come to seem, even to those economists and policy-makers blinded for decades to the moral and humanitarian cases for reform, a rational investment. “When I think about climate change,” Biden is fond of saying, “the word I think of is jobs.”

There are two ways of looking at these seemingly contradictory sets of facts. The first is that the distance between what is being done and what needs to be done is only growing. This is the finding of, among others, the U.N.’s comprehensive [“Emissions Gap” report](https://www.unenvironment.org/emissions-gap-report-2020), issued in December, which found that staying below two degrees of warming would require a tripling of stated ambitions. To bring the planet in reach of the 1.5-degree target — favored by activists, most scientists, and really anyone reading their work with open eyes — would require a quintupling. It is also the perspective of Greta Thunberg, who has spent the pandemic year castigating global leaders for paying mere lip service to far-off decarbonization targets and who called the E.U.’s new net-zero emissions law “surrender.”

The second is that all of the relevant curves are bending — too slowly but nevertheless in the right direction. The International Energy Agency, a notoriously conservative forecaster, recently [called](https://www.carbonbrief.org/solar-is-now-cheapest-electricity-in-history-confirms-iea#:~:text=Source%3A%20IEA%20World%20Energy%20Outlook%202020.&text=Together%2C%20low%2Dcarbon%20sources%20would,up%20from%2019%25%20in%202019.) solar power “the cheapest electricity in history” and projected that India will build 86 percent less new coal power capacity than it thought just one year ago. Today, business as usual no longer means a fivefold increase of coal use this century, as was once expected. It means pretty rapid decarbonization, at least by the standards of history, in which hardly any has ever taken place before.

Both of these perspectives are true. The gap is real, and the world risks tumbling into it, subjecting much of the global South to unconscionable punishments all the way down. But in the months since the pandemic wiped climate strikers off the streets, their concerns have seeped into not just public-opinion surveys but parliaments and presidencies, trade deals and the advertising business, finance and insurance — in short, all the citadels presiding over the ancien régime of fossil capital.

This is not exactly a climate revolution; the strikers and their allies didn’t win in the way they wanted to, at least not yet. But they did win something. Environmental anxieties haven’t toppled neoliberalism. Instead, to an unprecedented degree, they infiltrated it. (Or perhaps they were appropriated by it. It’s an open question.) Climate change isn’t an issue just for die-hards anymore — it’s for normies, sellouts, and anyone with their finger in the wind. It will take time, of course, for voters to see empty rhetoric for what it is, and for consumers to learn to distinguish, say, between the claims of guiltless airline tickets, or between carbon-free foods in the supermarket aisle. Harder still will be sorting through the differences between real corporate commitments like Microsoft’s and more evasive ones, like BP’s. Already, there is considerable consternation among climate activists that the public doesn’t understand the tricky math of “net-zero” on which so many of these commitments have been made—it is not a promise of ending emissions, but of offsetting some amount of them, in the future, with “negative emissions,” sometimes called “carbon dioxide removal,” though no approach of that kind is ready to go at anything like the necessary scale. And while some amount of skepticism about those commitments is surely warranted, it is also the case that, according to [a recent Bloomberg review](https://www.bloomberg.com/graphics/2020-company-emissions-pledges/), of 187 corporate climate pledges made for 2020 in 2015, 138 will be met. (Many of those promises were quite modest, but it is a much better performance than has been managed by the 189 parties to the Paris agreement, of which only two — Morocco and Gambia — are today [judged](https://climateactiontracker.org/countries/) fully “compatible” with the 1.5-degree goal, and only six more with the 2-degree target).

In the political sphere, the uneasy alliance between activists and those in power will be tested, producing new conflicts, or new equilibria, or both. Consider, though, that Varshini Prakash, whose [Sunrise Movement](https://www.sunrisemovement.org/) gave Biden’s primary candidacy an F, later helped write his climate plan along with Alexandria Ocasio-Cortez. Climate expertise has been distributed throughout the incoming administration, as was promised during a campaign that closed, remarkably, with a climate-focused advertising blitz. During the transition, Biden’s pick for director of the National Economic Council, Brian Deese, was targeted by the environmental left for his time with BlackRock, but even this purported stooge had been married by Bill McKibben, one of the godfathers of modern climate activism.

Elsewhere in the world, where 85 percent of global emissions are produced, the great infiltration of climate concerns represents what the British environmental [writer](https://www.businessgreen.com/blog-post/4025199/2020-crisis-crossroads-alternative-histories) James Murray has called “an alternative history to 2020” and what the scientist turned journalist Akshat Rathi [has declared](https://www.bloomberg.com/news/articles/2021-01-05/climate-action-is-embedding-into-how-the-world-works) “a strong sign that climate action is starting to be ‘institutionalized’ — that is, getting deeply embedded into how the world works.” This is not about coronavirus lockdowns producing emissions drops or “nature healing.” It is instead about long-standing trajectories passing obvious tipping points in coal use and political salience; promises and posturing by powerful if compromised institutions; and policy progress almost smuggled into place, all over the world, under cover of pandemic night. In the U.S., in the second coronavirus stimulus, [$35 billion in clean-energy spending](https://nymag.com/intelligencer/2020/12/what-is-in-covid-stimulus-omnibus-climate-pell-grants-medical-billing.html) passed in the Senate 92-6 — an effective down payment, energy researcher Varun Sivaram has estimated, on the innovation spending needed for a full electrification of the country. Did you even notice?

Biden’s climate plan now faces the challenge of a filibuster, a skeptical Supreme Court, and the mood of Senator Joe Manchin of West Virginia, which means American climate action over the next four years is probably more likely to be delivered piecemeal — through appropriations and stimulus, executive action, and regulation — than through a landmark Green New Deal–style piece of legislation. That does limit what can be achieved, but it also means avoiding a protracted battle over climate as a referendum on the identity of the nation. And at least nominally, having been pressured by activists to do so, Biden is promising to multiply the green spending in that recent stimulus by a factor of 60.

The numbers are numbingly large — reminders that in the midst of pandemic turmoil, the rules of state spending have been dramatically revised and perhaps even suspended. Is this global free-spending binge the beginning of a new era or merely a crisis interregnum to be followed by a new new austerity? “We don’t know what the recovery packages of COVID are going to be,” Christiana Figueres, one of the central architects of the Paris accords, told me this summer. “And honestly, the depth of decarbonization is going to largely depend on the characteristics of those recovery packages more than on anything else, because of their scale. We’re already at $12 trillion; we could go up to $20 trillion over the next 18 months. We have never seen — the world has never seen — $20 trillion go into the economy over such a short period of time. That is going to determine the logic, the structures, and certainly the carbon intensity of the global economy at least for a decade, if not more.”

For those dreaming of a climate recovery, the first round of spending was not so encouraging. The E.U. was the gold standard, promising that 30 percent of its stimulus would be earmarked for climate. The U.S. and China each pledged only a fraction of that (and in each case, there was fossil stimulus, too). But in October, a team of researchers including Joeri Rogelj of the Imperial College of London [calculated](https://www.reuters.com/article/climate-change-stimulus/tenth-of-pandemic-stimulus-spend-could-help-world-reach-climate-goals-study-idUSKBN271098) that just one-tenth of the COVID-19 stimulus spending already committed around the world, directed toward decarbonization during each of the next five years, would be sufficient to deliver the goals of the Paris agreement and stop global warming well below two degrees. That analysis may be a touch optimistic, but the level of spending seems, now, doable.

When Donald Trump was elected, trashing Paris, climate hawks were left hoping that the world would hang on for the length of his administration — insisting that, in the long term, the crisis couldn’t be solved without America at the helm. But the past four years of missing leadership have produced astonishing gains.

The price of solar energy has fallen ninefold over the past decade, as has the price of lithium batteries, critical to the growth of electric cars. The costs of utility-scale batteries, which could solve the “intermittency” (i.e., cloudy day) problem of renewables and help power whole cities in relatively short order, have fallen 70 percent since just 2015. Wind power is 40 percent cheaper than it was a decade ago, with offshore wind experiencing an even steeper decline. Overall, renewable energy is less expensive than dirty energy almost everywhere on the planet, and in many places it is simply cheaper to build new renewable capacity than to continue running the old fossil-fuel infrastructure. Oil demand and carbon emissions may both have peaked this year. Eighty percent of coal plants planned in Asia’s developing countries have been shelved.

This summer, I heard the Australian scientist and entrepreneur Saul Griffith talk about what it would take to get the U.S. within range of a 1.5 degree world. He said it would mean that beginning in 2021, this year, every single person buying a new car would have to be buying an electric one. That seems unrealistic, I thought, making a note of it as a useful benchmark illustrating just how far we have to go.

Then, in the fall, the U.K. pledged to ban nonelectrics by 2030—a once-unthinkable law coming both too slow and much more quickly than seemed possible not very long ago. Similar plans are now in place in 16 other countries, plus Massachusetts and California. Canada recently raised its tax on carbon sixfold. Italy cut its power-sector emissions 65 percent between 2012 and 2019, and Denmark is now aiming to reduce its overall emissions 70 percent by 2030. “We set ourselves challenges that on paper looked almost impossible,” the country’s minister for the environment, Dan Jørgensen, told me recently. “And I think experts in many countries said, when looking at Denmark, ‘This is going to be too expensive, this is going to lower their living standards, this is going to hurt their ability to compete.’ But actually I’m proud to say that the opposite has happened. Now, of course, we have set even higher standards.”

In the midst of the pandemic, new net-zero pledges, far more ambitious than those offered at Paris, were independently made by Japan, South Korea, the E.U., and, most significant, China, the world’s biggest emitter, which promised to reach an emissions peak by 2030 and get all the way to zero by 2060. China’s promise is so ambitious it has inspired one wave of debate among experts about whether it is even feasible — given that it would require, for instance, roughly twice as much renewable power to be installed every year for the next decade as Germany has operating nationwide today — and another debate about whether it has revived the possibility of that 1.5-degree target, with economic historian Adam Tooze writing, just after Xi Jinping’s surprise announcement in September, that it single-handedly “redefined the future prospects for humanity.” Together, the new net-zero pledges may have subtracted a full half-degree from ultimate warming. Add Biden’s campaign pledge of net zero by 2050, and you’ve got about two-thirds of global emissions at least nominally committed to firm, aggressive timelines to zero.

These are all just paper promises, of course, and the history of climate action is littered with the receipts of similar ones uncashed. Plot the growth of carbon concentration in the atmosphere against the sequence of climate-action conferences and a distressing pattern emerges: the World Meteorological Conference of 1979, the U.N. framework of 1992, the Kyoto protocol of 1997, the Copenhagen accord of 2009, and the 2015 Paris accords, all tracking an uninterrupted trajectory upward for carbon from a “safe” level under 350 parts per million, past 400, to 414 today, and pointing upward from there. Before the industrial revolution, humans had never known an atmosphere with even 300 parts per million. Inevitably now, within a few years, the concentration will reach levels not seen since 3.3 million years ago, when sea levels were 60 feet higher. For all their momentum, renewables still only make up 10 percent of global electricity production.

But alarmists have to take the good news where they find it. And while mood affiliation is not always the best guide to the state of the world, in 2020, for me, there were three main sources of hope.

The first is the fact that the age of climate denial is over thanks to extreme weather and the march of science and the historic labor of activists — climate strikers, Sunrise, Extinction Rebellion — whose success in raising alarm may have been so sudden that they brought an end to the age of climate Jeremiahs as well. Their voices now echo in some unlikely places. Exxon was booted from the S&P 500 within months of Tesla making Elon Musk the world’s richest man. The cultural cachet of oil companies is quickly approaching that of tobacco companies. Jair Bolsonaro of Brazil aside, practically every leader of every country and every major figure in every corporate and industrial sector now feels obligated — because of protest and social pressure, economic realities, and cultural expectation — to at least make a show of support for climate action. It would be nice not to have to count that as progress, but it is. The questions are: How much does it matter? And what will follow? Disinformation and human disregard are not the only instruments of delay, and the age of climate denial is likely to yield first not to an age of straightforward climate deliverance but to one characterized by climate hypocrisy, greenwashing, and gaslighting. But those things, ugly and maddening and even criminal as they are, have always been with us. It is the other thing that is new.

The second source of good news is the arrival on the global stage of climate self-interest. By this I don’t mean the profiteering logic of BlackRock, which opportunistically announced some half-hearted climate commitments last year, but rather the growing consensus in almost every part of the globe, and at almost every level of society and governance, that the world will be made better through decarbonization. A decade ago, many of the more ruthless capitalists to analyze that project deemed it too expensive to undertake. Today, it suddenly appears almost too good a deal to pass up. (A recent McKinsey [report](https://www.mckinsey.com/business-functions/sustainability/our-insights/how-the-european-union-could-achieve-net-zero-emissions-at-net-zero-cost): “Net-Zero Emissions at Net-Zero Cost.”)

The logic may be clearest in considering the effects of air pollution, which kills an estimated 9 million people per year. In India, where more than 8 percent of GDP is lost to pollution, poor air quality is also responsible for 350,000 miscarriages and stillbirths every year. Globally, coal kills one person for every thousand people it provides power to, and even in the U.S., with its enviably clean air, total decarbonization would be entirely paid for, Duke’s Drew Shindell [recently testified](https://www.vox.com/energy-and-environment/2020/8/12/21361498/climate-change-air-pollution-us-india-china-deaths) before Congress, just through the public-health benefits of cutting out fossil fuels. You don’t even have to calculate any of the other returns — more jobs, cheaper energy, new infrastructure. Of course, countries all around the world are incorporating those considerations too, turning the page on a generation of economic analysis that said decarbonization was too costly and its benefits too small to sell to the public as upside.

A decade ago, capitalists deemed decarbonization too expensive. Suddenly, it appears too good a deal to pass up.

What is perhaps most striking about all the new climate pledges is not just that they were made in the absence of American leadership but that they were made outside the boundaries of the Paris framework. They are not the result of geopolitical strong-arming or “Kumbaya” consensus. They are, instead, plans arrived at internally, in some cases secretly. This has been eye-opening for the many skeptics who worried for decades about climate’s collective-action problem — who warned that because the benefits of decarbonization were distributed globally while the costs were concentrated locally, nations would move only if all of their peers did too. But a [recent paper](https://www.mitpressjournals.org/doi/full/10.1162/glep_a_00578) by Matto Mildenberger and Michaël Alkin suggests this shouldn’t be a surprise. In their retrospective analysis, they found that, despite much consternation about designing climate policy to prevent countries from “cheating,” there was basically no evidence of any country ever pulling back from mitigation efforts to take a free ride on the good-faith efforts of others. There was, in other words, no collective-action problem on climate after all. For a generation, the argument for climate action was made on a moral basis. That case has only grown stronger. And now there are other powerful, more mercenary arguments to offer.

The third cause for optimism is that, while the timelines to tolerably disruptive climate outcomes have already evaporated, the timelines to the next set of benchmarks is much more forgiving. This is why Glen Peters, the research director at the Cicero Center for International Climate Research, often jokes that while keeping warming below two degrees is very hard, perhaps even impossible, keeping it below 2.5 degrees now looks like a walk in the park.

This isn’t to say we’re on a glide path to safety. At current emissions levels, the planet will entirely exhaust the carbon budget for 1.5 degrees in just seven years — stay merely level, in other words, and we’ll burn through the possibility of a relatively comfortable endgame within the decade. We could buy ourselves a little more time by starting to move quickly, but not that much more. To decarbonize fast enough to give the planet a decent chance of hitting that 1.5-degree target without any negative emissions would require getting all the way to net-zero emissions by around 2035. Simply running the cars and furnaces and fossil-fuel infrastructure that already exists to its expected retirement date would push the world past 1.5 degrees—without a single new gasoline SUV hitting the road, or a single new oil-heated home being built, or a single new coal plant opened.

A two-degree target, by contrast, yields a much longer timeline, requiring the world to achieve net-zero by 2070 or 2080 — without even the help of negative emissions. We’d have to cut carbon production in half in about three decades, rather than one. That pathway will almost certainly prove harder than it looks. The good news is that we seem to be beginning, at least, to try.

### 2AC---AT: Alt---Movements

#### Armed opposition to the state fails.

**DeBoer 16**, Ph.D. from Purdue University, (Fredrik Deboer, March 15th, 2016, “c’mon, guys,” http://fredrikdeboer.com/2016/03/15/cmon-guys/)

I could be wrong about the short-term dangers, and the stakes are incredibly high. But in the end we’re left with the same old question: what tactics will actually work to secure a better world?

In a sharp, sober piece about the meaning of left-wing political violence in the 1970s, Tim Barker writes “If you can’t acknowledge radical violence, radicals are reduced to mere victims of repression, rather than political actors who made definite tactical choices under given political circumstances.” The problem, as Barker goes on to imply, is those tactical choices: in today’s America they will essentially never break on the side of armed opposition against the state. The government knows everything about you, I’m sorry to say, your movements and your associations and the books you read and the things you buy and what you’re saying to the people you communicate with. That’s simply on the level of information before we even get to the state’s incredible capacity to inflict violence.

Look, the world has changed. The relative military capacity of regular people compared to establishment governments has changed, especially in fully developed, technology-enabled countries like the United States. The Czar had his armies, yes, but the Czar’s armies depended on manpower above and beyond everything else. The fighting was still mostly different groups of people with rifles shooting at each other. If tomorrow you could rally as many people as the Bolsheviks had at their revolutionary peak, you’re still left in a world of F-15s, drones, and cluster bombs. And that’s to say nothing of the fact that establishment governments in the developed world can rely on the numbing agents of capitalist luxuries and the American dream to damper revolutionary enthusiasm even among the many millions who have been marginalized and impoverished. This just isn’t 1950s Cuba, guys. It’s just not. In a very real way, modern technology effectively lowers the odds of armed political revolution in a country like the United States to zero, and so much the worse for us.

This isn’t fatalism. It doesn’t mean there’s no hope. It means that there is little alternative to organization, to changing minds through committed political action and using the available nonviolent means to create change: a concert of grassroots organizing, labor tactics, and partisan politics. Those things aren’t exactly likely to work, either, but they’re a hell of a lot more plausible than us dweebs taking the Pentagon. Bernie Sanders isn’t really a socialist, but he’s a social democrat that moves the conversation to the left, and if people are dedicated and committed to organizing, the local, state, and national candidates he inspires will move it further to the left still. You got any better suggestions?

#### *Even if* revolutionary movements are successful, the utter chaos of the transition causes mass violence and repression that repeats the pitfalls of capitalism.

Wright 17, \*Erik Olin Wright, Professor of Sociology at the University of Wisconsin, Madison, USA. Director of A. E. Havens Center for Social Justice, University of Wisconsin-Madison, (2017, “How to be an Anti-capitalist for the 21st Century”, https://www.redalyc.org/journal/124/12452111002/html/)

Smashing

This is the classic strategic logic of revolutionaries. The rationale goes something like this:

The system is rotten. All efforts to make life tolerable within capitalism will eventually fail. From time to time small reforms that improve the lives of people may be possible when popular forces are strong, but such improvements will always be fragile, vulnerable to attack and reversible. Ultimately it is an illusion that capitalism can be rendered a benign social order in which ordinary people can live flourishing, meaningful lives. At its core, capitalism is unreformable. The only hope is to destroy it, sweep away the rubble and then build an alternative. As the closing words of the early twentieth century song Solidarity Forever proclaim, “We can bring to birth a new world from the ashes of the old.” The full realization of the emancipatory alternative may be gradual, but the necessary condition for such a gradual transition is a ruptural break in the existing system of power.

But how to do this? How is it possible for anti-capitalist forces to amass sufficient power to destroy capitalism and replace it with a better alternative? This is indeed a daunting task, for the power of dominant classes that makes reform an illusion also blocks the revolutionary goal of a rupture in the system. Anti-capitalist revolutionary theory, informed by the writings of Marx and extended by Lenin, Gramsci and others, offered an attractive argument about how this could take place:

While it is true that much of the time capitalism seems unassailable, it is also a deeply contradictory system, prone to disruptions and crises. Sometimes those crises reach an intensity which makes the system as a whole fragile, vulnerable to challenge. In the strongest versions of the theory, there are even underlying tendencies in the “laws of motion” of capitalism for the intensity of such system-weakening crises to increase over time, so that in the long-term capitalism becomes unsustainable; it destroys its own conditions of existence. But even if there is no systematic tendency for crises to become ever-worse, what can be predicted is that periodically there will be intense capitalist economic crises in which the system becomes vulnerable and ruptures become possible. The problem for a revolutionary party, therefore, is to be in a position to take advantage of the opportunity created by such system-level crises to lead a mass mobilization to seize state power, either through elections or through an insurrectionary overthrow of the existing regime. Once in control of the state, the first task is to rapidly refashion the state itself to make it a suitable weapon of ruptural transformation, and then use that power to repress the opposition of the dominant classes and their allies, dismantle the pivotal power structures of capitalism, and build the necessary institutions for the long-term development of an alternative economic system.

In the 20th century, various versions of this general line of reasoning animated the imagination of revolutionaries around the world. Revolutionary Marxism infused struggles with hope and optimism, for it not only provided a potent indictment of the world as it existed, but also provided a plausible scenario for how an emancipatory alternative could be realized. This gave people courage, sustaining the belief that they were on the side of history and that the enormous commitment and sacrifices they were called on to make in their struggles against capitalism had real prospects of eventually succeeding. And sometimes, if rarely, such struggles did culminate in the revolutionary seizure of state power.

The results of such revolutionary seizures of power, however, were never the creation of a democratic, egalitarian, emancipatory alternative to capitalism. While revolutions in the name of socialism and communism did demonstrate that it was possible “to build a new world from the ashes of the old,” and in certain specific ways they may have improved the material conditions of life of most people for a period of time, the evidence of the heroic attempts at rupture in the 20th century is that they do not produce the kind of new world envisioned in revolutionary ideology. It is one thing to burn down old institutions and social structures; it is quite another to build emancipatory new institutions from the ashes.

Why the revolutions of the 20th century never resulted in robust, sustainable human emancipation is, of course, a hotly debated matter. Some people argue that this was just because of the historically specific, unfavorable circumstances of the attempts at system-wide ruptures. Revolutions occurred in economically backward societies, surrounded by powerful enemies. Some argue it was because of strategic errors of the leadership of those revolutions. Others indict the motives of leadership: the leaders that triumphed in the course of these revolutions were motivated by desires for status and power rather than the empowerment and wellbeing of the masses. And still others argue that failure is intrinsic to any attempt at radical rupture in a social system. There are too many moving parts, too much complexity and too many unintended consequences. As a result, attempts at system-rupture will inevitably tend to unravel into such chaos that revolutionary elites, regardless of their motives, will be compelled to resort to pervasive violence and repression to sustain social order. Such violence, in turn, destroys the possibility for a genuinely democratic, participatory process of building a new society.

#### Attempting to transition away from capitalism causes fascism.

Büchs and Koch, 19, Milena Büchs, Sustainability Research Institute, School of Earth and Environment, University of Leeds, Leeds, LS2 9JT, UK, Max Koch, Faculty of Social Sciences, Socialhögskolan, Lund University, Box 23, 22100 Lund, Sweden, “Challenges for the degrowth transition: The debate about wellbeing”, <https://www.sciencedirect.com/science/article/pii/S0016328718300715>

3.2. Implications of rapidly transforming social systems The social practices lens is also useful for thinking about possible wellbeing implications of rapid social change more generally, and a transition away from a growth-based economy specifically. While the concept of social practices inherently implies the possibility of change (with its focus on agency and creativity), it equally strongly highlights the structural aspects of practices which provide stability and orientation. During times of rapid social transitions, social norms and ‘mental infrastructures’ often lag behind, creating disorientation, social conflict, and negative impacts on wellbeing ([Büchs & Koch, 2017: ch. 6](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0060)). Stability of structural dimensions of social practices offers orientation and some extent of predictability of how oneself and other people are likely to act in the future, providing a framework within which flexibility and change are possible. This orienting function of structural dimensions of practices is likely to be an important condition for people to form reasonably stable identities and relationships – key ingredients for wellbeing. Examples from classical and contemporary [sociological and psychological research](https://www.sciencedirect.com/topics/social-sciences/sociological-research) suggest that different speeds of changing social structures can establish misalignments and disruptions of social practices which can, in turn, negatively influence health and other wellbeing outcomes. For instance, in his classical study, Durkheim presents suicide at least partly as an outcome of a failure of cultural resources to provide meaning and orientation in the context of other, more rapid social changes ([Durkheim, 2006](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0125); [Vega & Rumbaut, 1991: 375](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0455)). This idea also links to Bourdieu’s concept of the “hysteresis effect”. Here, Bourdieu emphasises that, especially during phases of social transition, people’s habitus and “objective” social circumstances can become disjointed: as a result of [hysteresis](https://www.sciencedirect.com/topics/social-sciences/hysteresis), dispositions can be “out of line with the field and with the ‘collective expectations’ which are constitutive of its normality. This is the case, in particular, when a field undergoes a major crisis and its regularities (even its rules) are profoundly changed” ([Bourdieu, 2000: 160](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0040)). This can contribute to a deterioration of people’s wellbeing as it makes them feel “out of place” or let them be perceived that way, “plung[ing] them deeper into failure” ([Bourdieu, 2000: 161](https://www.sciencedirect.com/science/article/pii/S0016328718300715#bib0040)) because they cannot make use of new opportunities or are mistreated or socially excluded by others. Empirical research which partly builds on the idea of hysteresis has shown that wide-ranging organisational change can have a range of negative effects on people’s health and mortality ([Ferrie et al., 1998](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0150); [McDonough & Polzer, 2012](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0315)). One study found that across 174 countries, several measures of wellbeing and social performance, including life satisfaction, health, safety and trust, voice and accountability, were highest in periods of economic stability, but lower in times of GDP growth or contraction ([O’Neill, 2015](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0355)); and other studies concluded that life expectancy can be negatively affected by both rapid economic growth and contraction ([Notzon et al., 1998](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0345); [Szreter, 1999](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0445)). Several scholars have recently highlighted the potential for social conflict inherent in (rapid) social change. For instance, Maja [Göpel (2016: 49)](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0185) remarks: “Unsurprisingly, the navigation or transition phase in shifting paradigms as well as governance solutions is marked by chaos, politicization, unease and power-ridden struggles”. Wolfgang Streeck has issued similar warnings ([Streeck et al., 2016: 169](https://www.sciencedirect.com/science/article/pii/S0016328718300715" \l "bib0435)). It is not difficult to see how such scenarios bear the potential of undermining some of the fundamental conditions that are necessary for the satisfaction of basic needs as discussed above, and hence the danger of generating substantial wellbeing losses for current and near-future generations. In the current context, it is very difficult to imagine that we might be able to observe a rapid and radical cultural change in which people adopt identities and related lifestyles that value intrinsically motivated activities over pursuing satisfaction and status through careers and consumption. Even more worryingly, political events in Europe, the United States and elsewhere since the ‘Great Crash’ of 2008 indicate that times of negative or stagnant growth can provide a breeding ground for populist, nationalistic and anti-democratic movements. Economic insecurity, a perceived threat of established identities through migrants, and deep mistrust against ‘elite’ politicians are amongst the main explanations for previously unimaginable events such as the [Brexit](https://www.sciencedirect.com/topics/social-sciences/brexit) vote, Trump presidency, and recent electoral successes for far right-wing parties in a range of European countries.

### 2AC---Socialism Bad---Economics

#### Central planning can’t be informed by price fluctuations.

McAfee 19, \*Andrew Paul McAfee, a principal research scientist at MIT, is cofounder and codirector of the MIT Initiative on the Digital Economy at the MIT Sloan School of Management; (2019, “More from Less: The Surprising Story of How We Learned to Prosper Using Fewer Resources and What Happens Next”, <https://b-ok.cc/book/5327561/8acdbe>) \*ability edited

Not That We Needed Another One: An Experiment in Socialism

So as regards how capitalistic a country is, all the action seems to be in the middle of the spectrum. The real fault line is right down the center: between social democracy and democratic socialism. I can’t imagine a clearer demonstration of how much it matters whether a word is used as an adjective or a noun. Social is fine. Socialism is a catastrophe.

I thought the historical record on this point, written from Moscow to Beijing to Havana, was quite clear, and that we didn’t need any more demonstrations of socialism’s too-numerous-to-list shortcomings. We didn’t even need to keep debating whether a socialist economy could work in theory (regardless of what had happened in practice) because the great Austrian British economist Friedrich Hayek laid that issue to rest.

Hayek realized that fluctuating prices for such things as aluminum and wheat are signals about scarcity and abundance. These signals cause people who buy and sell to take action (to slim, swap, optimize, evaporate, and so on). So free-floating prices in capitalist economies do an important double duty: they provide both information and incentives. Prices fixed by a socialist government do neither of those things. Hayek used this insight to shoot down the idea of socialism in 1977: “I’ve always doubted that the socialists had a leg to stand on intellectually.… Once you begin to understand that prices are an instrument of communication and guidance which embody more information than we directly have, the whole idea that you can bring about the same order… by simple direction falls to the ground.… I think that intellectually there is just nothing left of socialism.”

#### That results in a massive shortage economy that deprives necessary goods.

Schrager 20, \*Allison Schrager, a senior fellow at the Manhattan Institute and a City Journal contributing editor, where her research focuses on public finance, pensions, tax policy, labor markets, and monetary policy; (January 15th, 2020, “Why Socialism Won’t Work”, https://foreignpolicy.com/2020/01/15/socialism-wont-work-capitalism-still-best/)

One reason to trust markets is that they are better at setting prices than people. If you set prices too high, many a socialist government has found, citizens will be needlessly deprived of goods. Set them too low, and there will be excessive demand and ensuing shortages. This is true for all goods, including health care and labor. And there is little reason to believe that the next batch of socialists in Washington or London would be any better at setting prices than their predecessors. In fact, government-run health care systems in Canada and European countries are plagued by long wait times. A [2018 Fraser Institute study](https://www.fraserinstitute.org/studies/waiting-your-turn-wait-times-for-health-care-in-canada-2018) cites a median wait time of 19.8 weeks to see a specialist physician in Canada. Socialists may argue that is a small price to pay for universal access, but a market-based approach can deliver both coverage and responsive service. A full government takeover isn’t the only option, nor is it the best one.