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### 1NC – K

K Capitalism

#### The 1AC invests in a form of neoliberal governmentality necessary to sustain global capitalism

Lebow ‘19 [David; Lecturer on Social Studies at Harvard University and lawyer; “Trumpism and the Dialectic of Neoliberal Reason,” Perspectives on Politics 18(2):380-398, doi:10.1017/S1537592719000434.]

I. Neoliberal Reason

As Michel Foucault and others have argued, neoliberalism entails far more than an economic doctrine favoring deregulated markets.4 It is a novel form of governmentality—a rationality linked to technologies of power that govern conduct, not just through direct state action but through liberty itself.5 Not isolated to the traditionally demarcated sphere of economics, neoliberal society entails a whole economic-juridical order.

The central program of neoliberal governmentality is the absolute generalization of competition as a universal behavioral norm. Whereas in liberal thought, the root principle of capitalism was exchange of equivalents, for neoliberal reason it is competition entailing inequality. The key result of market processes goes from specialization to selection. The competitive market is the exclusive site of rationality. It processes information, indicated by price, and is the only mechanism of producing knowledge, defined as what is profitably utilizable. Because consumers are free to refuse inferior goods or services, the price mechanism of the market system ensures optimal solutions and maximal satisfaction of preferences.

Liberal capitalism, as Karl Polanyi argued, required the construction of “fictitious” commodities like land and labor.6 These abstract, exchangeable factors of production had to be disembedded from concrete non-market social relations, norms, and values. Instead of merely disembedding commodities, neoliberalism intervenes to make competitive mechanisms regulate every moment and point in society. It strives to build an empire of market choice that invades every domain of life, and deposes all other social, political and solidaristic institutions and values.

Neoliberalism does not allege that markets are natural; competition must be constructed. Rather than endorsing laissez-faire overseen by a night watchman, it stipulates a strong state engaged in permanent vigilance, activity, and intervention to maintain artificial competition. It must not plan outcomes, which would upset the market’s innate rationality, and must be insulated from political disturbances. Economic interventionism leads down the road to serfdom; fascism and unlimited state power are its necessary results. A “minimum of economic interventionism” on the “mechanisms of the market” must be accompanied by “maximum legal interventionism” on the “conditions of the market.”7 Fixed, formal rules make up an economic constitution that inhibits planning, repulses political disruptions, and impartially safeguards competition. The state is the executor of the market and growth is the basis of public legitimacy. Governance depoliticizes public power, promotes ostensibly post-ideological technical problem-solving by experts, and relies on “best-practices” that dissolve the distinction between public and private organization.8

Unlimited generalization of competition yields an enterprise society in which calculations of supply/demand and cost/benefit become the model of all social relations. Neoliberal reason renders homo economicus, based on this model of the enterprise, the exhaustive figuration of human subjectivity. The center of economic thought shifts from labor and processes of production, exchange, and consumption to human capital and rational decision-making under conditions of scarcity. Capital is everything that can generate future income; wages are reconceived as income from capital. Labor is no longer comprehended as a commodity exchanged for a wage, but as a combination of human capital (the worker’s education and abilities) and the income stream it generates. This neoliberal subject is an aggregate of human capital who invests in his own income-generating abilities.

Neoliberalism replaces the invariant identity of the moral person as a rights-bearing citizen with a formally empty receptacle filled up through enterprising choices. It brushes aside models of freedom as self-rule achieved through moral autonomy or popular sovereignty.9 In the neoliberal “democracy of consumers,” individual consumers together constitute the sovereign that monopolizes the issuance of legitimate commands.10 Sovereign will is expressed not through political channels, but by choices in the “plebiscite of prices.”11 Whereas producers have particular interests like protectionism, consumers have a consensual and common interest; all favor the impartial functioning of market processes. In the neoliberal free society, consumers exercise their right to choose in complete independence.

II. From Keynesian State Capitalism to Neoliberal Deregulation

Situating the 2008 crisis in a historical account of American political and economic development clarifies its broader significance. The early twentieth-century Progressives were disdainful of what they took to be the chaos and waste of fin de siècle laissez-faire society. They strove to build a new American state that would replace the structural and rights-based formalisms of the nineteenth century with direct democracy and expert administration. It took the Great Depression and New Deal to bring into full bloom the Progressive commitment to pragmatic rationality. Thereafter, the “policy state” was authorized to pursue designated social goals and develop the means to accomplish them.12 The slew of New Deal innovations included state oversight of labor negotiations, invigorated antitrust, Keynesian countercyclical deficits to stimulate demand and increase purchasing power, an expansive public sector sheltered from the business cycle, aggressive banking regulation, and social insurance. Regulation and redistribution ensured the conditions necessary for an economic system based on capital accumulation, private property, and corporate profit to endure.

To many, the differences between the New Deal and Nazi political economies appeared less significant than their common response to monopoly capitalism. Both erased boundaries between state and society by politicizing the private sphere and authorizing public bureaucracies to rationalize crisis-prone economies. Frankfurt School member Friedrich Pollock suggested that this common “state capitalism” had solved the contradiction between the forces and relations of production, and thus overcome the economy’s crisis tendencies. It seemed to him that management had become merely technical and “nothing essential” had been “left to the laws of the market.”13 Worries abounded that the private law sphere of property and contract was necessary for individual freedom. Despite salient differences between Nazi and New Deal state capitalism, many feared that intervention into society was a waystation to domination. Unease about the specter of American despotism motivated development of mechanisms to ensure that interventionism did not devolve into arbitrary rule.14 Expertise was one justification and limitation of the policy state. Authority could be safely delegated to a new corps of public-spirited administrators because their scientific knowledge would not only make them effective, but also counsel restraint. Enduring misgivings led later to new laws of administrative process. The procedural state was legitimated by its defenders as being a substantively value-neutral and instrumentally rational machine serving goals set by society. Regulatory decision-making was shunted into the abstruse procedures of courtrooms and bureaucracies. Defenders of the state emphasized that its processes of allocating authority were neutral, impartial, and open to all. The balanced accommodation of all interest groups seeking to exercise influence would yield an equilibrium corresponding to the public interest.15

The intermeshing of state and society through interest groups, agencies, and professionalized parties marginalized the public. The sovereign public opinion that Progressives had hoped would rationalize government gave way to the rationality supposedly inherent in processes of public law, public-private negotiation, and regulated markets. The state was endowed with a diffuse legitimacy in exchange for a growing economy, broad distribution, and ongoing household capacity to consume.16 The Keynesian welfare settlement pacified the working class, protecting the market economy from more radical political pressures. Newly available, mass-produced commodities encouraged leveled-down notions of citizenship as welfare clientelism and privatistic consumption. As the state expanded and routinized, the initial politicization of private property relations through public intervention developed into depoliticized economic management by lawyers and social scientists organized by administrative and judicial processes.

The terms of the social contract preserving the coexistence of capitalism and democracy had been set. In exchange for a pacified citizenry and depoliticized regulatory authority, the policy state promised to deploy instrumental reason to sustain both capital accumulation and widely distributed capacity to consume (supported, always, by the exclusion of African Americans). During the decades of postwar growth, these twin responsibilities seemed attainable and compatible. Capitalism functioned smoothly enough and potentially delegitimating inequality was clipped by inflation, tax-based welfare, and collectively negotiated wages. But in the late 1960s and early 1970s, weakening growth, stagflation, trade deficits, and the collapse of Bretton Woods revealed that state capitalism had not solved the problems of economics. As the Great Depression had enabled construction of the instrumentally rational policy state, economic disturbances in the 1970s opened the breach into which neoliberal reason entered to reconfigure the political economy. Rather than shielding rational policy-making from political pressure and assuring broadly distributed welfare, neoliberalism promised growth driven by depoliticized markets freed from regulation and downwards redistribution. Believing in the optimal rationality of competitive markets, neoliberals sought to reinvigorate capital accumulation through deregulation, lowered taxes, financialization, privatization, and market expansion.

Liberating accumulation from the restrictions and obligations incurred under state capitalism might have imperiled capitalism’s peace treaty with democracy. For deregulation to proceed without impairing the system’s legitimacy, the quid pro quo—depoliticization for consumption—had to continue. Over the ensuing decades, as Wolfgang Streeck explains, the state “bought time” by finding new ways to generate illusions of widely distributed prosperity that prolonged the capacity of the lower and middle classes to consume.17 Each successive attempt exhausted itself, leading to new and escalating disturbances. In the 1970s, inflation safeguarded social peace by compensating workers for inadequate growth until stagflation ended this mode of buying time. A subsequent reliance on public debt enabled the government to pacify conflict with borrowed money. Rising debt and balking creditors delimited this phase, which was brought to a definitive close with the Clinton administration’s social spending cuts and balanced budgets. In a final stage that dawned in the 1980s but grew increasingly paramount over time, debt-based support of purchasing power was privatized. Household spending was financed through mortgages, student loans, and credit cards. This “privatized Keynesianism” buoyed consumption up through 2008, despite cuts to social spending, falling wages, and tightening employment markets.18

#### Capitalism structurally necessitates militarism, ecocide and technological dystopia---each causes extinction

Foster ‘19 [John; Sociology Professor @ Oregon; February 1; “Capitalism Has Failed—What Next?” *The Monthly Review*, Volume 70, Issue 9, <https://monthlyreview.org/2019/02/01/capitalism-has-failed-what-next/>]

Less than two decades into the twenty-first century, it is evident that capitalism has failed as a social system. The world is mired in economic stagnation, financialization, and the most extreme inequality in human history, accompanied by mass unemployment and underemployment, precariousness, poverty, hunger, wasted output and lives, and what at this point can only be called a planetary ecological “death spiral.”1 The digital revolution, the greatest technological advance of our time, has rapidly mutated from a promise of free communication and liberated production into new means of surveillance, control, and displacement of the working population. The institutions of liberal democracy are at the point of collapse, while fascism, the rear guard of the capitalist system, is again on the march, along with patriarchy, racism, imperialism, and war.

To say that capitalism is a failed system is not, of course, to suggest that its breakdown and disintegration is imminent.2 It does, however, mean that it has passed from being a historically necessary and creative system at its inception to being a historically unnecessary and destructive one in the present century. Today, more than ever, the world is faced with the epochal choice between “the revolutionary reconstitution of society at large and the common ruin of the contending classes.”3

Indications of this failure of capitalism are everywhere. Stagnation of investment punctuated by bubbles of financial expansion, which then inevitably burst, now characterizes the so-called free market.4 Soaring inequality in income and wealth has its counterpart in the declining material circumstances of a majority of the population. Real wages for most workers in the United States have barely budged in forty years despite steadily rising productivity.5 Work intensity has increased, while work and safety protections on the job have been systematically jettisoned. Unemployment data has become more and more meaningless due to a new institutionalized underemployment in the form of contract labor in the gig economy.6 Unions have been reduced to mere shadows of their former glory as capitalism has asserted totalitarian control over workplaces. With the demise of Soviet-type societies, social democracy in Europe has perished in the new atmosphere of “liberated capitalism.”7

The capture of the surplus value produced by overexploited populations in the poorest regions of the world, via the global labor arbitrage instituted by multinational corporations, is leading to an unprecedented amassing of financial wealth at the center of the world economy and relative poverty in the periphery.8 Around $21 trillion of offshore funds are currently lodged in tax havens on islands mostly in the Caribbean, constituting “the fortified refuge of Big Finance.”9 Technologically driven monopolies resulting from the global-communications revolution, together with the rise to dominance of Wall Street-based financial capital geared to speculative asset creation, have further contributed to the riches of today’s “1 percent.” Forty-two billionaires now enjoy as much wealth as half the world’s population, while the three richest men in the United States—Jeff Bezos, Bill Gates, and Warren Buffett—have more wealth than half the U.S. population.10 In every region of the world, inequality has increased sharply in recent decades.11 The gap in per capita income and wealth between the richest and poorest nations, which has been the dominant trend for centuries, is rapidly widening once again.12 More than 60 percent of the world’s employed population, some two billion people, now work in the impoverished informal sector, forming a massive global proletariat. The global reserve army of labor is some 70 percent larger than the active labor army of formally employed workers.13

Adequate health care, housing, education, and clean water and air are increasingly out of reach for large sections of the population, even in wealthy countries in North America and Europe, while transportation is becoming more difficult in the United States and many other countries due to irrationally high levels of dependency on the automobile and disinvestment in public transportation. Urban structures are more and more characterized by gentrification and segregation, with cities becoming the playthings of the well-to-do while marginalized populations are shunted aside. About half a million people, most of them children, are homeless on any given night in the United States.14 New York City is experiencing a major rat infestation, attributed to warming temperatures, mirroring trends around the world.15

In the United States and other high-income countries, life expectancy is in decline, with a remarkable resurgence of Victorian illnesses related to poverty and exploitation. In Britain, gout, scarlet fever, whooping cough, and even scurvy are now resurgent, along with tuberculosis. With inadequate enforcement of work health and safety regulations, black lung disease has returned with a vengeance in U.S. coal country.16 Overuse of antibiotics, particularly by capitalist agribusiness, is leading to an antibiotic-resistance crisis, with the dangerous growth of superbugs generating increasing numbers of deaths, which by mid–century could surpass annual cancer deaths, prompting the World Health Organization to declare a “global health emergency.”17 These dire conditions, arising from the workings of the system, are consistent with what Frederick Engels, in the Condition of the Working Class in England, called “social murder.”18

At the instigation of giant corporations, philanthrocapitalist foundations, and neoliberal governments, public education has been restructured around corporate-designed testing based on the implementation of robotic common-core standards. This is generating massive databases on the student population, much of which are now being surreptitiously marketed and sold.19 The corporatization and privatization of education is feeding the progressive subordination of children’s needs to the cash nexus of the commodity market. We are thus seeing a dramatic return of Thomas Gradgrind’s and Mr. M’Choakumchild’s crass utilitarian philosophy dramatized in Charles Dickens’s Hard Times: “Facts are alone wanted in life” and “You are never to fancy.”20 Having been reduced to intellectual dungeons, many of the poorest, most racially segregated schools in the United States are mere pipelines for prisons or the military.21

More than two million people in the United States are behind bars, a higher rate of incarceration than any other country in the world, constituting a new Jim Crow. The total population in prison is nearly equal to the number of people in Houston, Texas, the fourth largest U.S. city. African Americans and Latinos make up 56 percent of those incarcerated, while constituting only about 32 percent of the U.S. population. Nearly 50 percent of American adults, and a much higher percentage among African Americans and Native Americans, have an immediate family member who has spent or is currently spending time behind bars. Both black men and Native American men in the United States are nearly three times, Hispanic men nearly two times, more likely to die of police shootings than white men.22 Racial divides are now widening across the entire planet.

Violence against women and the expropriation of their unpaid labor, as well as the higher level of exploitation of their paid labor, are integral to the way in which power is organized in capitalist society—and how it seeks to divide rather than unify the population. More than a third of women worldwide have experienced physical/sexual violence. Women’s bodies, in particular, are objectified, reified, and commodified as part of the normal workings of monopoly-capitalist marketing.23

The mass media-propaganda system, part of the larger corporate matrix, is now merging into a social media-based propaganda system that is more porous and seemingly anarchic, but more universal and more than ever favoring money and power. Utilizing modern marketing and surveillance techniques, which now dominate all digital interactions, vested interests are able to tailor their messages, largely unchecked, to individuals and their social networks, creating concerns about “fake news” on all sides.24 Numerous business entities promising technological manipulation of voters in countries across the world have now surfaced, auctioning off their services to the highest bidders.25 The elimination of net neutrality in the United States means further concentration, centralization, and control over the entire Internet by monopolistic service providers.

Elections are increasingly prey to unregulated “dark money” emanating from the coffers of corporations and the billionaire class. Although presenting itself as the world’s leading democracy, the United States, as Paul Baran and Paul Sweezy stated in Monopoly Capital in 1966, “is democratic in form and plutocratic in content.”26 In the Trump administration, following a long-established tradition, 72 percent of those appointed to the cabinet have come from the higher corporate echelons, while others have been drawn from the military.27

War, engineered by the United States and other major powers at the apex of the system, has become perpetual in strategic oil regions such as the Middle East, and threatens to escalate into a global thermonuclear exchange. During the Obama administration, the United States was engaged in wars/bombings in seven different countries—Afghanistan, Iraq, Syria, Libya, Yemen, Somalia, and Pakistan.28 Torture and assassinations have been reinstituted by Washington as acceptable instruments of war against those now innumerable individuals, group networks, and whole societies that are branded as terrorist. A new Cold War and nuclear arms race is in the making between the United States and Russia, while Washington is seeking to place road blocks to the continued rise of China. The Trump administration has created a new space force as a separate branch of the military in an attempt to ensure U.S. dominance in the militarization of space. Sounding the alarm on the increasing dangers of a nuclear war and of climate destabilization, the distinguished Bulletin of Atomic Scientists moved its doomsday clock in 2018 to two minutes to midnight, the closest since 1953, when it marked the advent of thermonuclear weapons.29

Increasingly severe economic sanctions are being imposed by the United States on countries like Venezuela and Nicaragua, despite their democratic elections—or because of them. Trade and currency wars are being actively promoted by core states, while racist barriers against immigration continue to be erected in Europe and the United States as some 60 million refugees and internally displaced peoples flee devastated environments. Migrant populations worldwide have risen to 250 million, with those residing in high-income countries constituting more than 14 percent of the populations of those countries, up from less than 10 percent in 2000. Meanwhile, ruling circles and wealthy countries seek to wall off islands of power and privilege from the mass of humanity, who are to be left to their fate.30

More than three-quarters of a billion people, over 10 percent of the world population, are chronically malnourished.31 Food stress in the United States keeps climbing, leading to the rapid growth of cheap dollar stores selling poor quality and toxic food. Around forty million Americans, representing one out of eight households, including nearly thirteen million children, are food insecure.32 Subsistence farmers are being pushed off their lands by agribusiness, private capital, and sovereign wealth funds in a global depeasantization process that constitutes the greatest movement of people in history.33 Urban overcrowding and poverty across much of the globe is so severe that one can now reasonably refer to a “planet of slums.”34 Meanwhile, the world housing market is estimated to be worth up to $163 trillion (as compared to the value of gold mined over all recorded history, estimated at $7.5 trillion).35

The Anthropocene epoch, first ushered in by the Great Acceleration of the world economy immediately after the Second World War, has generated enormous rifts in planetary boundaries, extending from climate change to ocean acidification, to the sixth extinction, to disruption of the global nitrogen and phosphorus cycles, to the loss of freshwater, to the disappearance of forests, to widespread toxic-chemical and radioactive pollution.36 It is now estimated that 60 percent of the world’s wildlife vertebrate population (including mammals, reptiles, amphibians, birds, and fish) have been wiped out since 1970, while the worldwide abundance of invertebrates has declined by 45 percent in recent decades.37 What climatologist James Hansen calls the “species exterminations” resulting from accelerating climate change and rapidly shifting climate zones are only compounding this general process of biodiversity loss. Biologists expect that half of all species will be facing extinction by the end of the century.38

If present climate-change trends continue, the “global carbon budget” associated with a 2°C increase in average global temperature will be broken in sixteen years (while a 1.5°C increase in global average temperature—staying beneath which is the key to long-term stabilization of the climate—will be reached in a decade). Earth System scientists warn that the world is now perilously close to a Hothouse Earth, in which catastrophic climate change will be locked in and irreversible.39 The ecological, social, and economic costs to humanity of continuing to increase carbon emissions by 2.0 percent a year as in recent decades (rising in 2018 by 2.7 percent—3.4 percent in the United States), and failing to meet the minimal 3.0 percent annual reductions in emissions currently needed to avoid a catastrophic destabilization of the earth’s energy balance, are simply incalculable.40

Nevertheless, major energy corporations continue to lie about climate change, promoting and bankrolling climate denialism—while admitting the truth in their internal documents. These corporations are working to accelerate the extraction and production of fossil fuels, including the dirtiest, most greenhouse gas-generating varieties, reaping enormous profits in the process. The melting of the Arctic ice from global warming is seen by capital as a new El Dorado, opening up massive additional oil and gas reserves to be exploited without regard to the consequences for the earth’s climate. In response to scientific reports on climate change, Exxon Mobil declared that it intends to extract and sell all of the fossil-fuel reserves at its disposal.41 Energy corporations continue to intervene in climate negotiations to ensure that any agreements to limit carbon emissions are defanged. Capitalist countries across the board are putting the accumulation of wealth for a few above combatting climate destabilization, threatening the very future of humanity.

#### Collapse is inevitable – conventional economic models have already failed – capitalist markets and governments have no answers for impending crises.

Ahmed '18 [Nafeez; 8/27/18; Executive Director of the Institute for Policy Research and Development, MA in Contemporary War & Peace Studies and PhD in International Relations from the School of Global Studies at Sussex University; "Scientists Warn the UN of Capitalism's Imminent Demise," <https://www.vice.com/en/article/43pek3/scientists-warn-the-un-of-capitalisms-imminent-demise/>]

Capitalism as we know it is over. So suggests a new report commissioned by a group of scientists appointed by the UN Secretary-General. The main reason? We’re transitioning rapidly to a radically different global economy, due to our increasingly unsustainable exploitation of the planet’s environmental resources.

Climate change and species extinctions are accelerating even as societies are experiencing rising inequality, unemployment, slow economic growth, rising debt levels, and impotent governments. Contrary to the way policymakers usually think about these problems, the new report says that these are not really separate crises at all.

Rather, these crises are part of the same fundamental transition to a new era characterized by inefficient fossil fuel production and the escalating costs of climate change. Conventional capitalist economic thinking can no longer explain, predict, or solve the workings of the global economy in this new age, the paper says.

Energy shift

Those are the stark implications of a new scientific background paper prepared by a team of Finnish biophysicists. The team from the BIOS Research Unit in Finland were asked to provide research that would feed into the drafting of the UN Global Sustainable Development Report (GSDR), which will be released in 2019.

For the “first time in human history,” the paper says, capitalist economies are “shifting to energy sources that are less energy efficient.” This applies to all forms of energy. Producing usable energy (“exergy”) to keep powering “both basic and non-basic human activities” in industrial civilisation “will require more, not less, effort.”

The amount of energy we can extract, compared to the energy we are using to extract it, is decreasing “across the spectrum—unconventional oils, nuclear and renewables return less energy in generation than conventional oils, whose production has peaked—and societies need to abandon fossil fuels because of their impact on the climate,” the paper states.

The shift to renewables might help solve the climate challenge, but for the foreseeable future will not generate the same levels of energy as cheap, conventional oil.

In the meantime, our hunger for energy is driving what the paper refers to as “sink costs.” The greater our energy and material use, the more waste we generate, and so the greater the environmental costs. Though they can be ignored for a while, eventually those environmental costs translate directly into economic costs as it becomes more difficult to ignore their impacts on our societies.

And the biggest “sink cost,” of course, is climate change:

“Sink costs are also rising; economies have used up the capacity of planetary ecosystems to handle the waste generated by energy and material use. Climate change is the most pronounced sink cost,” the paper states.

The paper’s lead author, Dr. Paavo Järvensivu, is a “biophysical economist”—an emerging type of economist exploring the role of energy and materials in fuelling economic activity.

The BIOS paper suggests that much of the political and economic volatility we have seen in recent years has a root cause in ecological crisis. As the ecological and economic costs of industrial overconsumption continue to rise, the constant economic growth we have become accustomed to is now in jeopardy. That, in turn, has exerted massive strain on our politics.

But the underlying issues are still unacknowledged and unrecognised by most policymakers.

“We live in an era of turmoil and profound change in the energetic and material underpinnings of economies. The era of cheap energy is coming to an end,” the paper says.

Conventional economic models, the Finnish scientists note, “almost completely disregard the energetic and material dimensions of the economy.”

“More expensive energy doesn’t necessarily lead to economic collapse,” Järvensivu told me. “Of course, people won’t have the same consumption opportunities, there’s not enough cheap energy available for that, but they are not automatically led to unemployment and misery either.”

The scientists refer to the pioneering work of systems ecologist Professor Charles Hall of the State University of New York with economist Professor Kent Klitgaard from Wells College. Earlier this year, Hall and Klitgaard released an updated edition of their seminal book, Energy and the Wealth of Nations: An Introduction to BioPhysical Economics.

Hall and Klitgaard are highly critical of mainstream capitalist economic theory, which they say has become divorced from some of the most fundamental principles of science. They refer to the concept of ‘Energy Return on Investment’ (EROI) as a key indicator of the shift into a new age of difficult energy. EROI is a simple ratio that measures how much energy we use to extract more energy.

“For the last century, all we had to do was to pump more and more oil out of the ground,” say Hall and Klitgaard. Decades ago, fossil fuels had very high EROI values—a little bit of energy allowed us to extract large amounts of oil, gas and coal.

But as I’ve previously reported for Motherboard, this is no longer the case. Now we’re using more and more energy to extract smaller quantities of fossil fuels. Which means higher production costs to produce what we need to keep the economy rolling. The stuff is still there in the ground—billions of barrels worth to be sure, easily enough to fry the climate several times over.

But it’s harder and more expensive to get out. And the environmental costs of doing so are rising dramatically, as we’ve caught a glimpse of with this summer’s global heatwave.

These costs are not recognised by capitalist markets. They literally cannot be seen by prevailing economic models.

Earlier in August, billionaire investor Jeremy Grantham—who has a track record of consistently calling financial bubbles—released an update to his April 2013 analysis, ‘The Race of Our Lives.’

The new paper, ‘The Race of Our Lives Revisited,’ provides a bruising indictment of contemporary capitalism’s complicity in the ecological crisis. Grantham’s verdict is that “capitalism and mainstream economics simply cannot deal with these problems,” namely, the systematic depletion of planetary ecosystems and environmental resources:

“The replacement cost of the copper, phosphate, oil, and soil—and so on—that we use is not even considered. If it were, it’s likely that the last 10 or 20 years (for the developed world, anyway) has seen no true profit at all, no increase in income, but the reverse,” he wrote.

Efforts to account for these so-called ‘externalities’ by calculating their actual costs have been well-meaning, but have had negligible impact on the actual operation of capitalist markets.

In short, according to Grantham, “we face a form of capitalism that has hardened its focus to short-term profit maximization with little or no apparent interest in social good.”

Yet for all his prescience and critical insights, Grantham misses the most fundamental factor in the great unravelling in which we now find ourselves: the transition to a low EROI future in which we simply cannot extract the same levels of energy and material surplus that we did decades ago.

Many experts believe we’re moving past capitalism, but they disagree on what the ultimate outcome will be. In his book Postcapitalism: A Guide to Our Future, British economics journalist Paul Mason theorises that information technology is paving the way for the emancipation of labour by reducing the costs of knowledge production—and potentially other kinds of production that will be transformed by AI, blockchain, and so on—to zero. Thus, he says, will emerge a utopian ‘postcapitalist’ age of mass abundance, beyond the price system and rules of capitalism.

It sounds peachy, but Mason completely ignores the colossal, exponentially increasing physical infrastructure for the ‘internet-of-things.’ His digital uprising is projected to consume evermore vast quantities of energy (as much as one-fifth of global electricity by 2025), producing 14 percent of global carbon emissions by 2040.

Toward a new economic operating system

Most observers, then, have no idea of the biophysical realities pointed out in the background paper commissioned by the UN Secretary-General’s IGS—that the driving force of the transition to postcapitalism is the decline of what made ‘endless growth capitalism’ possible in the first place: abundant, cheap energy.

The UN’s Global Sustainable Development Report is being drafted by an independent group of scientists (IGS) appointed by the UN Secretary-General. The IGS is supported by a range of UN agencies including the UN Secretariat, the UN Educational, Scientific and Cultural Organization, the UN Environment Programme, the UN Development Programme, the UN Conference on Trade and Development and the World Bank.

The paper, co-authored by Dr Järvensivu with the rest of the BIOS team, was commissioned by the UN’s IGS specifically to feed into the chapter on ‘Transformation: the Economy.’ Invited background documents are used as the basis of the GSDR, but what ends up in the final report will not be known until the final report is released next year.

Overall, the paper claims that we have moved into a new, unpredictable and unprecedented space in which the conventional economic toolbox has no answers. As slow economic growth simmers along, central banks have resorted to negative interest rates and buying up huge quantities of public debt to keep our economies rolling. But what happens after these measures are exhausted? Governments and bankers are running out of options.

“It can be safely said that no widely applicable economic models have been developed specifically for the upcoming era,” write the Finnish scientists.

Having identified the gap, they lay out the opportunities for transition.

In this low EROI future, we simply have to accept the hard fact that we will not be able to sustain current levels of economic growth. “Meeting current or growing levels of energy need in the next few decades with low-carbon solutions will be extremely difficult, if not impossible,” the paper finds. The economic transition must involve efforts “to lower total energy use.”

Key areas to achieve this include transport, food, and construction. City planning needs to adapt to the promotion of walking and biking, a shift toward public transport, as well as the electrification of transport. Homes and workplaces will become more connected and localised. Meanwhile, international freight transport and aviation cannot continue to grow at current rates.

As with transport, the global food system will need to be overhauled. Climate change and oil-intensive agriculture have unearthed the dangers of countries becoming dependent on food imports from a few main production areas. A shift toward food self-sufficiency across both poorer and richer countries will be essential. And ultimately, dairy and meat should make way for largely plant-based diets.

The construction industry’s focus on energy-intensive manufacturing, dominated by concrete and steel, should be replaced by alternative materials. The BIOS paper recommends a return to the use of long-lasting wood buildings, which can help to store carbon, but other options such as biochar might be effective too.

But capitalist markets will not be capable of facilitating the required changes – governments will need to step up, and institutions will need to actively shape markets to fit the goals of human survival. Right now, the prospects for this look slim. But the new paper argues that either way, change is coming.

#### The alternative is radical democratic organizing around the collective goal of the abolition of capitalism---that necessitates rejecting neoliberal rhetoric in pedagogical spaces like debate

Giroux ’20 [Henry; McMaster University Professor for Scholarship in the Public Interest and The Paulo Freire Distinguished Scholar in Critical Pedagogy; June 9; “Racist Violence Can’t Be Separated from the Violence of Neoliberal Capitalism,” <https://truthout.org/articles/racist-violence-cant-be-separated-from-the-violence-of-neoliberal-capitalism/>]

As educators, it is crucial for us to examine how we talk, teach, and write about inequality as an object of critique in an age of precarity, uncertainty and the current pandemic crisis. This is especially true at a time when a growing number of authoritarian regimes around the globe substitute replace thoughtful dialogue and critical engagement with the suppression of dissent and a culture of forgetting r. How do we situate our analysis of education as part of a broader discourse and mode of analysis that interrogates the promises, ideals, and claims of a substantive democracy? How do we fight against iniquitous relations of power and wealth that empty power of its emancipatory possibilities, and as Hannah Arendt has argued, “makes most people superfluous as human beings”? How might we understand how neoliberal ideology, with its appropriation of market-based values, regressive notions of freedom and agency, uses language to infiltrate daily life? How does a pandemic pedagogy in the service of neoliberalism produce identities defined by market values, and normalize a notion of responsibility and individuality that convinces people that whatever problem they face they have no one to blame but themselves? Repeated endlessly on right-wing media platforms, the underlying conditions that disproportionately produce chronic illness among poor people of color disappear among a public distracted, if not persuaded, by a pandemic pedagogy that celebrates unchecked self-interest, disdains social responsibility, and turns away from the reality of a society with deep-seated institutional rot and unravelling of social connections and the social contract.

Pandemic pedagogy thrives on inequality and becomes a militarized and heartless normalizing tool to convince the broader public that the lives of the elderly, sick, and vulnerable should be valued according to how much they contribute to the economy. And if they are willing to die in order not to be a drain on the economy, all well and good. Nothing escapes the cruel logic of neoliberalism with its arrogance and hubris on full display as it bathes in the glow of right-wing populism, ultra-nationalism, and neofascism. Its accoutrements of dictatorship are everywhere and can be seen in the swagger of militia that storm state capitals, in police who punch and pepper spray protesters and push elderly men to the ground, and in military forces on the streets without badges reinforcing a climate of fear, repression, and unaccountability. There is more at work here than a lack of humanity on the part of the Trump administration. As the Irish journalist Fintan O’Toole observes, there is also the deepening grip of a culture of cruelty and dehumanization. He writes:

“As a society the American people are being habituated into accepting cruelty on a wide scale. Americans are being taught by Trump and his administration not to see other people as human beings whose lives are as important as their own. Once that line has been crossed – and it is not just Trump and the people around him, but many of Trump’s supporters as well – then we know where that all leads, what the ultimate destination is. There is no mystery about it. We know what happens when a government and its leaders dehumanize large numbers of people.”

Depoliticization and the Authoritarian Turn

Neoliberalism is not only an economic system, it is also an ideological apparatus that relentlessly attempts to structure consciousness, values, desires, and modes of identification in ways that align individuals with its governing structures. Central to this pedagogical project is the attempt to prevent individuals from translating private issues and troubles into broader systemic considerations. By doing this, it becomes difficult for individuals to grasp the historical, social, economic, and political forces at work in shaping a social order as a human activity deeply immersed in specific relations of power. Neoliberalism’s attempt to erase or rewrite historical and social forces makes it difficult for individuals to imagine alternative notions of society, with themselves as collective actors, or view their problems as more than the limitations of faulty character, moral failure, or a problem of personal responsibility. Reducing individuals to isolated, discrete, hermetically-sealed human beings whose lives are shaped only by notions of self-reliance and self-sufficiency is a pedagogical strategy that utterly depoliticizes people, leading them to believe that however a society is shaped, it is part of a natural order. President Trump echoed this “no alternative” narrative when asked about celebrities and rich people having special access to being tested for the coronavirus while few others had access. He replied, “Perhaps that’s been the story of life.”

This individualization of the social with its mounting privatization, gated communities, and social atomization undermines collective action, any viable notion of solidarity, and weakens the notion of global connectivity. The philosopher Byung-Chul Han has rightly argued that contemporary neoliberal society is shaped by a dysfunctional notion of solitude and hermitically-sealed notions of agency, all of which undermine the values and social connections vital to a democracy. He writes:

“Those subject to the neoliberal economy do not constitute a we that is capable of collective action. The mounting egoization and atomization of society is making the space for collective action shrink… The general collapse of the collective and the communal has engulfed it. Solidarity is vanishing. Privatization now reaches into the depths of the soul itself. The erosion of the communal is making all collective efforts more and more unlikely.”

This panoptical nature of hyper-individualism is more aligned with shared fears than shared responsibilities. Under such circumstances, trust and the notion that all life is related become difficult to grasp as the myopic language of private self-interest inures individuals to wider social problems such as extreme inequality. There is no understanding in this discourse of the damage fanatical entrepreneurialism does to our embodied collectivity. Nor is there any value attributed to the important responsibilities, social values, and notion of the common good that exceeds who we are as individuals, or how we have been shaped by diverse social forces in particular ways.

It should be clear that questions of economic and social justice cannot be addressed by a neoliberal pedagogy that enshrines self-interest and privatization while converting every social problem into individualized market solutions or regressive matters of personal responsibility. Under neoliberalism’s disimagination machine, individual responsibility is coupled with an ethos of greed, avarice, and personal gain. One consequence is the tearing up of social solidarities, public values, and an almost pathological disdain for democracy. This radical form of privatization is also a powerful force for the rise of fascist politics because it depoliticizes individuals, immerses them in the logic of social Darwinism, and makes them susceptible to the dehumanization of those considered a threat or disposable.

Just as the spread of the pandemic virus in the United States was not an innocent act of nature, neither is the rise and pervasive grip of inequality. What is clear is that neoliberal support for unbridled individualism has weakened democratic pressures and eroded democracy and equality as governing principles. Moreover, as a mode of public pedagogy, it has undercut social provisions, the social contract, and support for public goods such as education, public health, essential infrastructure, public transportation, and the most basic elements of the welfare state. As a form of pedagogical practice, neoliberalism has morphed into a form of pandemic pedagogy that sacrifices social needs and human life in the name of an economic rationality that values reviving economic growth over human rights. As a lived system of meaning and values, self-reliance and rugged individualism are the only categories available for shaping how individuals view themselves, and their relationship to others and to the planet. The individualization of everyone and the reduction of social problems to private troubles is paralleled by sanctioning a world marked by borders, walls, racism, hate, and a rejection of government intervention in the interest of the common good. Most importantly, neoliberal individualization personalizes power, creating a depoliticized subject whose only obligation as a citizen is defined by consuming and living in a world free from ethical and social responsibilities. In many ways, it does not just empty politics of any substance, it destroys its emancipatory prospects.

The neoliberal strategists use education not only to mask their abuses and the effects of their criminogenic policies, they also – in a time of crisis, when dissatisfaction of the masses might lead to chaos, revolts, and dangerous levels of resistance – move dangerously close to creating the conditions for a fascist politics. The noted theologian Frei Betto is right in stating that under such conditions, “…they cover up the causes of social ills and cover up their effects with ideologies that, by obscuring causes, fuel mood in the face of the effects. That’s why neoliberalism is now showing its authoritarian face – building walls that divide countries and ethnic groups, executive power over legislature and judiciary, disinformation about digital networks, the cult of the homeland, the brazen offensive against human rights.”

Neoliberalism and its regressive notion of individualism and individual responsibility has undermined the belief that human beings both make the world and can change it. The pandemic has ushered in a crisis that undermines that belief and opens the door for rethinking what kind of society and notion of politics will be faithful to the creation of a socialist democracy that speaks to the core values of justice, equality and solidarity. Under such circumstances, private resistance must give way to collective resistance, and personal and political rights must include economic rights. If inequality is to be defeated, the social state must replace the corporate state and social rights must be guaranteed for all. There can be no adequate struggle for economic justice and social equality unless economic inequality on a global level is addressed along with a movement for climate justice, the elimination of systemic racism and a halt to the spiraling militarism that has resulted in endless wars. This can only take place if the anti-democratic ideology of neoliberalism, with its collapse of the public into the private and its institutional structures of domination, are fully addressed and discredited. Étienne Balibar is right in stating that the triumph of neoliberalism has resulted in the “death zones of humanity.” Following Balibar, what must be made clear is that neoliberal capitalism is itself a pandemic and a dangerous harbinger of an updated fascist politics.

Overcoming Pandemic Pedagogy

The kind of societies that will emerge after the pandemic is up for grabs. In some cases, the crisis will give way to authoritarian regimes such as Chile, Hungary and Turkey, all of which have used the urgency of COVID-19 as an excuse to impose more state control and surveillance, squelch dissent, eliminate civil liberties and concentrate power in the hands of an authoritarian political class. As is well documented, history in a time of crisis also has the potential to change dominant ideologies, rethink the meaning of governance, and enlarge the sphere of justice and equality through a vision that fights for a more generous and inclusive politics. It is crucial to rethink the project of politics in order to imagine forms of resistance that are collective, inclusive and global, capable of producing new democratic arrangements for social life, more radical values and a “global economy which will no longer be at the mercy of market mechanisms.” This is a politics that must move beyond siloed identities and fractured political factions in order to build transnational solidarities in the service of an alternative radically democratic society. Making the pedagogical more political means challenging those forms of pandemic pedagogy that turn politics into theater, a favorite tactic of Trump. In this case, the performance works to suspend disbelief, hold power accountable and unravel one’s sense of critical agency. Pandemic pedagogy does more than undermine critical thinking and informed judgments, it dissolves the line between the truth and lies, fantasy and reality, and in doing so, destroys the foundation for understanding, engaging and promoting that social and economic justice. The endgame under the rubric of a pandemic pedagogy is not simply the destruction of the truth, but the elimination of democracy itself.

Central to developing an alternative democratic vision is development of a language that refuses to look away and be commodified. Such a language should be able to break through the continuity and consensus of common sense and appeals to the natural order of things. At stake here is the need to reclaim both critical and redemptive elements of a radical democracy in order to address the full spectrum of violence that structures institutions and everyday life in the United States. This is a language connected to the acquisition of civic literacy, and it demands a different regime of desires and identifications to enable us to move from “shock and stunned silence toward a coherent visceral speech, one as strong as the force that is charging at us.”

Of course, there is more at stake here than a struggle over meaning; there is also the struggle over power, over the need to create a formative culture that will produce informed critical agents who will fight for and contribute to a broad social movement that will translate meaning into a fierce struggle for economic, political and social justice. Agency in this sense must be connected to a notion of possibility and education in the service of radical change. Reimagining the future only becomes meaningful when it is rooted in a fierce struggle against the horrors and totalitarian practices of a pandemic pedagogy that falsely claims that it exists outside of history.

Václav Havel, the late Czech political dissident-turned-politician, once argued that politics follows culture, by which he meant that changing consciousness is the first step toward building mass movements of resistance. What is crucial here in the age of multiple crises is a thorough grasp of the notion that critical and engaged forms of agency are a product of emancipatory education. Moreover, at the heart of any viable notion of politics is the recognition that politics begins with attempts to change the way people think, act and feel with respect to both how they view themselves and their relations to others. There is more to agency than the neoliberal emphasis on the “empire of the self,” with its unchecked belief in the virtues of a form of self-interest that despises the bonds of sociality, solidarity and community.

The U.S. is in the midst of a political and pedagogical crisis. This is a crisis defined not only by a brutalizing racism and massive inequality, but also a constitutional crisis produced by a growing authoritarianism that has been in the making for some time. The recent attacks by the police on journalists, peaceful protesters and even elderly people marching for racial justice echoes the violence of the Brownshirts in the 1930s. Let’s stop the futile debate about whether or not the U.S. is in the midst of a fascist state and shift the register to the more serious question of how to resist it and restore a semblance of real democracy.

Under such circumstances, education should be viewed as central to politics, and it plays a crucial role in producing informed judgments, actions, morality and social responsibility at the forefront not only of agency, but politics itself. In this scenario, truth and politics mutually inform each other to erupt in a pedagogical awakening at the moment when the rules are broken. Taking risks becomes a necessity, self-reflection narrates its capacity for critically engaged agency and thinking the impossible is not an option, but a necessity. Without an informed and educated citizenry, democracy can lead to tyranny, even fascism.

Trump represents the malignant presence of a fascism that never dies and is ready to remerge at different times in different context in sometimes not-so-recognizable forms. The COVID-19 crisis and the pandemic of inequality and racism have revealed elements of a fascist politics that are more than abstractions. The struggle against a fascist politics is now visible in the rebellions taking place across the United States. While there are no political guarantees for a victory, there is a new sense that the future can be changed in the image of a just and sustainable society. There is a new energy for reform taking place in the aftermath of the killing of George Floyd. Massive protests for racial, economic and social justice are emerging all over the globe. As I have argued in The Terror of the Unforeseen, at stake here is the need for these protests to transition from a pedagogical moment and collective outburst of moral anger to a progressive international movement that is well organized and unified. Such a movement must build solidarity among different groups, imagine new forms of social life, make the impossible possible, and produce a revolutionary project in defense of equality, social justice and popular sovereignty. The racial, class, ecological and public health crisis facing the globe can only be understood as part of a comprehensive crisis of the totality. Immediate solutions such as defunding the police and improving community services are important, but they do not deal with the larger issue of eliminating a neoliberal system structured in massive racial and economic inequalities. David Harvey is right in arguing that the “immediate task is nothing more nor less than the self-conscious construction of a new political framework for approaching the question of inequality, through a deep and profound critique of our economic and social system.” This is a crisis in which different threads of oppression must be understood as part of the general crisis of capitalism. The various protests now evolving internationally at the popular level offer the promise of new global anti-fascist and anti-capitalist movements. In the current moment, democracy may be under a severe threat and appear frighteningly vulnerable, but with young people and others rising up across the globe — inspired, energized and marching in the streets — the future of a radical democracy is waiting to breathe again.

### 1NC – CP

#### The 50 states, Washington, D.C., and all relevant territories should increase prohibitions on anticompetitive reverse settlements of biologics.

### 1NC – T

#### ‘Core antitrust laws’ are economy-wide.

Gerber ’20 [David; October; Distinguished Professor of Law at Chicago-Kent College of Law, Illinois Institute of Technology; Oxford Scholarship Online, Competition Law and Antitrust, “What is It? Competition Law’s Veiled Identity,” Ch. 1, p. 14-15]

C. A Core Definition

The Guide uses the terms “competition law” and “antitrust law” to refer to a general domain of law whose object is to deter private restraints on competitive conduct. We look more closely at the terms:

1. “General”—The laws included are those that are applicable throughout an economy and thereby provide a framework for all market operations (there are always some exempted sectors). Laws dealing only with specific markets (e.g., telecommunication) do not play that role.

2. “Domain of Law” here refers to a politically authorized set of norms and the institutional arrangements used to enforce them.

Is it law—or is it policy? The relationship between “competition law” and “competition policy” is not always clear. Often the terms are used interchangeably, but there can be important differences between them. Both can refer to norms used to combat restraints on competition, but they represent two different ways of looking at the relevant laws, and the differences can influence how norms are interpreted and applied. “Law” implies that established methods of interpretation are used to interpret and apply the norms and that established procedures are the sole or primary means of enforcing and changing the norms. In this view, the norms are a relatively stable component of a legal system. Thinking of those same norms as “policy,” on the other hand, implies that they are a tool of whatever government is in power and that it can use and modify them as it wishes.

3. “Restraint” refers to any limitation imposed by one or more private actors that reduces the intensity of competition in a market.

4. “Competition” refers to a process by which firms in a market seek to maximize their profits by exploiting market opportunities more effectively than other firms in the market.

Limits---sectors are unbounded, permitting any procedural change to all industries.

Ground---centralizes generics with literature prominence.

### 1NC – CP

Advantage CP:

The United States federal government should:

* increase NIH funding by $100 billion/year, including public entrepreneurial funding and a social innovation fund;
* implement a conditional drug and medical technology approval process that grants limited marketing authorization after successful Phase II trials with strict safety surveillance;
* incentivize antibiotic development, including tax credits and patent extension.

#### NIH funding creates 800 new drugs and has an 8x multiplier effect.

Conti ’21 [Rena, Richard Frank, and Jonathan Gruber; November 15; Health Policy and Economics Professor at the University of Chicago; Health Economics Professor at Harvard University; Economics Professor at MIT; Brookings, “Addressing the trade-off between lower drug prices and incentives for pharmaceutical innovation,” https://www.brookings.edu/essay/addressing-the-trade-off-between-lower-drug-prices-and-incentives-for-pharmaceutical-innovation/]

The desire for significant change to our pharmaceutical R&D ecosystem should not mean ignoring the most important platform upon which U.S. pharmaceutical innovation is built, the basic science supported by the NIH. The figure below highlights the time path in NIH funding. NIH spending rose from 0.14% of GDP in 1990 to 0.23% of GDP in 2003, delivering critical contributions such as the Human Genome Project over that period. But funding has fallen as a share of the economy since and is currently 0.18% of GDP.

Almost all drugs rely on NIH-supported basic science. Some success stories are legendary, from the science behind a Hib vaccine to the discovery of JAK enzymes that are the building blocks of treatment of rheumatoid arthritis, to the Human Genome Project which was the basis for the modern field of genetic medicine.

The returns on these public investments are also very high. Researchers from MIT have found that ultimately each $125 million NIH grant leads to $375 million more in private market value, 33 more patents, and 1 new drug. Another study estimated that the rate of return on NIH investment is 43% and that each dollar in NIH funding leads to an additional $8.40 in private R&D spending.

Yet, the NIH has its critics, and in recent years it appears to be facing a challenge in continuing to stay on the cutting edge of science. One review found that NIH grants in recent years are scored much more based on “doability” than on innovation; at the time a grant proposal is submitted, it is typical for two of the three objectives to have been completed. This suggests that additional funds should come with reforms that ensure that the NIH funds will in fact generate new innovative activity.

But the bottom line is clear: NIH spending is highly productive, and we should do much, much more of it. Returning to the 2003 peak as a share of the economy would mean adding $10 billion per year, or about 25%, to the existing NIH budget. According to existing estimates, a steady state increase in NIH funding of $10 billion/year would lead to 80 new drugs – notably higher than CBO estimates of the loss in new drugs from regulating drug prices under the proposed H.R.3 legislation.

#### Conditional approval process accelerates development, reducing reduces costs while improving innovation.

Roy ’12 [Avik; 4/26/12; Senior fellow at the Manhattan Institute, graduate of the Yale School of Medicine; Forbes; “How the FDA Stifles New Cures, Part III: A Proposal for Reform,” https://www.forbes.com/sites/theapothecary/2012/04/26/how-the-fda-stifles-new-cures-part-iii-a-proposal-for-reform/#24a9a1527220]

The Unseen Patient Who Waits for Delayed Therapies The French economist Frédéric Bastiat wrote in 1850 of “that which is seen, and that which is not seen.” Truer words could not be penned of the pharmaceuticals industry, whose great tragedy stems from that which is not seen: promising drugs that are not being prescribed because of the expense and risk of developing them.When promising treatments are kept off the market, the patients who fail to benefit go unseen. This is especially true with common conditions such as obesity, where effective drugs would be used by millions of Americans. What is “seen,” by contrast, are concerns about drugs that were approved by the agency and later turned out to pose problems. When this happens, FDA officials are often hauled before Congress and asked to defend their decisions. At the agency, expeditious approval of innovative drugs is risky; excessive caution is not.Hence, while it is important to encourage the FDA to streamline its regulatory process, it is even more important to consider ways that Congress can create the legal incentives for the FDA to approve more pharmaceuticals and permit more companies to enter the market. Specifically, three aspects of the agency’s current approach are out of date and create significant costs and delays in the development of useful drugs. First, the system is oriented toward acute diseases, like contagious infections, in which symptoms appear rapidly and the effect of medication is also relatively quick. Such diseases were the most prevalent menace to public health when the federal government began regulating drugs in 1906. Today, however, the greatest dangers to long-term public health are chronic non-communicable diseases such as heart ailments, diabetes, stroke, and cancer. These conditions can persist for decades. That makes it more difficult to measure the true effects of a medication in the time scale of even the most wide-ranging of clinical trials. Second, the current approval system for a drug is “all or nothing”: if a medication is approved, it is judged effective for all patients at all times, and it may be marketed by all legal means. If, on the other hand, the drug is judged not effective enough to justify approval, it is withheld altogether from the public. Yet most victims of chronic illnesses have more than one medical problem, and their symptoms vary individually over time. Medication to treat heart disease, then, may be useful in some instances, for some people, in a way that is hard to capture by an either/or evaluation method. Third, as we have documented in this paper, the current system is extremely costly to implement. This is due not only to its very high standard of proof for effectiveness but also to the FDA’s broad powers to determine what constitutes a satisfactory trial. Even after Phase I, II, and III trials are complete, the agency can, for example, demand answers to new questions or impose new criteria for success. As a result, a great deal of uncertainty hangs over even the most promising trial results. More Balanced, More Effective: Expanding the Role of Conditional Drug Approvals There is one step that government and industry can take to reduce dramatically the risks and cost of drug development: abandon the current black-or-white approval process in favor of an incremental, conditional one. In such a process, drugs could be provisionally approved after promising early-stage data, with the FDA retaining the option to revoke that approval later on, should unexpected data come to light. A “conditional approval’’ approach would grant limited marketing authorization to new drugs after successful Phase II trials. Under conditional approval, patients most in need can benefit from a new drug, and companies can generate a modest amount of revenue that can help fund Phase III trials for full approval. A conditional approval for betrixaban, for example, would allow Portola to generate incremental revenues that could fund its Phase III program, dramatically reducing the risk that the company would lose everything if betrixaban failed to show a benefit in larger trials. As we’ve mentioned, a conditional approval model already exists, in the FDA’s accelerated approval process. The accelerated approval process was instituted in 1992, after a decade of advocacy by HIV/AIDS patients. Because it often takes years for drugs to demonstrate definitive clinical benefit in traditional Phase III trials, the FDA created the process to approve a drug after Phase II studies if those studies show that it is “reasonably likely to predict a real clinical benefit.” For example, a cancer drug that causes tumors to shrink is “reasonably likely” to extend life. However, drugs can cause tumor shrinkage in a matter of months, whereas it may take years for a drug to definitively prove that it extends life relative to the old standard of care. Unfortunately, the FDA severely restricts the accelerated approval process to serious, life-threatening diseases. Doctors and biopharmaceutical developers have long sought a broad expansion of the accelerated approval process. For example, Susan Desmond-Hellman, chancellor of the University of California at San Francisco, recently proposed a system in which companies could gain conditional approval in exchange for agreeing to a more restrictive marketing authorization. She specifically cited the experience of Arena’s Lorqess in her remarks: You could have an approval process that started out with a low-level approval. You don’t get a sales force, you can’t promote that drug and you can’t put TV ads on it. But you could sell it. Then you increase your confidence. “We haven’t seen any heart attacks after five years—looking good. The ten pounds [of weight loss] is really holding up and in fact, some of the patients as they stay on the drug longer, lost 15 pounds. OK, maybe you can have a sales force. Still no ads on TV.” Then you gain more confidence; it gets to be eight years. Is there a system where we could, as we increase our confidence in safety and advocacy, allow for broader distribution and more promotion? Not a yes or a no answer? I think that could really change two things. One is, the odds in the business model would be more stacked in favor of investing in difficult things like obesity, type 2 diabetes, [and] high blood pressure, which were at risk for no innovations. An alternative approach would be to give companies the regular amount of leeway in the way they market conditionally approved drugs but require that any promotion include information that the drug had been only conditionally approved. The drug’s sponsors would face strict, contractual requirements requiring them to conduct well-controlled Phase III trials even as they marketed their pharmaceutical. The FDA could revoke a drug’s approval status if those trials were not satisfactory or, if in use, the drugs ended up proving to have an unfavorable risk-benefit profile.

## Innovation Adv

### 1NC – Turn

#### Biologics innovation is sky-rocketing.

Roberts ’21 [Tim; November 30; Chief Commercial Officer at PCI Pharma Services; Pharma’s Almanac, “An Evolving Biologics Landscape and Driving Innovation and Opportunity,” <https://www.pharmasalmanac.com/articles/an-evolving-biologics-landscape-and-driving-innovation-and-opportunity>; KP]

COVID-19 Pandemic Drives Greater Investment in Biologics R&D

Interest and investment in biologic drugs were accelerating before the COVID-19 pandemic, because biologics offer a richness of new avenues for treating disease. With their ability to bind to receptors and interact with specific cells, targeted therapies operating by entirely new mechanisms of action are possible. The value of biologics became even more prevalent during the race to develop vaccines and therapeutics against the SARS-CoV-2 virus.

The pandemic provided a new global lens through which investors viewed the healthcare sector. There is an even greater case today for investment in healthcare and specifically in research and development of new drug candidates, most notably biologics and large molecules.

While the majority of approved drugs on the market are formulated with small molecule APIs, the rate at which small molecule drug candidates are entering the clinic is decelerating. Drugs based on biomolecules, on the other hand, are growing in number at an accelerating rate. There’s only a finite period of time until biologics will dominate the market.

This trend toward biologics and greater investment in small and emerging biotech companies is clearly reflected by our experience at PCI Pharma Services. In the last year alone, we have welcomed 50% more new customers — not customers switching from one CDMO to another, but new entrants into the market — than we have had in any previous year.

More Collaborative Investment Model

The increase in investment in emerging and mid-sized biopharmaceutical companies is in part driven by excitement about our increasing understanding of human biology and disease mechanisms combined with increased innovation leading to the continual introduction of new technologies. That excitement is often injected into investment houses via active participation of people who have served as CEOs or CTOs or in other leadership positions with small and mid-sized pharmaceutical companies, whether as advisors or operating partners.

The small and emerging biotechs receiving investment funds are benefitting greatly as a result. There is a much more collaborative investment model in play today. In addition to an influx of cash from investors, companies are gaining access to the knowledge and experience that leaders in the industry bring to the table. The result is a more collaborative approach to drug development than has ever existed before.

#### The aff chokes innovation for even pharma firms who are confident about their patent’s validity.

Long ’13 [Robert; 2013; former Assistant to the Solicitor General of the United States, JD at Yale Law School, Law Clerk to Supreme Court Justice Lewis Powell; Brief for Shire PLC as Amicus Curiae Supporting Respondents in “FTC v. Actavis,” Westlaw]

A. Innovator Companies Settle Hatch-Waxman Litigation To Minimize Uncertainty.

This Court has recognized that “the potential for uncertainty and disruption in a lawsuit could allow [parties] with weak claims to extort settlements from innocent companies.” Stoneridge Inv. Partners, LLC v. Scientific-Atlanta, Inc., 552 U.S. 148, 163 (2008); see also Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007); Coopers & Lybrand v. Livesay, 437 U.S. 463, 476 (1978). The potential for uncertainty and disruption, and the resulting pressure to settle even weak claims made by generic companies, frequently arises in Hatch-Waxman litigation. It arises in a particularly strong form when a small or mid-size innovator company is faced with a Hatch-Waxman challenge to a product that represents a large percentage of the company's total revenues. See Bret Dickey, Jonathan Orszag, & Laura Tyson, An Economic Assessment of Patent Settlements in the Pharmaceutical Industry, 19 Annals Health L. 367, 382 (2009-10) (“[F]or some brand-name manufacturers, the financial health of the company may depend importantly on the success of a single \*7 drug line.”); Erin Coe, Growth of Specialty Pharma Draws Generics Litigation, Law 360 (Dec. 3, 2007), http:// www.law360.com/mergersacquisitions/articles/ 41450/growth-of-specialty-pharma-draws-generics-litigation (“Generic competition poses a threat to specialty pharmaceutical companies,” because these companies “are often dependent on a particular product”) (internal quotation marks omitted). Because small and mid-size innovator companies often have the most to lose in Hatch-Waxman litigation, they often have particularly strong incentives to reach a settlement.

As this Court has noted, “[t]he very pendency” of litigation “may frustrate or delay normal business activity of the defendant.” Blue Chip Stamps v. Manor Drug Stores, 421 U.S. 723, 739 (1975). In the Hatch-Waxman context, “[t]he length of patent litigation may itself impose costs on the patentee by making marketing, research and development, and other business planning difficult while the outcome of the case remains uncertain.” See Daniel A. Crane, Ease Over Accuracy in Assessing Patent Settlements, 88 Minn. L. Rev. 698, 704 (Feb. 2004). Innovator companies - particularly smaller companies with limited resources - may be forced to cut back on investments in new products. See Schering-Plough Corp. v. FTC, 402 F.3d 1056, 1075 (11th Cir. 2005) (The “caustic environment of patent litigation may actually decrease product innovation by amplifying the period of uncertainty around the drug manufacturer's ability to research, develop and market the patented product.”); In re Tamoxifen Citrate Antitrust Litig., 466 F.3d 187, 203 (2d Cir. 2006) (“Rules severely restricting patent settlement \*8 might also be contrary to the goals of the patent laws because the increased number of continuing lawsuits that would result would heighten the uncertainty surrounding patents and might delay innovation.”). In addition, the innovator company's plans for marketing its flagship product, as well as other products, may be severely disrupted by high-stakes Hatch-Waxman litigation.

Investors also dislike uncertainty. See Kent S. Bernard & Willard K. Tom, Antitrust Treatment of Pharmaceutical Patent Settlements: The Need for Context and Fidelity to First Principles, 15 Fed. Cir. B.J. 617, 626 (2005) ( “The impact of uncertainty on investment decisions is well known.”). When a small or mid-size pharmaceutical company faces Hatch-Waxman litigation, it may have difficulty raising capital for new projects. The uncertainty created by the litigation may cause the company's stock price to fall or become more volatile, further disrupting the company's business.

Even if the innovator company is relatively confident that it will prevail in the litigation, litigating a Hatch-Waxman case (or series of cases) to a final conclusion can take years and cost millions of dollars. In the meantime, the uncertainty created by the litigation may cause a smaller innovator company to lose important opportunities that can never be recovered.

There is no reason for antitrust law to prohibit settlements that reduce uncertainty. As a general matter, such settlements are likely to benefit, rather than harm, consumers. See Xiang Yu & Anjan Chatterji, \*9 Why Brand Pharmaceutical Companies Choose to Pay Generics in Settling Patent Disputes: A Systematic Evaluation of the Asymmetric Risks in Litigation, 10 Nw. J. Tech. & Intell. Prop. 19, 32 (Nov. 2011) (“Allowing the brand to settle will dispel … uncertainties and help restore adequate marketing activities, maximizing non-price competition benefits to consumers.”). Indeed, Shire has entered into settlements that have ensured the entry of generic versions of Shire's products years before the patents-at-issue are to expire, and before the generic companies have been able to gain FDA approval on their own.

In order to reach a settlement, innovator companies and generic companies may enter into a variety of business arrangements, including licensing agreements for other products, co-promotion agreements, research and development agreements, and supply agreements concerning raw materials. The FTC argues that such arrangements should be treated as “presumptively illegal” under the antitrust laws. See FTC Br. 11-12. But since such arrangements frequently are based on a desire to minimize uncertainty rather than any anticompetitive motive, there is no basis for imposing such a sweeping rule of illegality. See also Solvay Br. 41-45. Indeed, a legal standard that treated ordinary business arrangements as presumptively unlawful would deter procompetitive settlements and discourage innovative companies from making investments in challenging research and development.

\*10 B. Innovator Companies Settle Hatch-Waxman Litigation Because They Are Sensitive to Risk.

Innovator companies - particularly small and mid-size companies - have an additional valid reason to settle Hatch-Waxman litigation: heightened sensitivity to risk. If an innovator company places a high value on avoiding the risk that it will lose the patent infringement case, it will be willing to enter into a settlement that is more favorable to the generic company than a settlement based solely on the parties' views of the merits of the litigation. See Yu & Chatterji, supra, at 21 (“The brand is often risk-averse and has every desire to settle the uncertainty, even if it has strong defenses for the patent's validity, because it has so much to lose and nothing to gain.”). Such a settlement is not based on an anticompetitive motive, nor does it reflect inherent weakness in the patents. Carl Shapiro, Antitrust Limits to Patent Settlements, 34 RAND J. Econ. 391, 408 (2003) (settlement payments may not be anticompetitive “if other factors are brought into the analysis, such as risk aversion and asymmetric information about market conditions, as ‘reverse cash payments’ may be important in more complex settings for successful settlement.”); Solvay Br. 28 (“[T]he government itself has previously recognized … that ‘gross disparities in the litigants' respective risks may … make reverse payments \*11 more likely, even when the patentee's legal claims are strong.’ ” (internal citations omitted)).2

As commentators have noted, a small or mid-size pharmaceutical company faced with a litigation challenge to its flagship product is likely to be highly sensitive to litigation risk. See Butler & Jarosch, supra n.2, at 96 (increased risk aversion “likely to be found in firms that rely on a single patent for much of their business and is less likely to be present in firms that have diversified sources of income”). Just as a risk-averse individual will pay extra to avoid a relatively small risk of death, a risk-averse company will pay to avoid the risk that it will be destroyed by the litigation. See Sumanth Addanki & Alan J. Daskin, Patent Settlement Agreements, 3 ABA Section of Antitrust Law, Issues in Competition Law & Policy 2127, 2131 (2008) (“[W]hen choosing between a settlement and pursuing litigation to its final outcome, the patentee would recognize that the nonzero probability associated with ‘losing it all’ creates very real risk, regardless of the expected value associated with litigation.”); see also Valley Drug Co. v. Geneva Pharms., Inc., 344 F.3d 1294, 1310 (11th Cir. 2003) (“[G]iven the asymmetries of \*12 risk and large profits at stake, even a patentee confident in the validity of its patent might pay a potential infringer a substantial sum in settlement.”); In re Ciprofloxacin Hydrochloride Antitrust Litig., 261 F. Supp. 2d 188, 208 (E.D.N.Y. 2003) (“Even the confident patent owner knows that the chances of prevailing in [patent] litigation rarely exceed seventy percent.… Thus, there are risks involved even in that rare case with great prospects.”) (citation and internal quotation marks omitted).3

#### Reverse payments decrease drug prices.

Wllig ’10 [Robert and Jonathan Orszag; August 10; Economics Professor at Princeton University; Senior Vice President with Compass Lexecon; Formerly President Clinton’s National Economic Council and as the Assistant to the Secretary of Commerce and Director of the Office of Policy and Strategic Planning; Compass Lexecon, “A Preliminary Economic Analysis of the Budgetary Effects of Proposed Restrictions on “Reverse Payment” Settlements,” http://compass-lexecon.s3.amazonaws.com/prod/cms-documents/f72bfed6f1de5f73/Dickey\_Orszag\_Willig\_CBO.pdf]

1b. The FTC Study Ignores the Costs of Banning Reverse Patent Settlements

We have each written research papers analyzing the economics of “reverse payment” patent settlements. In our research, we have demonstrated that the claims, made by some, that all reverse payment patent settlements delay entry of generic drugs and therefore increase prescription drug costs, are not accurate.12 Indeed, S. 369 acknowledges this by allowing the settling parties to rebut the presumption that a settlement is anticompetitive by demonstrating “that the procompetitive benefits of the agreement outweigh the anticompetitive effects.”13 Our research papers describe the economic conditions under which reverse payment patent settlements may increase prescription drug costs and the conditions under which reverse payment patent settlements may produce more competition, thereby decreasing prescription drug costs.

The FTC study (and therefore the CBO cost estimate, when relying on it) ignores the fact that patent settlements with reverse payments may actually accelerate generic competition for numerous drugs. We have examined the highly simplified economic models that can lead to the conclusion that reverse payment settlements will always reduce competition. These economic models ignore important economic realities that can make reverse payment settlements procompetitive. Such realities include, but are not limited to, (a) risk aversion, (b) information asymmetries, (c) differences in expectations, and (d) differences in discount rates.14

In fact, our analyses show that without a payment from the branded manufacturer to the generic manufacturer, the parties may be unable to reach agreement on a settlement – even if a settlement would lower prescription drug costs by bringing a generic version to market sooner than would occur if the case were resolved by a court decision. If reverse payment settlements are overly restricted in these cases, the parties may be unable to reach settlement and may litigate the dispute to the end. Such litigation can engender significant delays in the possibilities for competition, even if the generic manufacturer were ultimately to prevail, as patent litigation may persist over an extended period of time and generic companies face significant risks in entering before the patent litigation has been resolved.15 And if the generic manufacturer were to lose the litigation, entry would occur only after – and perhaps long after – entry would have occurred in the presence of a patent settlement with a reverse payment. In these cases, reverse payment settlements lead to lower prescription drug costs.

That reverse payments are important to facilitating settlement is consistent with data showing that the number of settlements in total increased dramatically around the time (late 2006) that courts began taking a more permissive stance on reverse payment settlements.16 The FTC study states, “Over the FY2004 to FY2008 time period, the percentage of drugs that settled per year (not including injectibles) increased from 7% to 18%, with most of the increase following the Eleventh Circuit’s Schering decision.”17 By noting that the court’s decision approving a reverse payment settlement led to more settlements, the FTC has implicitly suggested that the newly encouraged settlements with reverse payments did not displace settlements without reverse payments, but instead increased settled litigation that would not have settled at all in the absence of reverse payments.

The effect of ignoring these cost savings is potentially substantial. To the extent that a reverse payment is essential to enable the parties to settle litigation, it can lead to generic drugs entering years before they would at the end of a protracted litigation. Suppose, for example, that the expected remaining duration of the litigation, including typical appeals is 1.5 years, and that the patent has 12 more years after the end of litigation until it expires. Suppose also that the generic wins litigated patent suits 50% of the time.18 This suggests that the expected time to generic entry with litigation is 1.5 + 0.5\*0 +0.5\*12 = 7.5 years. In comparison, a reverse payment that facilitates a settlement with generic entry, say 4 years into the future, would lead to generic entry a full 3.5 years earlier. 19 This is in dramatic contrast to the inaccurate FTC and CBO view that reverse payments slow generic entry by 17 months. To the extent that reverse payments are essential for settlement in a substantial fraction of cases, under the assumptions in the above hypothetical, significantly restricting reverse payments as S. 396 would do would in fact cost the Federal government billions of dollars in increased expenditures on prescription drugs, in contrast to the billions of dollars in savings estimated by the CBO.

### 1NC – AT: Disease

#### No diseases impact.

Ord ‘20 [Toby; 2020; Senior Research Fellow in Philosophy at Oxford University, “The Precipe: Existential Risk and The Future of Humanity”; KS]

Yet even events like these fall short of being a threat to humanity’s longterm potential.15

[FOONOTE]

In addition to this historical evidence, there are some deeper biological observations and theories suggesting that pathogens are unlikely to lead to the extinction of their hosts. These include the empirical anti-correlation between infectiousness and lethality, the extreme rarity of diseases that kill more than 75% of those infected, the observed tendency of pandemics to become less virulent as they progress and the theory of optimal virulence. However, there is no watertight case against pathogens leading to the extinction of their hosts.

[END FOOTNOTE]

In the great bubonic plagues we saw civilization in the affected areas falter, but recover. The regional 25 to 50 percent death rate was not enough to precipitate a continent-wide collapse of civilization. It changed the relative fortunes of empires, and may have altered the course of history substantially, but if anything, it gives us reason to believe that human civilization is likely to make it through future events with similar death rates, even if they were global in scale.

The 1918 flu pandemic was remarkable in having very little apparent effect on the world’s development despite its global reach. It looks like it was lost in the wake of the First World War, which despite a smaller death toll, seems to have had a much larger effect on the course of history.

### 1NC – AT: Alliances

#### No impact to complete leadership collapse.

Fettweis 18 Christopher J. Fettweis, Political Science Professor at Tulane University. [Psychology of a Superpower: Security and Dominance in US Foreign Policy, Columbia University Press]

How would the system respond? Could the New Peace survive without its policeman? Good counterfactual analysis minimizes the number of both assumptions and alterations of reality. It is also obviously wise to choose relatively simple cases, ones that do not involve many potentially confounding variables. 127 The ramifications of an actual supervolcanic blast would not be contained in the United States; the massive amount of material ejected into the atmosphere would blot out the sun and cause global temperatures to drop for years. To keep this thought experiment manageable, let us imagine a natural disaster that only affects the United States, one resulting in the effective disappearance of U.S. military and political engagement with the rest of the world. The effect of an aloof United States on some regions need not be imagined because it already exists. In South America, the U.S. Southern Command has a minuscule operating budget and no troops to speak of, despite its theoretical “responsibility” for the entire continent. The United States maintains no significant physical presence in Africa or large swaths of Asia. A Yellowstone supereruption would presumably not change security calculations in these areas much at all. Europe would be similarly unaffected, sat least in the short term. The United States currently maintains 95,000 troops from all services in its European Command, none of whom are tasked with maintaining the internal stability of its allies. During the Cold War, U.S. troops did not involve themselves in the domestic conflicts of their host states, unlike their Soviet counterparts. Their job was always to protect Europe from without, not within. The continent is the world’s most stable, its countries the most cooperative, and its people the least martial. It would probably take more than the removal of U.S. troops for ash-cleaning duties to bring back security dilemmas, arms races, and conflict. Borders have hardened, as have norms of conflict resolution. No one can know for sure, of course, but Europe does not seem to be a good candidate for chaos in the absence of the United States. Without the presence of U.S. forces, much of the Middle East would be unstable and chaotic. With the presence of U.S. forces, much of the Middle East is unstable and chaotic. A supervolcano erupting in Wyoming would not have much impact on the security of the world’s most dangerous region. Israel would be just as safe as it was before, since its marked military superiority over all potential rivals is the ultimate guarantor of its security, not U.S. troops or ships. Without the prospect of help from Uncle Sam, the failing governments of Iraq and Libya, as well as the rebels in Syria and our allies in Saudi Arabia, Yemen, Jordan, and elsewhere, would learn to become more self-sufficient. Perhaps they would even make long-term deals with their rivals. It might be good to throw them out of the U.S. nest and encourage them to fly on their own or crash. Fears of a resurgent Iran would be articulated by the usual suspects, no doubt, but both history and the realities of power suggest Tehran would find it hard to dominate its neighbors, even if it had the will to do so. The regions that would be of most concern in such a scenario would be the peripheries of those once and potentially future great powers, Russia and China. To believers in the “deterrence model,” first described by Robert Jervis four decades ago, weakness is provocative, and the post-U.S. world would seem everywhere weak. 128 Moscow and Beijing would attempt to expand their influence, and ultimately perhaps their borders, once they were assured that they would face no pushback from Washington. Perhaps gradual interference in their near-abroads, such as we have already seen in eastern Ukraine, northern Georgia, and the South China Sea, would occur with increasing frequency in the vacuum left by a U.S. withdrawal. While such expansion cannot be ruled out, especially in the long run, large border adjustments would probably not occur in the absence of U.S. power, for least two reasons. First, the removal of American troops would not alter the calculations regarding the costs and benefits of conquest in the twenty-first century. Although absorbing neighbors sometimes paid substantial dividends in the pre–information age, today territory is unrelated to wealth. 129 The people of larger states are not automatically better off than those of small ones. India is not richer than Singapore; Russia would not benefit from invading Ukraine; China would hardly be materially better off if it ruled Taiwan

. The other members of the international system might not be able to stop such adventurism militarily, but they can certainly punish it economically. The costs related to invasion and the inevitable problems that arise during occupation would outweigh any possible benefits that may accrue. Conquest in a trading system is profoundly irrational, and the incentives for peace are strong. Rational calculations are not the only motivations for cross-border violence. As Norman Angell argued a century ago, people have to believe that war is not worth the cost before they will forswear it. 130 The quest for glory and prestige has sent many an army into motion over the centuries; Alfred Thayer Mahan responded to Angell’s rationalism a century ago by pointing out that “nations are under no illusion as to the unprofitableness of war itself” but honor often compels them to fight anyway. 131 By 2017, however, those calculations have changed. It is not at all clear that glory still automatically accompanies conquest. The second reason to believe that Russia and China might not dominate their near-abroads in an essentially U.S.-free world is that the behavioral norms of the New Peace discourage aggression. Imperialism invites opprobrium, not admiration. This does not mean that such assaults could not happen—Genghis Khan was unconcerned about opprobrium, for instance, and Vladimir Putin might be too—but surely it is significant that conquest has been all but absent since the Second World War. The unipole is not the only thing restraining potential combatants; both their material and reputational interests do so as well. If and when a catastrophic supervolcanic eruption weakens the United States, other countries would still have substantial interest in maintaining the overlapping network of international economic and political institutions that serve the interests of all members. All would want to see free trade and investment continue unmolested, whether or not the global policeman could punish violators. Most would continue to place some value on international law, human rights, and the UN system. Why any state would want to move backward to a mercantilist time of pure self-help and violence would be difficult to imagine. It is 2017, not 1717. Volcanologists assure us that someday Yellowstone will awaken with terrifying fury. The human and material cost will be immense, but the ramifications for international security may not be as dramatic. While it might take that kind of event to settle the questions concerning hegemonic-stability theory once and for all, we can still use our imaginations to anticipate the kind of reaction that the system would have if the global 911 is taken off the hook. Even more decisively than a Trump superpresidency, a supervolcano eruption would test the New Peace and settle forever debates over the importance of unipolarity. Until then, one can only imagine what the system would be like without the United States. And the smart money would be with those who say that it would probably look pretty much the same, with very small amounts of conflict and warfare, even if few people seem to notice. In the end, what can be definitely said about the relationship between U.S. power and international stability? Probably not much that will satisfy partisans. The pacifying virtue of U.S. hegemony will remain largely an article of faith in some circles in the policy world. Like most beliefs, it will resist alteration by logic and evidence. Beliefs rarely change, so debates rarely end. For those not yet fully converted, however, perhaps it will be significant that corroborating evidence for the relationship is extremely hard to identify. If indeed hegemonic stability exists, it does so without leaving much of a trace. Neither Washington’s spending, nor its interventions, nor its overall grand strategy seem to matter much to the levels of armed conflict around the world (apart from those wars that Uncle Sam starts). The empirical record does not contain much support for the notion that unipolarity and the New Peace are related. At the same time, three common psychological phenomena suggest that hegemonic stability is particularly susceptible to misperception. U.S. leaders probably exaggerate the degree to which their power matters. Researchers will need to look elsewhere to explain why the world has entered the most peaceful period in its history.

## Drug Prices Adv

### 1NC – Prices Low

#### Prices are low – their studies mismeasure.

Zinberg ’21 [Joel; December 26; senior fellow at the Competitive Enterprise Institute, director of Paragon Health Institute’s Public Health and American Well-being Initiative; Wallstreet Journal, “Drug Prices Haven’t Been Going Up,” <https://www.wsj.com/articles/drug-prices-havent-been-going-up-generics-inflation-caps-biden-costs-innovation-11640533671>; KP]

Mr. Biden and other pharmaceutical critics have mistakenly focused on increases in the list prices set by companies. But the actual prices consumers pay, after various discounts and rebates, are considerably lower than list prices, and changes in the two measures differ substantially. Insulin, with large increases in list prices over the past few decades, has become the poster child for unreasonable price increases. Yet net prices have increased much more slowly or not at all.

The best measure is the consumer-price index for prescription drugs, or CPI-Rx, which measures price changes in a large basket of drugs over time, accounting for discounts and most rebates. Another strength of the CPI-Rx is that it accounts for price declines that occur when consumers substitute cheaper generic versions for brand-name drugs. Too often, Mr. Biden and others focus on a few high-priced drugs and fail to consider the entire market.

Prices for brand-name prescription drugs are higher in the U.S. than in other countries. But U.S. regulatory, legal and incentive structures encourage aggressive price competition and switching from branded drugs to generics. As a result, Americans use more generics (accounting for 9 out of 10 prescriptions) and pay less for them (16% lower on average) than in other developed countries. Nearly all European countries impose price controls on generics, which results in delayed market entry and availability, less competition and higher prices

CPI-Rx has been negative for much of the past three years. The decline stems largely from increased drug approvals by the Food and Drug Administration since 2017. When new brand-name drugs enter the market, they compete with other drugs that treat the same condition. When generic versions are approved, prices fall rapidly as patients switch, especially as multiple generic versions enter the market.

An analysis of per-unit prices of 27 types of insulin by GoodRx, a healthcare company that tracks drug prices and provides discount coupons, found that overall retail prices declined by nearly 6% since 2019 because of recent approvals of generics and biosimilar drugs.

Mr. Biden’s proposed price controls aren’t merely superfluous. They risk lowering the number of innovative new drugs that improve health and eventually become the low-priced generics used by most Americans. Pharmaceutical companies invest in research in anticipation of future profit. Unlike most industries, they primarily finance it out of current revenues. University of Chicago economist Tomas Philipson estimates Mr. Biden’s proposed price controls could lead to a 29% to 60% reduction in research and development, resulting in 167 to 342 fewer new drug approvals over the next 20 years.

The rapid development of Covid vaccines and therapeutics confirmed the importance of preserving our innovative pharmaceutical industry. The pandemic also confirmed that the FDA is capable of safely shortening approval times. Speeding approvals and increasing competition are a far better prescription than price controls that would strangle future innovation.

### 1NC – Alt Causes

#### Fee-for-service is an alt cause.

Hohman ’20 [Maura; September 22; staff editor and reporter for TODAY Digital; Today, “Why is health care so expensive in the United States?” <https://www.today.com/tmrw/why-healthcare-so-expensive-united-states-t192119#anchor-UShealthcareishighlyfragmented>; KP]

Why is health care so expensive?

The most salient reason is that U.S. health care is based on a "for-profit insurance system," one of the only ones in the world, according to Carmen Balber, executive director of Consumer Watchdog, who's advocated for reform in the health-insurance market.

In the U.S., most health insurance is administered by private companies and individuals must pay for it themselves, even if their employer subsidizes some of it. In contrast, "lots of other countries have some element of private something, but there is that baseline understanding that health care is a right, not a privilege," Balber said.

The underlying motive to make money has a ripple effect that increases prices, she continued. For example, insurance companies spend an "enormous amount of money on utilization review," the process that determines whether a medical service is covered under a given plan, adding that the goal is "to not pay consumers for the care they thought they were insured for."

Similarly, Dr. Georges Benjamin, executive director of the American Public Health Association, pointed to a lack of universal health care, where everyone is guaranteed access without undergoing financial hardship, as a primary reason for high costs.

"Part of our system is that everybody is ... paying for somebody else's underpayment, whether they like it or not," he said. "Everybody is trying to figure out who else can pay for it instead of them."

U.S. health care is highly fragmented

Benjamin blamed the complex and fragmented structure of U.S. health care — from billing to care delivery — which can unnecessarily prolong administrative processes and increase overhead. A recent study found that in 2017, administrative costs made up 34.2% of health care costs in the U.S., twice the percentage in Canada, which has a decentralized, publicly funded system.

Another example: Medicare, the country's national health insurance program for Americans 65 and older, has much lower administrative costs, between 1.1 and 7%.

"Medicare ... is drastically cheaper, because we don't spend a lot of time trying to deny people the care they need," Balber said. "There's not as much dedicated to the bureaucracy of health care as there is in private systems."

We pay per service

U.S. health care exists in a system where patients are charged based on the services they receive, yet another reason why "almost everything is more expensive here," Dr. Harlan Krumholz, cardiologist and professor of health policy at Yale School of Medicine, told TMRW.

"We have higher utilization of a lot of different services," he explained. "In many parts of the health care ecosystem, people are paid for volume, and so that fuels an orientation toward, 'We might as well get an extra scan.' ... It's in the economic interest of the hospital, the physician, the health care system when they're being paid fee-for service, and the justification is that more is better."

As a result, there's lower use of primary care, Benjamin said, because the fee-for-service model "encourages overutilization."

"Instead of taking people in a room, examining them, taking the history and spending the time talking to patients, we ... do all the complicated stuff," he added. "We're quick to jump to getting the CAT scan and diagnostic test when a history and physical exam would tell you the answer."

Balber argued that fee-for-service creates a "perverse incentive" to provide more procedures, instead of helping patients get healthier so that the nation as a whole needs fewer procedures. The U.S. also spends less than other countries on social support systems and long-term care, Benjamin added.

#### Administrative costs too.

Cutler ’20 [David; May/June; Otto Eckstein Professor of Applied Economics at Harvard University; Harvard Magazine, “The World’s Costliest Health Care,” <https://www.harvardmagazine.com/2020/05/feature-forum-costliest-health-care>; KP]

THE LARGEST COMPONENT of higher U.S. medical spending is the cost of healthcare administration. About one-third of healthcare dollars spent in the United States pays for administration; Canada spends a fraction as much. Whole occupations exist in U.S. medical care that are found nowhere else in the world, from medical-record coding to claim-submission specialists.

Healthcare administration needn’t be so costly. Even in other countries with multiple payers and private providers—including Germany and Switzerland—healthcare administration is less than half the cost of the U.S. equivalent. The key requirement for reducing administrative costs is standardization. Grocery-store checkout is simple because all products have bar codes and credit-card machines are uniform. Mobile banking is easy because the Federal Reserve has put standards in place for how banks interface with each other. But every health insurer requires a different bar-code-equivalent and payment-systems submission. And even in 2020, it is virtually impossible to send medical records electronically from one hospital to another. Almost all hospitals have electronic medical records, but there is no federal requirement that they interface. Indeed, many providers take active steps to avoid electronic interchange, because keeping records local ensures that fewer patients will switch doctors.

Standardization occurs when big participants decide they want it. In healthcare, the big participant is the government. Only the federal government has the buying power and administrative reach to force payers and providers to adopt billing and interface rules. The federal government could commit to a date by which all interactions are standardized and set up the infrastructure to make that happen. To date, however, the public sector has shirked its responsibility. The federal government sees its role as providing insurance to people—Medicare and Medicaid in particular—but not looking out for the system as a whole. That thinking will need to change if progress is to be made.

### 1NC – AT: Debt

#### Debt is a non-issue.

Lastrapes ‘19 [William; February 14; Professor of Economics, University of Georgia; The Conversation, “Why the $22 trillion national debt doesn’t matter – here’s what you should worry about instead,” <https://theconversation.com/why-the-22-trillion-national-debt-doesnt-matter-heres-what-you-should-worry-about-instead-111805>; KP]

First of all, it’s important to note current U.S. debt levels do not indicate any risk of imminent default.

As long as the U.S. federal government remains an “ongoing concern” – fiscal institutions are strong and effective, taxing authority is maintained and the long-run productive capacity of the nation’s economy is secure – there is no economic reason to fear default on the nation’s debt. Political reasons, such as debt-ceiling mischief, are another matter.

To remain solvent and ultimately pay what it owes, the U.S. Treasury – which sells notes and bonds to investors to raise money to finance the budget deficit – needs only to balance its books over the long run, rather than over an arbitrary unit of time like a year.

Historically low interest rates on government debt suggest that bond market participants agree with this view and are not afraid of a sovereign debt default in the U.S. Indeed, with these low rates, sufficient economic growth can allow the government to borrow indefinitely.

Why it’s irrelevant

Although $22 trillion is a large number, it is essentially irrelevant to proper thinking about the economic role of the U.S. government or about responsible fiscal policy.

Government debt simply reflects the timing of taxes. Higher spending levels today require more borrowing – and a larger debt – as long as the taxes needed to pay for those expenditures are pushed into the future.

But regardless of when taxes are collected, what ultimately matters is the quantity of the economy’s scarce resources the federal government commands and controls, and how those resources are used, which essentially depend on the level and composition of government spending. To paraphrase Milton Friedman, spending is taxing.

In short, government debt can be a bad indicator of the stance of fiscal policy or its burden on the private sector. The government can be wildly intrusive in the economy and thus a hindrance to growth and welfare even if its debt is low. For example, Venezuela’s sovereign debt was only 23 percent of its GDP in 2017, yet its economy has been in turmoil for several years.

Or it can effectively manage spending to promote welfare even if its debt is high. In 1945, the U.S. debt-to-GDP ratio was 120 percent, immediately after the government mobilized the economy to win World War II