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\*\*Growth

\*\*UQ

Econ – Yes 1/2

Recovery is on track- unemployment decreasing and spending rising

Rushe 6/26/12

Dominic Rushe is the US business correspondent for the Guardian, OECD: US economy is improving but recovery is far from complete- Report suggests economy has 'gained momentum' but says long-term unemployment and income equality must be solved, The Guardian, Tuesday 26 June 2012 11.21 EDT

The US recovery remains on track but "fissures" have begun to appear in the world's largest economy as it struggles with record long-term unemployment and income inequality, according to a report by the Organization for Economic Co-operation and Development. The international economist group is more bullish on the economy than Federal Reserve chairman Ben Bernanke, who recently downgraded his forecasts for the US economy. And the report may prove useful ammunition for the Obama administration as the economy emerges as the key battleground of the 2012 election. The OECD offered support to president Barack Obama's plans to cut tax breaks for America's wealthiest, a plan known as the 'Buffett rule' after its championing by billionaire investor Warren Buffett. Growth in the US will remain moderate this year but the OECD report concludes that America's economic recovery has "gained momentum". Consumer and business spending have risen and unemployment, though still high at 8.2%, has fallen nearly two percentage points from its peak in 2009.

No double-dip coming- Europe’s progress, leading indicators and lower gas prices buffer the economy

Koesterich 6/22/12

Russ is a frequent contributor to financial news media and can regularly be seen on CNBC, Fox Business News and Bloomberg TV. He is the author of two books. Russ is also regularly quoted in print media including the Wall Street Journal, USA Today, MSNBC.com, and MarketWatch. Russ earned a BA in history from Brandeis University, a JD from Boston College and an MBA in capital markets from Columbia University, Don't Expect A Double Dip ... This Year,

<http://seekingalpha.com/article/678771-don-t-expect-a-double-dip-this-year>

For the third summer in a row, the US economy is slowing and Europe is teetering on the brink of an abyss. While renewed fears of a US double dip are reasonable, I believe the United States will not see a recession in 2012 for the following four reasons: 1.) Europe is struggling, but it’s slowly stumbling toward a solution. It’s true that Europe is likely to continue to be a chronic source of stress for the global economy. That said, we have seen some tentative signs of progress in recent weeks. The results of the second Greek election mitigated the risk of a near-term Greek default or exit. And while Spain has yet to articulate a definitive plan to recapitalize its banking system, at least it has acknowledged there’s a problem. 2.) Apparent US weakness can partly be attributed to statistical quirks. The weakness of recent US economic data can be attributed to other factors besides an economic slowdown. Take May’s disappointing non-farm payroll report, for instance. The collapse of the construction industry likely is wreaking havoc with how the jobs data is adjusted for seasonal variations, meaning that winter was probably not as strong as the data indicated, nor spring as weak as the headline numbers suggested. 3.) Leading indicators remain stable. While most economic measures continue to be sluggish, leading economic indicators are still signaling positive growth. Our favorite metric, the Chicago Fed National Activity Index, is stuck at zero, close to its average level over the past few years. This is certainly not indicative of a robust economy, but it’s still consistent with US growth in the 2% range or even slightly better. Other leading indicators also confirm a continuation of the expansion. Lost in din of last month’s non-farm payroll report debacle was the May ISM manufacturing report. While weak, it was by no means a disaster. In particular, the new orders component, which tends to lead economic activity, rose to its best level since the spring of 2011. 4.) Gasoline prices are down. Finally, oil prices have come down. While the consumer still faces a number of headwinds, cheaper gasoline prices are providing some relief for stretched middle-income consumers.

Econ – Yes 2/2

Tax Collections show the economy isn’t slowing

Adler 7/18/12

<http://www.businessinsider.com/federal-tax-revenues-economy-not-slowing-2012-7> Lee Adler is the editor and publisher of The Wall Street Examiner Jul. 18, 2012, 9:10 AM One Crucial Indicator Shows The US Economy Isn't Slowing At All

The mainstream consensus has lately been that the economy is slowing. Based on my tracking of federal revenues in real time, I suspect that that view is incorrect. Instead the recent data reflects only normal oscillations within the ongoing slow growth trend. Total federal tax collections, including withholding taxes, are available to us with just a one day lag in the US Treasury’s Daily Treasury Statements, which makes them an excellent analytical resource. Withholding is mostly for compensation, and thus it is a good measure of the economy’s strength. However, it is extremely volatile day to day so I rely more on a monthly moving average of the 10 day total collections, comparing that with the prior year. Smoothing sacrifices a bit of timeliness to get a clearer picture of the trend without losing too much of the edge that the daily data provides. Unfortunately, I have found even the 10 day total data too noisy for meaningful comparison so I’ve had to resort to additional smoothing. As a result the smoothed data is a little slow, so I also look at raw month to date data after mid month.

Econ – No

Economic growth is extremely slow

Crutsinger 7/16/12

(US economy appears weaker as retail sales slump, AP News By Anne D'innocenziomartin Crutsinger on July 16, 2012 <http://www.businessweek.com/ap/2012-07-16/us-retail-sales-fell-0-dot-5-percent-in-june>)

WASHINGTON (AP) — The outlook for the U.S. economy appeared dimmer Monday after a report that Americans spent less at retail businesses for a third straight month in June. The report led some economists to downgrade their estimates for economic growth in the April-June quarter. Many now think the economy grew even less than in the first quarter of the year, when it expanded at a sluggish 1.9 percent annual rate. Spending in June fell in nearly every major category — from autos, furniture and appliances to building, garden supplies and department stores. Overall, retail sales slid 0.5 percent from May to June, the Commerce Department said. Retail sales hadn't fallen for three straight months since the fall of 2008, at the height of the financial crisis. The weak U.S. spending figures were released on the same day that the International Monetary Fund slightly lowered its outlook for global growth over the next two years. Stocks fell after the Commerce report was issued. The Dow Jones industrial average sank 74 points in early trading. Broader indexes also declined. Later in the day, stocks regained some of their losses. "However hard you look, there's just no good news in this report," said Paul Ashworth, chief U.S. economist at Capital Economics.

The economy is weakening

Samson 7/16/12

Gloomy Economic Data Sap Wall Street's Enthusiasm, By Adam Samson, Published July 16, 2012, FOXBusiness

Read more: http://www.foxbusiness.com/markets/2012/07/16/gloomy-economic-data-sap-wall-street-enthusiasm/#ixzz20tC63kNS

After posting a big rally on Friday, the markets kicked the week on a cautious note as traders reacted to another round of pessimistic news on the world economy. Today's Markets The Dow Jones Industrial Average fell 49 points, or 0.39%, to 12727, the S&P 500 slipped 3.1 points, or 0.23%, to 1354 and the Nasdaq Composite dipped 11.5 points, or 0.4%, to 2897. This week is set to be a busy one from an economic standpoint. There are a slew of closely-watched economic reports on tap, and Federal Reserve Chairman Ben Bernanke is set to testify before Congress on Tuesday. A report from the Commerce Department showed retail sales falling 0.5% in June from May, surprising economists who were expecting a 0.2% gain. Excluding the auto segment, sales were down 0.4%; economists had expected sales to remain flat. "The weakness across sectors in June was broad based, which implies a general softening in consumer spending," analysts at Nomura wrote in a note to clients following the report. Echoing that sentiment, IHS Global Insight Senior Principal Economist Chris Christopher wrote in a research note that "retail sales have hit a brick wall, plain and simple." He added: "The American consumer is not in a healthy state." The International Monetary Fund revised its outlook for global growth down from its April 2012 forecast by 0.1 percentage point to 3.5% for 2012 and by 0.2 percentage point to 3.9% for 2013. The IMF also cut its U.S. forecast by 0.1 percentage point for 2012 to 2% and revised it lower by 0.1 percentage point to 2.3% for 2013. "In the past three months, the global recovery, which was not strong to start with, has shown signs of further weakness," the IMF said in a report, noting that downside risks "loom large."

Econ – Brink

Economy on the brink of another financial crisis

Crutsinger 7/17/12

Martin Crutsinger, Associated Press, Federal Reserve Chairman Ben Bernanke says crisis looming, Published: 07:48 PM, Tue Jul 17, 2012 <http://www.fayobserver.com/articles/2012/07/17/1191303?sac=fo.business>

WASHINGTON - Federal Reserve Chairman Ben Bernanke painted a dark picture of where the U.S. economy is headed if Congress fails to reach agreement soon to avert a budget crisis. "It would probably knock the recovery back into a recession and cost a lot of jobs, and would greatly delay the recovery that we're hoping to facilitate," said Bernanke at the end of two hours of testimony Tuesday before the Senate Banking Committee. But Bernanke said lawmakers must go beyond the year-end issues and come up with a plan to shrink the budget deficit. Otherwise, the United States could suffer a financial crisis marked by rising interest rates. "We might face ... a financial crisis where interest rates would rise, as we're seeing now in Europe and that would feed through to other interest rates like mortgages and other kinds of rates. And it would be very costly to our economy," he said. Bernanke was giving his midyear report on the state of the economy. And that wasn't pretty, either. It's growing modestly but has weakened in recent months, he said. Job growth has slumped, manufacturing has weakened and consumers have lost confidence and have cut back on spending. The Fed is prepared to take further action if growth doesn't improve. Bernanke provided no clues about what steps the Fed might take or whether any action was imminent. But Bernanke noted that there is only so much the Fed can do.

Collapse Inevitable 1/7

Studies in multiple fields prove that economic growth will inevitably collapse due to diminishing returns from complexity and environmental stress – Infinite growth is LITERALLY IMPOSSIBLE – allowing breakdowns in complexity is the only option

Mackenzie 8(Deborah, BBC Correspondant. Quotes Joe Tainter Phd - professor in the Department of Environment and Society at Utah State University and author of the 1988 book The Collapse of Complex Societies, and professor of anthropology at the University of New Mexico. And cites Yaneer Bar-Yam, head of the New England Complex Systems Institute in Cambridge, Massachusetts, and Charles Perrow of Yale University, a leading authority on industrial accidents and disasters. 4/5/2008 “Are WE doomed?” Ebsco)

DOOMSDAY. The end of civilisation. Literature and film abound with tales of plague, famine and wars which ravage the planet, leaving a few survivors scratching out a primitive existence amid the ruins. Every civilisation in history has collapsed, after all. Why should ours be any different? Doomsday scenarios typically feature a knockout blow: a massive asteroid, all-out nuclear war or a catastrophic pandemic . Yet there is another chilling possibility: what if the very nature of civilisation means that ours, like all the others, is destined to collapse sooner or later? A few researchers have been making such claims for years. Disturbingly, recent insights from fields such as complexity theory suggest that they are right. It appears that once a society develops beyond a certain level of complexity it becomes increasingly fragile. Eventually, it reaches a point at which even a relatively minor disturbance can bring everything crashing down. Some say we have already reached this point, and that it is time to start thinking about how we might manage collapse. Others insist it is not yet too late, and that we can - we must - act now to keep disaster at bay. History is not on our side. Think of Sumeria, of ancient Egypt and of the Maya. In his 2005 best-seller , Jared Diamond of the University of California, Los Angeles, blamed environmental mismanagement for the fall of the Mayan civilisation and others, and warned that we might be heading the same way unless we choose to stop destroying our environmental support systems. Lester Brown of the Earth Policy Institute in Washington DC agrees. He has that governments must pay more attention to vital environmental resources. "It's not about saving the planet. It's about saving civilisation," he says. Others think our problems run deeper. From the moment our ancestors started to settle down and build cities, we have had to find solutions to the problems that success brings. "For the past 10,000 years, problem solving has produced increasing complexity in human societies," says Joseph Tainter, an archaeologist at the University of Utah, Salt Lake City, and author of the 1988 book The Collapse of Complex Societies . If crops fail because rain is patchy, build irrigation canals. When they silt up, organise dredging crews. When the bigger crop yields lead to a bigger population, build more canals. When there are too many for ad hoc repairs, install a management bureaucracy, and tax people to pay for it. When they complain, invent tax inspectors and a system to record the sums paid. That much the Sumerians knew. Diminishing returns There is, however, a price to be paid. Every extra layer of organisation imposes a cost in terms of energy, the common currency of all human efforts, from building canals to educating scribes. And increasing complexity, Tainter realised, produces diminishing returns. The extra food produced by each extra hour of labour - or joule of energy invested per farmed hectare - diminishes as that investment mounts. We see the same thing today in a declining number of patents per dollar invested in research as that research investment mounts. This law of diminishing returns appears everywhere, Tainter says. To keep growing, societies must keep solving problems as they arise. Yet each problem solved means more complexity. Success generates a larger population, more kinds of specialists, more resources to manage, more information to juggle - and, ultimately, less bang for your buck. Eventually, says Tainter, the point is reached when all the energy and resources available to a society are required just to maintain its existing level of complexity. Then when the climate changes or barbarians invade, overstretched institutions break down and civil order collapses. What emerges is a less complex society, which is organised on a smaller scale or has been taken over by another group. Tainter sees diminishing returns as the underlying reason for the collapse of all ancient civilisations, from the early Chinese dynasties to the Greek city state of Mycenae. These civilisations relied on the solar energy that could be harvested from food, fodder and wood, and from wind. When this had been stretched to its limit, things fell apart. Western industrial civilisation has become bigger and more complex than any before it by exploiting new sources of energy, notably coal and oil, but these are limited. There are increasing signs of diminishing returns: the energy required to get is mounting and although global is still increasing, constant innovation is needed to cope with environmental degradation and evolving - the yield boosts per unit of investment in innovation are shrinking. "Since problems are inevitable," Tainter warns, "this process is in part ineluctable." Is Tainter right? An analysis of complex systems has led Yaneer Bar-Yam, head of the New England Complex Systems Institute in Cambridge, Massachusetts, to the same conclusion that Tainter reached from studying history. Social organisations become steadily more complex as they are required to deal both with environmental problems and with challenges from neighbouring societies that are also becoming more complex, Bar-Yam says. This eventually leads to a fundamental shift in the way the society is organised. "To run a hierarchy, managers cannot be less complex than the system they are managing," Bar-Yam says. As complexity increases, societies add ever more layers of management but, ultimately in a hierarchy, one individual has to try and get their head around the whole thing, and this starts to become impossible. At that point, hierarchies give way to networks in which decision-making is distributed. We are at this point. This shift to decentralised networks has led to a widespread belief that modern society is more resilient than the old hierarchical systems. "I don't foresee a collapse in society because of increased complexity," says futurologist and industry consultant Ray Hammond. "Our strength is in our highly distributed decision making." This, he says, makes modern western societies more resilient than those like the old Soviet Union, in which decision making was centralised. Things are not that simple, says Thomas Homer-Dixon, a political scientist at the University of Toronto, Canada, and author of the 2006 book The Upside of Down . "Initially, increasing connectedness and diversity helps: if one village has a crop failure, it can get food from another village that didn't The very nature of civilisation may make its demise inevitable, says Debora MacKenzie New Scientist April 5, 2008 As connections increase, though, networked systems become increasingly tightly coupled. This means the impacts of failures can propagate: the more closely those two villages come to depend on each other, the more both will suffer if either has a problem. "Complexity leads to higher vulnerability in some ways," says Bar-Yam. "This is not widely understood." The reason is that as networks become ever tighter, they start to transmit shocks rather than absorb them. "The intricate networks that tightly connect us together - and move people, materials, information, money and energy - amplify and transmit any shock," says Homer-Dixon. "A financial crisis, a terrorist attack or a disease outbreak has almost instant destabilising effects, from one side of the world to the other." For instance, in 2003 large areas of North America and Europe suffered when apparently insignificant nodes of their respective electricity grids failed. And this year China suffered a similar blackout after heavy snow hit power lines. Tightly coupled networks like these create the potential for propagating failure across many critical industries, says Charles Perrow of Yale University, a leading authority on industrial accidents and disasters. Credit crunch Perrow says interconnectedness in the global production system has now reached the point where "a breakdown anywhere increasingly means a breakdown everywhere". This is especially true of the world's financial systems, where the coupling is very tight. "Now we have a debt crisis with the biggest player, the US. The consequences could be enormous." "A networked society behaves like a multicellular organism," says Bar-Yam, "random damage is like lopping a chunk off a sheep." Whether or not the sheep survives depends on which chunk is lost. And while we are pretty sure which chunks a sheep needs, it isn't clear - it may not even be predictable - which chunks of our densely networked civilisation are critical, until it's too late. "When we do the analysis, almost any part is critical if you lose enough of it," says Bar-Yam. "Now that we can ask questions of such systems in more sophisticated ways, we are discovering that they can be very vulnerable. That means civilisation is very vulnerable." So what can we do? "The key issue is really whether we respond successfully in the face of the new vulnerabilities we have," Bar-Yam says. That means making sure our "global sheep" does not get injured in the first place - something that may be hard to guarantee as the climate shifts and the world's fuel and mineral resources dwindle. Scientists in other fields are also warning that complex systems are prone to collapse. Similar ideas have emerged from the study of natural cycles in ecosystems, based on the work of ecologist Buzz Holling, now at the University of Florida, Gainesville. Some ecosystems become steadily more complex over time: as a patch of new forest grows and matures, specialist species may replace more generalist species, biomass builds up and the trees, beetles and bacteria form an increasingly rigid and ever more tightly coupled system. "It becomes an extremely efficient system for remaining constant in the face of the normal range of conditions," says Homer-Dixon. But unusual conditions - an insect outbreak, fire or drought - can trigger dramatic changes as the impact cascades through the system. The end result may be the collapse of the old ecosystem and its replacement by a newer, simpler one. Globalisation is resulting in the same tight coupling and fine-tuning of our systems to a narrow range of conditions, he says. Redundancy is being systematically eliminated as companies maximise profits. Some products are produced by only one factory worldwide. Financially, it makes sense, as mass production maximises efficiency. Unfortunately, it also minimises resilience. "We need to be more selective about increasing the connectivity and speed of our critical systems," says Homer-Dixon. "Sometimes the costs outweigh the benefits." Is there an alternative? Could we heed these warnings and start carefully climbing back down the complexity ladder? Tainter knows of only one civilisation that managed to decline but not fall. "After the

[Continues….]

Collapse Inevitable 2/7

[Continues….]

Byzantine empire lost most of its territory to the Arabs, they simplified their entire society. Cities mostly disappeared, literacy and numeracy declined, their economy became less monetised, and they switched from professional army to peasant militia." Pulling off the same trick will be harder for our more advanced society. Nevertheless, Homer-Dixon thinks we should be taking action now. "First, we need to encourage distributed and decentralised production of vital goods like energy and food," he says. "Second, we need to remember that slack isn't always waste. A manufacturing company with a large inventory may lose some money on warehousing, but it can keep running even if its suppliers are temporarily out of action." The electricity industry in the US has already started identifying hubs in the grid with no redundancy available and is putting some back in, Homer-Dixon points out. Governments could encourage other sectors to follow suit. The trouble is that in a world of fierce competition, private companies will always increase efficiency unless governments subsidise inefficiency in the public interest. Homer-Dixon doubts we can stave off collapse completely. He points to what he calls "tectonic" stresses that will shove our rigid, tightly coupled system outside the range of conditions it is becoming ever more finely tuned to. These include population growth, the growing divide between the world's rich and poor, financial instability, weapons proliferation, disappearing forests and fisheries, and climate change. In imposing new complex solutions we will run into the problem of diminishing returns - just as we are running out of cheap and plentiful energy. "This is the fundamental challenge humankind faces. We need to allow for the healthy breakdown in natural function in our societies in a way that doesn't produce catastrophic collapse, but instead leads to healthy renewal," Homer-Dixon says. This is what happens in forests, which are a patchy mix of old growth and newer areas created by disease or fire. If the ecosystem in one patch collapses, it is recolonised and renewed by younger forest elsewhere. We must allow partial breakdown here and there, followed by renewal, he says, rather than trying so hard to avert breakdown by increasing complexity that any resulting crisis is actually worse. Lester Brown thinks we are fast running out of time. "The world can no longer afford to waste a day. We need a Great Mobilisation, as we had in wartime," he says. "There has been tremendous progress in just the past few years. For the first time, I am starting to see how an alternative economy might emerge. But it's now a race between tipping points - which will come first, a switch to sustainable technology, or collapse?" Tainter is not convinced that even new technology will save civilisation in the long run. "I sometimes think of this as a 'faith-based' approach to the future," he says. Even a society reinvigorated by cheap new energy sources will eventually face the problem of diminishing returns once more. Innovation itself might be subject to diminishing returns, or perhaps absolute limits. Studies of the way by Luis Bettencourt of the Los Alamos National Laboratory, New Mexico, support this idea. His team's work suggests that an ever-faster rate of innovation is required to keep cities growing and prevent stagnation or collapse, and in the long run this cannot be sustainable.

Collapse Inevitable 3/7

**Coming Resource depletion makes collapse inevitable**

Alier et al 09 (Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

Due to growth of world population, continued high levels of consumption in the developed world combined with the rapid industrialisation of countries such as China and India, worldwide demand on natural resources and related pressures on the environment are steadily increasing. Renewable resources, and the ecological services they provide, are at great risk of degradation and collapse (see, for example, the latest “Global Environmental Outlook” by UNEP, 2007). The depletion of these ecological assets is serious, as human society is embedded within the biosphere and depends on ecosystems for a steady supply of the basic requirements for life: food, water, energy, fibres, waste sinks, and other services. At the same time, extraction of many non-renewable resources is already reaching or near a peak; some authors even describe today’s situation as “peak everything” (Heinberg, 2007). In 1980, around 40 billion tons of raw materials and energy carriers were extracted. In 2005 this number has risen to around 58 billion tons. Global extraction of natural resources for production and consumption of products and services thus increased by 45% in the past 25 years (Behrens et al., 2007). In the same time period the performance of the global economy increased by 110%. Relative de-coupling of economic growth and resource use could thereby be achieved; however, the relative gains were overcompensated by the overall growth of the economic system. Scenarios illustrate that the global resource extraction could reach 100 billion tons in 2030, if no policy measures are implemented aiming at an absolute reduction of resource use (see Figure 1). In the light of these dramatic scenarios on increased use of raw materials and energy, the question arises, whether such growth will be possible or whether the world economy will face ecological limits to growth. In principal, two types of limits to growth regarding resource use and resource availability can be distinguished. First, non-renewable resources, in particular fossil fuels and metal ores, are finite. As the most recent „World Energy Outlook“ of the International Energy Agency points out, an energy revolution is necessary, in order to change human’s use of energy towards environmental, economic and social sustainability (IEA, 2008). Several scenarios exist for “peak-oil”, i.e. the reaching of the level of maximum global oil extraction. All scenarios illustrate that peak oil will be reached between 2015 and 2050. If no affordable alternatives to oil can be developed in time, these developments will have severe negative economic impacts, for example in the construction and transport industries, as well as in the chemical or pharmaceutical sectors. Apart from oil, peak extractions have already been reached or will be reached in the very near future for a number of metal ores such as zinc, silver, platinum or tantalum. This suggests severe impacts on industries such as the electronic industries, which depend on these rare metals for producing for example LCD screens and other electronic devices. Also the development of environmental technologies can be influenced by resource scarcity. One example is the new generation of solar cells, which requires indium and gallium, also highly scarce, for producing semiconducting materials. Resource scarcity thus also limits the potentials of these new technologies to contribute to a cleaner energy system. It might therefore prove difficult to substitute a large share of current energy use by new technologies at the current level of energy consumption. An absolute reduction (or de-growth) of natural resources could help increasing the importance of these new technologies.

Collapse Inevitable 4/7

**Economic collapse is inevitable if growth is maintained**

Alier et al 09 (Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

1.8 If we do not [bring] global economic activity into line with the capacity of our ecosystems, and [redistribute] wealth and income globally so that they meet our societal needs, the result will be a process of involuntary and uncontrolled economic decline or collapse, with potentially serious social impacts, especially for the most disadvantaged. (...) 2. We therefore call for a paradigm shift from the general and unlimited pursuit of economic growth to a concept of “right-sizing” the global and national economies. (...) 3. The paradigm shift involves degrowth in wealthy parts of the world. (...) 3.3 The objectives of degrowth are to meet basic human needs and ensure a high quality of life, while reducing the ecological impact of the global economy to a sustainable level, equitably distributed between nations. This will not be achieved by involuntary economic contraction. Sci., 23(3), 369-376

Collapse Inevitable 5/7

**Physical limits prevent infinite growth**

Brown et al. 11 (James H. Brown, James H. Brown (jhbrown@unm.edu) is a distinguished professor at the University of New Mexico and external faculty of the Santa Fe Institute. William R. Burnside, William C. Dunn, Jordan G. Okie, and Wenyun Zuo are PhD candidates in the Department of Biology at the University of New Mexico. Ana D. Davidson is a postdoctoral researcher at the National University of Mexico and adjunct professor of biology at the University of New Mexico. John P. DeLong is a postdoctoral associate at Yale University in the Department of Ecology and Evolutionary Biology. Marcus J. Hamilton is an archaeological anthropologist at the University of New Mexico and the Santa Fe Institute. Norman Mercado-Silva is a research specialist with the School of Natural Resources and the Environment, Arizona Cooperative Fish and Wildlife Research Unit, at the University of Arizona, in Tucson. Jeffrey C. Nekola is an ecologist at the University of New Mexico. William H. Woodruff is a scientist at Los Alamos National Laboratory and external faculty at the Santa Fe Institute. Jan 2011, Energetic Limits to Economic Growth, <http://www.aibs.org/bioscience-press-releases/resources/Davidson.pdf>)

We are by no means the first to write about the limits to economic growth and the fundamental energetic constraints that stem directly from the laws of thermodynamics and the principles of ecology. Beginning with Malthus (1798), both ecologists and economists have called attention to the essential dependence of economies on natural resources and have pointed out that near-exponential growth of the human population and economy cannot be sustained indefinitely in a world of finite resources (e.g., Soddy 1922, Odum 1971, Daly 1977, Georgescu-Roegen 1977, Cleveland et al. 1984, Costanza and Daly 1992, Hall et al. 2001, Arrow et al. 2004, Stern 2004, Nel and van Zyl 2010). Some ecological economists and systems ecologists have made Figure 4. Current and projected global energy consumption based on alternative scenarios of population growth (2006, 2025, and 2050) and standard of living (equivalent to contemporary Uganda, China, and United States). Dashed line is total global terrestrial net primary productivity (NPP), 75 terawatts (Haberl et al. 2007). Data sources and calculation methods can be found in supplemental online materials (www.jstor.org/ stable/10.1525/bio.2011.61.1.7). Figure 5. Sources of energy currently consumed by the global human economy. Total annual consumption is approximately 15.9 terawatts (TW; 1 terawatt = 10 12 watts), of which about 85% comes from fossil fuels, 6% from nuclear energy, and the remaining 9% from solar, hydro, wind, and other renewable sources (BP 2009, REN21 2009).Articles www.biosciencemag.org January 2011 / Vol. 61 No. 1 • BioScience 25 Articles similar theoretical arguments for energetic constraints on economic systems (e.g., Odum 1971, Hall et al. 1986). However, these perspectives have not been incorporated into mainstream economic theory, practice, or pedagogy (e.g., Barro and Sala-i-Martin 2003, Mankiw 2006), and they have been downplayed in consensus statements by influential ecologists (e.g., Lubchenco et al. 1991, Palmer et al. 2004, ESA 2009) and sustainability scientists (e.g., NRC 1999, Kates et al. 2001, ICS 2002, Kates and Parris 2003, Parris and Kates 2003, Clark 2007). Our explicitly macroecological and metabolic approach uses new data and analyses to provide quantitative, mechanistic, and practically relevant insights into energetic limits on economic growth. We hope the evidence and interpretations presented here will call the attention of scientists, policymakers, world leaders, and the public to the central but largely underappreciated role of energetic limits to economic growth.

Collapse Inevitable 6/7

Economic collapse inevitable- debt

Smith ’11

(Ron Smith, Baltimore Sun Staff Writer, September 15 2011, “Ron Smith: The only question now is how and when the global economy will collapse”, http://articles.baltimoresun.com/2011-09-15/news/bs-ed-smith-debt-20110915\_1\_debt-ceiling-global-economy-political-elite)

Predicting how the future will play out is a fool's game, but I make the above prediction with great confidence. If you haven't yet grasped it, government [debt](http://articles.baltimoresun.com/2011-09-15/news/bs-ed-smith-debt-20110915_1_debt-ceiling-global-economy-political-elite) in the U.S., Europe and Japan has grown to such heights that it is literally unrepayable.   People play with the figures all the time, but we can be confident that the actual federal debt alone is nearly $17 trillion. The current system is kaput, and the [financial](http://articles.baltimoresun.com/2011-09-15/news/bs-ed-smith-debt-20110915_1_debt-ceiling-global-economy-political-elite) and political elite are aware of this, but they prefer financial sleight-of-hand to revolution, which is certainly understandable. However, as we shall see pretty quickly, the game is over, and the only question now is how the collapse of the global economy will take place. All of the political theater over raising the debt ceiling limit can't conceal the fact that the economy in question was built on perpetual debt, created out of thin air. Federal Reserve Chairman Ben Bernanke is wedded to the fantastical notion that creating vast new debt won't affect [interest rates](http://articles.baltimoresun.com/2011-09-15/news/bs-ed-smith-debt-20110915_1_debt-ceiling-global-economy-political-elite). He's promised to keep them at their current levels for two more years, but will the markets allow that to happen? Even should the answer be yes, it does nothing to help Joe and Jill Sixpack as massive unemployment will persist and living standards will continue to fall. All the presidential exhortations to "pass this [jobs] bill now" are hollow words. Job creation is a byproduct of a growing economy, not the cause of one. The wagon cannot pull the horses. The debt ceiling fuss was carried out under the fictive notion that our elected representatives were desperately trying to save our bacon. The way it was represented in the major media was as a clash of disparate political beliefs, with tea party Congress critters cast as the penurious villains gumming up the finely tuned machine of governance. So-called mainstream Republicans were certainly willing to do their usual surrender to the Democrats, but elections have consequences, and the 2010 election of dozens of GOP representatives resulted in a sizable bloc willing to buck the system that had gotten us into this mess in the first place. In the end, though, what was delivered was just another delay of game's end. The nation's elites want the system that has allowed them to loot the economy to continue as long as possible. After all, the financial oligarchy that bought the people that ostensibly represent all of us is still flying high, though I'm certain the members of it are well aware that time is short and they'd better grab all they can before the final whistle blows. Perhaps the biggest story of the week was the release of the Census Bureau's annual snapshot of living standards, which showed that median household [earnings](http://articles.baltimoresun.com/2011-09-15/news/bs-ed-smith-debt-20110915_1_debt-ceiling-global-economy-political-elite) have fallen to 1996 levels and that poverty levels are up to more than 15 percent of the population. This is despite 2010 showing a growth of 3 percent in the GDP.

Collapse Inevitable 7/7

Economic collapse inevitable – no economic freedom, debt, inflation

Greenlee ’12

(Jeff Greenlee, Freedom Fighter Journal Staff Writer, March 13 2012, “ECONOMIC COLLAPSE INEVITABLE DUE TO AMERICAN RULING CLASS”, http://ronbosoldier.blogspot.com/2012/03/economic-collapse-inevitable-due-to.html)

In the three years and two months that have now defined the Obama presidency, the United States of America is not the same country with unalienable rights to life, liberty, and the pursuit of happiness guaranteed by the Constitution. ObamaCare, the government takeover of major corporations (Chrysler and General Motors), executive power run amok with 42 unaccountable czars and over three-fourths not confirmed by the Senate, the horrific Dodd-Frank bill that takes over the financial sector, and the Federal Reserve-Gone-Wild and its secret unaccountable shenanigans now threatening to collapse the entire system are but a few examples of the extreme partisanship now ruling our country against its laws and against the will of the majority of people. Nearly all the legislation was passed on strict party lines. The dramatic abuse of lawless power which inspired Tea Parties and a Republican landslide to take back the House in the midterm 2010 elections has been neutered to a whimper as the Obama administration has usurped power and made Congress nearly meaningless. What we are witnessing is a rare bit of sincerity from the neo-Marxist, proto-dictator actually doing what he said five days before the 2008 election when he told us he was going to "fundamentally transform" the United States of America. This is one campaign promise we did not want to see happen, even if half of us didn't know it at the time. The Wall Street Journal assessed Obama's worldview and disdain for free markets: Economic freedom is morally superior to socialism not only because freedom is an intrinsic good, but also because the free market is the most effective means of harmonizing individual self-interest with collective good. A market economy rewards neither self-indulgence nor self-sacrifice but the production of goods and services that other people value. Libertarians believe in freedom, self-reliance, and limited government. As long as you are following the laws of the land, not harming anyone else, and respecting others' property and rights, you should be free to make your own choices. They understand what happens when those fundamentals are breached -- rights get abused, freedoms get destroyed, and governments get too much power. Unfortunately, when that happens, governments collapse under their own weight. It will happen very soon in the United States, because we have crossed the point of no return. The massive debt of the United States is now unstoppable. We need to voluntarily cut the federal budget by 50% immediately, or the monetary system will explode. You cannot borrow your way out of debt any more than you can drink your way sober, and we now borrow 43 cents out of every dollar the federal government spends. Since no politicians in Washington, D.C. have the will to stop it, or even slow it down, the Federal Reserve will take the easy way out and devalue the currency. There is no other way. Sooner or later we will be bringing in wheelbarrows full of dollars to buy our groceries. When Greece collapses, the dominoes will start falling.

Growth Unsustainable – Biocapacity 1/3

**Economic growth is finite – multiple indicators prove we are reaching nature’s limit**

Rees 10 (William E. Rees, PhD, Institute for Resources, Environment and Sustainability, University of British Columbia, Vancouver, B.C. Canada,, June, 2010, Growth and Sustainability Don’t Mix, Journal of Cosmology, 2010, Vol 8, http://journalofcosmology.com/ClimateChange108.html)

Unless economic growth can be reconciled with unprecedented rates of decarbonization (in excess of 6% per year), it is difficult to envisage anything other than a planned economic recession being compatible with stabilization at or below 650 ppmv CO2e (Anderson and Bows 2008, italics added). Anderson and Bow's model refers to total greenhouse gas (GHG) concentrations of 650 parts per million by volume of carbon dioxide equivalents. Note that 650 ppmv implies a catastrophic four Celsius degree increase in mean global temperatures. In early 2010, the CO2 level alone is 390 ppmv, up from a preindustrial level of 280 ppmv and rising at an accelerating rate in excess of 2.3 ppm per year. This unusually direct extension of scientific angst into the policy arena assumes an unambiguous connection among climate change, the role of economic growth, the necessary political response and consequences for global development. Needless to say, not everyone accepts this connection. Anderson’s and Bows’ warning, and the equally alarming findings of many other scientists and organizations (Cairns 2010; NAS 2010a,b,c), are going largely unheeded in the political arena. Talk of a planned economic recession in the midst of a chaotically unplanned one is dismissed as lunacy. Techno industrial society remains in deep denial of the global ecological crisis and when, occasionally, decision-makers are pricked by a sense of urgency they fall back on market forces and humanity’s demonstrated technological wizardry in hopes of maintaining the growth-bound status quo. But there is a problem—technology pressed to new limits has become an unreliable if not treacherous ally in the sustainability wars, particularly if sustainability is defined as sustaining the status quo. British Petroleum's (BP) drilling rig explosion in April of 2010, and the inability to cap the the subsequent oil well blow off in the depths of the Gulf of Mexico, are just the most recent reminders. According to the National Oceanic and Atmospheric Administration over 40,000 barrels a day are gushing into the ocean (with some scientists estimating over 100,000). A worst case scenario includes the killing of fish breeding areas and coral reefs, and consequent effects of depleting and reducing oxygen to levels so low that it may kill off much of the sea life near the plumes and create vast dead zones. Perhaps compounding the damage is BP's unprecedented use of toxic chemical dispersants, over 700,000 gallons, as of May 20, 2010, which could pose a significant threat to the Gulf of Mexico's marine life. Thus, the "technical fix" is not a fix at all, but may only add to the catastrophe. After reviewing available technological options for confronting climate change Moriarty and Honnery (2010) reasonably conclude that the time has, in fact, come to rethink modern society’s addition to economic growth.. This commentary unreservedly supports Moriarty’s and Honnery’s (2010) conclusion on fundamental grounds. My argument starts from two indisputable premises not even directly related to climate change: 1) By modern interpretations of the second law of thermodynamics, the human economy is a self-organizing far-from-equilibrium dissipative structure (Prigogine 1997) that grows and maintains itself by extracting low-entropy energy/matter (exergy) from its ‘environment’ and by injecting degraded waste by-products back into the environment (Schneider and Kay 1994, 1995; Kay and Regier 2000). 2) The human enterprise is a fully contained, open, dependent, growing sub-system of a materially closed, non-growing, finite ecosphere (Daly 1991a, 1992; Rees 1995). Taken together, the economic and ecological implications of these premises are profound. The sustainability of humans and their economies depend entirely on continued access to pre-existing stocks/gradients of energy and matter (exergy) found in nature and on the viability of the productive ecosystems of which humans are a part (Rees 2003; 2006a,b). Ironically, however, the human enterprise, as a sub-system of the ecosphere, can produce itself and grow (ascend ‘far-from-equilibrium’) only by consuming and dissipating those same gradients and ecosystems. This biophysical reality anticipates or explains virtually all the so-called ‘environmental problems’ confronting modern society. Fisheries collapse, tropical deforestation, biodiversity loss, falling water tables, soils depletion, peak oil, etc. (Cairns 2010; Singer 2010), show that even current rates of consumption by humans exceed rates of resource renewal or replenishment in nature; rising carbon emissions (and anthropogenic warming), ozone depletion, ocean acidification, chemical contamination of food-webs—in fact, all forms of pollution—show that humanity’s dissipative output already exceeds the assimilative capacity of the ecosphere. This should not be a surprise—there are no exemptions from the second law. Beyond a certain point, sustaining the human enterprise necessarily comes at the expense of increasing the entropy of the ecosphere. Humanity is now living, in part, by consuming and permanently dissipating natural capital essential to its own existence. As this pathology deepens, the behaviour of vital life-support systems will become increasingly erratic and unpredictable. Pushed far enough some systems will succumb completely to overuse and degradation.

Growth Unsustainable – Biocapacity 2/3

**Biocapacity limit means growth will have to end soon**

Alier et al 09 (Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

A similar argument can be formulated for the second type of resource scarcity, the limited biological capacities of ecosystems for providing renewable resources or for assimilating waste and emissions. Indicators on the human demand for ecological capacity, such as the “Ecological Footprint” indicate that already since the mid 1980s, humans appropriate more biocapacity than the global ecosystems can provide (WWF et al., 2008). Already today we are living in a situation of ecological “overshoot” beyond the carrying capacity of the planet. In such a situation, it is impossible to substitute larger shares of our consumption of non-renewable resources and energy by biotic energy and materials. As the debate on biofuels in Europe has indicated, the substitution of only 10% of fossil fuels through biofuels would have highly negative environmental impacts, as a large share of these biofuels would need to be produced outside Europe. Clearing of forests, rising water demand and increased pollution through pesticides would be the consequence (EEA 2008). Again, a de-growth of resource consumption would be the only way to allow renewable resources and energy to play a significant role in our total resource consumption. The limited possibilities for substituting materials and energy with high environmental impacts for those with lower impacts are currently not considered in EU resource use policies (see, for example, the Thematic Strategy on the Sustainable Use of Natural Resources, European Commission, 2005). The European Commission focuses its policies on the environmental impacts related to resource use and does not address the overall scale of current production and consumption. On the one hand, this has led to a situation of “paralysis by analysis” in the past years, as appropriate indicators on the environmental impacts of resource use are currently only developed. The Commission argues that policy targets and instruments could only be formulated once these indicators are available. On the other hand, this focus is overly technology-optimistic, as it assumes that substitutions can be realized independently from the overall levels of resource use.

Growth Unsustainable – Biocapacity 3/3

Growth has already overrun carrying capacity – dedev is the only option

Spangenberg et al 08 (Joachim H. Spangenberg, SERI Sustainable Europe Research Institute Germany, Joan Martinez-Alier & Hali Healy of UAB & International Society of Ecological Economics, Proceedings of the First International Conference on Economic De-Growth for Ecological Sustainability and Social Equity Paris, 18-19 April 2008, <http://events.it-sudparis.eu/degrowthconference/appel/Degrowth%20Conference%20-%20Proceedings.pdf>)

The limits of the ecological carrying-capacity of the planet has gained interest by business and political leaders. It became clear that the planet's natural 'digesting' capacity is unable to cope any longer with the pace human activity produced output. Additionally a growing world population, and the perspectives of a remaining business as usual behaviour (BAU) of the market oriented economy, lead to the conclusion that the lower than a zero growth path, on a planetary scale, will be required to bend the threats humankind is facing. Therefore, the necessity of a de-growth economic model has to be envisioned. 2. The footprint 5,6 : sustainable retreat The concept of Ecological Footprint inclusive water and carbon ones, indicates that human global activity trespasses the physical limits of the planet. Today, humankind needs 1. 2 planets to fulfill its needs and wants. The degree of urgency, becoming increasingly obvious, leads to a unavoidable conclusion that sustainable development is not enough anymore, humankind must design its sustainable retreat for its own survival. Several authors speak about the threat of collapse of our civilization 8 . Correctly designed technology proposed by Factor Four 9 and Factor Ten 10 concepts reduce massively resource use. Clean energy generated with alternative resources does exist since several decades, their break-through is close by. The impact of climate change on global warming appears to take place much faster than originally assumed, e.g. in the models of the IPCC and other research institutions. In fact, the process evolves along non-linear behaviour 11 and time patterns, which are really alarming. Understanding of nonlinearity phenomena is quite more difficult and visualize by decision makers and by the populations. Transforming the BAU practices of economic growth in generalized de-growth economic pattern can be envisioned in a stepwise implementation. From a humanistic point of view, populations living today in high poverty conditions, a de-growth process cannot be imposed or even presented has a necessary condition. In fact, de-growth pattern have to be designed in function of the impact communities/countries have on the degradation of the planet. This means: high consumption societies (industrialized countries) have to step in de-growth processes immediately; emerging economies (e.g. BRIC a.o.) very soon, in a 5 Footprint Concept: http://www.footprintnetwork.org/gfn\_sub.php?content=footprint\_ overview 6 WWF, Living Planet Report. (2000,...,2008) 7 Lovelock James, The revange of Gaia, Allen Lane, (2006) 8 Brown Lester R., Plan B 3.0. W.W. Norton & Co, (2008) 9 von Weizsäcker Ernst et al, Factor Four. Earthscan, (1997) 10 Factor Ten Institute, Approaching a Sustainable Economy requires a strong Focus on Eco-Innovation, (2006) 11 Weiler Raoul, The Kyoto Protocol and its Socio-Ethical Aspects. In: Reading the Kyoto Protocol. Eburon, (2005) decade or so; and, developing and least developed economies with a high degree of poverty should get time to reach acceptable level of living standards.

Growth Unsustainable – Laundry List 1/2

Growth Is unsustainable – Recourses, energy, environment, and jobs

Spangenberg et al 08 (Joachim H. Spangenberg, SERI Sustainable Europe Research Institute Germany, Joan Martinez-Alier & Hali Healy of UAB & International Society of Ecological Economics, Proceedings of the First International Conference on Economic De-Growth for Ecological Sustainability and Social Equity Paris, 18-19 April 2008, <http://events.it-sudparis.eu/degrowthconference/appel/Degrowth%20Conference%20-%20Proceedings.pdf>)

Neoclassical economics, still the dish of the day and considered the only adequate world view by much of our economic, political and media elites, demands the lowering of social and environmental standards, at best abolishing them, and leaving the regulatory function to the market (in the dominant US model – in the European model reduced but still existent social transfers go together with a repressive welfare state). Whereas the post-Keynesian policy receipts incorporate a number of (mainly economic and social) sustainability objectives and might evolve into a sustainability-compatible direction, the latter is in all aspects socially, economically, environmentally and institutionally unsustainable. The discrepancies between sustainability and neoclassical growth policy can be demonstrated using the little decomposition analysis presented above. From the more formal presentation, we can immediately identify some key policy areas for sustainable development. For instance, while the growth rate d(Y) is nothing politics can directly influence, resource productivity d(Y/R) can be enhanced by standards, economic incentives, and relevant research with subsequent innovation. These and similar policies should be part of the suggestions for the environmental aspects of any sustainability policy. From a social sustainability perspective, conclusions can be drawn in a similar way: as the growth rate is not available for politicians to steer, measures are needed to limit the growth of the per capita production. For deriving them, the output per capita is further disaggregated into two factors, the labour productivity per working hour and the hours worked per employee, with h the working hours per working person. Y/L = Y/h x h/L (5) Due to technological and social innovations, the labour productivity per hour has been rather continuously increasing over the last two hundred years, and can be expected to continue doing so. In this case, what remains at any given growth rate Y is the option to reduce the number of working hours per capita, to increase the total number of paid jobs created from a given volume work on the national labour market. Thus reflecting on the synergies between increasing labour intensity and resource productivity, and the issue of working time regimes should be part of the social dimension in sustainability policies. Neglecting these interrelations is one of the failures of current growth policies, rendering it unsustainable in all respects (see figure 3 in annex) In a similar fashion, factors can be identified for other key problems (Spangenberg 2007). As a minimum condition, the inequation of sustainability in its different formulations helps to distinguish growth patterns that are definitely not sustainable from those that might be so. The criteria to identify the really sustainable conditions would then be a result of the political process, against which the quantitative results are evaluated, for instance if the speed of the ongoing improvements towards sustainability are large enough to solve the problems identified in due time, given the politically defined preferences of the respective society. Guidance for translating preferences into quantitative policy objectives can be drawn from the results of environmental research regarding the carrying capacity of natural systems for the right hand side of the inequation (e.g. a factor 4 reduction for energy consumption, a factor 10 for material flows, see Weizsäcker et al., 1997; SchmidtBleek, 1992). For the left hand side input can be gained from social and political sciences and from societal debates, regarding the accepted levels of unemployment and the preferred working times in different countries. Growth impacts As the inequation demonstrates, the impacts of growth on employment are essentially positive. Although through reducing working hours a policy-driven decoupling is possible, growth enhances employment. However, the opposite is true for growth politics: increasing labour productivity and extending the working week per capita minimises the positive employment effects, or turns them negative. In a similar fashion, the effects of growth and growth politics must be distinguished on the environmental side as well. For some time the still untapped potential in increasing resource productivity permits to decrease resource consumption despite economic growth (although in the long ruin the problem re-emerges). However, in order for the resource productivity to be sufficiently higher than the economic growth rate, market mechanisms alone will most probably not be sufficient (although they provide a permanent incentive for improvement): unlike the growing labour productivity, the increase in energy productivity has been slowing, and the trend in resource productivity is below the growth rate, i.e. clearly unsustainable. Neoclassical growth politics tends to enhance the sustainability gap by denouncing e.g. eco-taxes or efficiency standards as market disturbances and thus not acceptable. This in effect leads to an increase of resource productivity below what would otherwise have been realised, and thus to environmental unsustainability. The EU council has called for “sustained and sustainable growth” – an oxymoron in the long run, but a policy option requiring energetic policy interventions in the short and medium term – and this is exactly what the political level tries to avoid so far (the sustainable industrial policy communication of Verheugen and Dimas announced for Spring 2008 will most probably do little to correct this impression).

Growth Unsustainable – Laundry List 2/2

**Growth is finite – resources and biocapacity**

Alvater 02 (Elmar Altvater, Professor of Political Science at the Otto-Suhr-Institute of the Free University of Berlin, The Growth Obsession, Social register volume 38, https://jps.library.utoronto.ca/index.php/srv/article/view/5777)

Leaving aside the effects of efficiency gains, productivity can only be increased by putting more fixed capital into circulation and by consuming ever larger quantities of matter and energy.30 Of course, the reproduction of capital(ism) as a whole remains crucially dependent on (surplus) value which can only be produced by labour. But capital’s attempt to emancipate itself from its dependence on living labour by substituting the latter with fossil energy and machinery, establishes a new relationship to nature. Fordism, too, cannot be understood as a mere technical and social innovation. It also includes a new relationship to nature, for both the system of production and consumption and the mode of social regulation are heavily based on the use of fossil energy.31 It is clear that the material preconditions of the ‘Western life style’ cannot be established in all societies on earth without destroying nature to the point where human life on earth is jeopardized.32 One of the first signs that the limits of environmental space have been reached is that the goods needed for production and consumption become ‘oligarchic’, i.e. reserved for an oligarchy able to secure its access to these resources with monetary claims. Those who do not possess monetary wealth are increasingly excluded from the consumption of goods and services. Consequently the number of poor people in the world is rising; in 1998 the World Bank counted 2.8 billion human beings living below the international poverty line of $2 per capita per day.33 But there are also absolute limits, not all of whose effects can be so easily avoided by the rich. Serious studies of the carrying capacity of global ecosystems and on the concept of ‘environmental space’ have demonstrated that these set objective limits to the process of economic growth.34 By now (since the Rio Conference of 1992) it has become common sense that fossil resources are not only limited, but that their excessive use is responsible for the greenhouse effect and other ecological evils. It is in this way that the question of ecological sustainability asserts itself and reshapes the discourse of the social sciences in general and that of the economics of growth in particular. This should be sufficient reason to jettison any illusions concerning the benign nature of economic and financial globalization. Moreover, Western liberal (formal) democracy could only be globalized if the ‘Western way of life’ itself could be globalized. 80 SOCIALIST REGISTER 2002 But a situation of genuine globality, i.e. a world society based on equality and reciprocity (if not on solidarity), will never be achieved through capitalist globalization.

A2 Collapse Inevitable 1/4

**The capitalist system is resilient to resource scarcity and crisis – the neg is fearmongering**

Flood 04 (Andrew Flood, writer on anarchy, Civilisation, Primitivism and anarchism, June 11 2004, <http://www.struggle.ws/andrew/primitivism.html>)

Primitivists are not the only ones to use the rhetoric of catastrophe to panic people into accepting their political proposals. Reformists such as George Monbiot, use similar 'we are all doomed' arguments to try and stampede people into support for reformism and world government. In the last decade's acceptance that the world is somehow doomed has become part of mainstream culture, first as the Cold War and then as looming environmental disaster. George Bush and Tony Blair created a panic over “Weapons of Mass Destruction” to give cover to their invasion of Iraq. The need to examine and dismantle such panics is clear. The most convincing form the 'end of civilisation' panic takes is the idea of a looming resource crisis that will make life as we know it impossible. And the best resource to focus on for those who wish to make this argument is oil. Everything we produce, including food, is dependant on massive energy inputs and 40% of the world's energy use is generated from oil. The primitivist version of this argument goes something like this, 'everyone knows that in X number of year the oil will run out, this will mean civilisation will grind to a halt, and this will mean lots of people will die. So we might as well embrace the inevitable'. The oil running out argument is the primitivist equivalent of the orthodox Marxist 'final economic crisis that results in the overthrow of capitalism'. And, just like the orthodox Marxists, primitivists always argue this final crisis is always just around the corner. When looked at in any detail this argument evaporates and it becomes clear that neither capitalism nor civilisation face a final crisis because of the oil running out. This is not because oil supplies are inexhaustible, indeed we may be reaching or have reached the peak of oil production today. But far from being the end of capitalism or civilisation this is an opportunity for profit and restructuring. Capital however reluctantly, is gearing up to make profits out of developing alternative energy sources on the one hand and on the other of accessing plentiful but more destructive ways to extract fossil fuel supplies. The second path of course makes global warming and other forms of pollution a lot worse but that's not likely to stop the global capitalist class. It is not just primitivists who have become mesmerised by the oil crisis, but in summary, while oil will become more expensive over the decades the process to develop substitutes for it is already underway. Denmark for instance intends to produce 50% of its energy needs from wind farms by 2030 and Danish companies are already making vast amounts of money because they are the leading producers of wind turbines. The switch over from oil is likely to provide an opportunity to make profits for capitalism rather then representing some form of final crisis. There may well be an energy crisis as oil starts to rise in price and alternative technologies are not yet capable of filling the 40% of energy generation filled by oil. This will cause oil and therefore energy prices to soar but this will be a crisis for the poor of the world and not for the wealthy some of whom will even profit from it. A severe energy crisis could trigger a global economic downturn but again it is the world's workers that suffer the most in such times. There is a good argument that the world's elite are already preparing for such a situation, many of the recent US wars make sense in terms of securing future oil supplies for US corporations. Capitalism is quite capable of surviving very destructive crisis. World War II saw many of the major cities of Europe destroyed and most of the industry of central Europe flattened. (By bombers, by war, by retreating Germans and then torn up and shipped east by advancing Russians). Millions of European workers died as a result both in the war years and in the years that followed. But capitalism not only survived, it flourished as starvation allowed wages to be driven down and profits soared.

A2 Collapse Inevitable 2/4

Technological advances mean growth is sustainable

Temin, M.I.T., 2012 (Peter, Journal of Interdisciplinary History volume 43

, Number 1, Summer)

Galor’s economic models explain the transition from Malthusian to modern economic growth in a series of growth-theory models that start from maximizing individuals, contain one undifferentiated good, are limited to closed economies, and do not contain money or credit. Transitions are from one state to another: “The economy exits from the subsistence-consumption regime when potential income, z, exceeds the critical level z-tilda (161).” How large is z-tilda? Galor does not define it explicitly, but he asserts that per capita income fluctuated around $450 a year for the first millennium (11). This figure comes from Angus Maddison, The World Economy: Historical Statistics (Paris, 2003), and it is in 1990 international dollars. One might speculate that z-tilda is somewhere near this figure.¶ Galor presents a striking set of regressions that show technology and various physical indicators to have affected population size in 1 c.e. and 1,000 c.e. but not income per capita (91). Because no governments collected national-income data and no newspapers reported economic data [End Page 78] during those times, Maddison had far less evidence for them than for more recent years, forcing him to make far more assumptions. He clearly assumed that the world was in a Malthusian state at that time, estimating that incomes around the world in both 1 c.e. and 1,000 c.e. varied only from $400 to $450. Galor’s regressions on these data therefore do not reveal the contours of early history; they instead reveal how Maddison constructed his data. This observation does not mean that Galor is wrong, only that the apparent precision gained from his sophisticated economic theory and statistical inquiry is illusory.¶ Galor’s interest, however, is theoretical, not empirical. He asserts that technological progress is a function of education and population size (155). Since education is endogenous, what drives technology is population size. When the population becomes large enough to make technology advanced enough, parents decide to educate their children, and modern economic growth replaces Malthusian stagnation. At the end of his book, Galor adds another possible path to this transition: “A sufficiently large technological shock would place the economy on a trajectory that leads to a sustained-growth regime (266).”¶ Which path corresponds most closely to what we know about the Industrial Revolution? Galor’s preferred path describes the view championed by Jared Diamond, Guns, Germs and Steel: The Fate of Human Societies (New York, 1997); Gregory Clark, A Farewell to Alms: A Brief Economic History of the World (Princeton, 2007); and Joel Mokyr, The Enlightened Economy: An Economic History of Britain, 1700–1850 (New Haven, 2009). It conflicts with the view of Robert Allen, The British Industrial Revolution in Global Perspective (New York, 2009), which argued that generalized technological sophistication was not enough. The Industrial Revolution started with the addition of inanimate power to production, which Allen argued was stimulated by low fuel costs. The expansion of Europe—not mentioned by Galor—set in train a Malthusian expansion that led to trade and higher incomes in Britain. Coupled with British geography and geology, British factor prices produced “a sufficiently large technological shock.” Galor’s preferred path describes why the Industrial Revolution happened in Europe; only Allen’s approach can explain why it was British rather than Dutch or French.¶ How should historians regard this book? It is an impressive work of economics and will receive a lot of attention among economists. The history is not as clear; Galor’s work does not add to the analysis of Malthusian economies or the debate about the cause of the Industrial Revolution. If historians want to see how modern growth theory can be used to describe Malthusian economies more simply than in this formidable book, they might consult Paolo Malanima, Pre-Modern European Economy: One Thousand Years (10th–19th Centuries) (Leiden, 2009). [End Page 79]

A2 Collapse Inevitable 3/4

New resources and technology advances ensure sustainable growth

Anderson and Huggins, Senior and research fellows respectively at the Hoover institute, 2003(Terry and Laura, “Economic Growth is Sustainable Development”, http://edwatch.org/DESD/EconomicGrowth.htm)

Thirty years ago, a group of academics known as the Club of Rome put forth the "limits to growth" theory, predicting disaster for humankind unless natural resource-depleting economic and technological progress were abandoned. This gloom-and-doom theory has been resurrected under the guise of sustainable development, calling for changes in virtually every aspect of our consumption and production.¶ "Sustainability," a seductive though vague term, argues that resource use today should leave future generations at least as well off as current generations. Of course nobody wants to make future generations poorer and less healthy, but this definition provides no guidance for how this result can be avoided. There is no way to know what resource use is acceptable today and no way to know what future generations may desire. Yet because of its deceptive simplicity, sustainability is applied to anything from agricultural practices to energy use to mining.¶ Implicit in the calls for sustainable development are two fundamental assumptions. The first is that we are running out of resources, thus leaving future generations with less; the second is that market processes are the cause of these depletions. But in fact, several studies offer evidence suggesting the opposite.¶ Resources are becoming less, not more, scarce. Agricultural yields for rice, corn and wheat have increased for decades. Known reserves of oil, natural gas and coal have been expanding, and accessible stocks of aluminum, zinc, iron and copper have grown as technology develops more-conservative production techniques and the price mechanism encourages exploration and new discoveries of underground reserves. Moreover, life expectancy, housing, nutrition and education levels are improving in both the developed and the developing world. In short, the prosperity we enjoy today is leaving future generations better off, not worse off.¶ How can this be? Growth, and increasing wealth through these methods, leads to improved environmental quality by raising demands for it and by providing the wherewithal to meet these demands. In this context, economic growth is not the antithesis of sustainable development; it is the essence of it.¶ Sustainable development stems from sustainable institutions - political and economic systems based on secure property rights and the rule of law.¶ It is not resources that are too scarce but the institutions that ensure human freedom. Only by sustaining those institutions will we be able to sustain development and advance environmental quality - only then can we have our environmental cake and eat it too!

A2 Collapse Inevitable 4/4

Technology solves sustainability questions

NAS ’95 (National Academy of Sciences, “The Role of Technology in Environmentally Sustainable Development”, http://www.nap.edu/openbook.php?record\_id=9236&page=9)

Water treatment and re-use will have a decisive role in sustainable development in the public, industrial, and agricultural sectors. In the public sector, securing public health will remain the basic feature of urban water systems; water transportation and treatment¶ technologies must be chosen accordingly. Technologies now exist for controlling many types of pollutants. The future challenge will be the control of organic micropollutants and heavy metals. For the water-intensive industries, minimizing water consumption will become a necessity, and it will be a key factor determining the market compatibility of industrial products. For the agricultural sector new technologies for irrigation will be needed that minimize water consumption and prevent unsustainable groundwater extraction.¶ Increased food production and the improved means of storage and distribution —necessary to support a burgeoning global population—will also depend on technological advances. Biotechnology has produced new strains of crops resistant to disease and drought. Further advances in producing crop varieties naturally resistant to pests will permit a further reduction in toxic chemicals used as pesticides. Genetic engineering holds promise not only in agriculture, but also in aquaculture where it can lead to increased production of marine and freshwater seafood.¶ The negative environmental consequences of farming have been reduced in recent years, and environmentally sustainable farm practices appear to be within reach. The chemical industry is now producing pesticides that degrade more quickly, that have more focused effects, and that can be applied in lower concentrations. Best management practices include crop rotation systems, the use of computers to guide chemical use, and integrated pest management. Such prac-tices offer pathways to a sustainable future in the agricultural sector.¶ Manufacturers have begun to reduce, re-use, and recycle materials and products in a search for industrial ecosystems that can imitate natural ones. According to this concept, wastes from one part of the system are used as inputs to other parts of the system. Companies have begun to change product and process design in ways that give the environment the same level of consideration as worker safety and the cost and quality of products. Industrial uses of renewable agricultural and forestry resources are expanding.¶ The materials revolution that is now underway has profound implications for the environment. Traditional materials, such as steel, concrete, and plastic, are undergoing significant changes that reduce the environmental impact of their manufacture and use. Scientists and engineers are also beginning to design new materials based on a better understanding of their properties and the possibility to manipulate them at the atomic level.¶ In the future, new technological capabilities will contribute to the creation of materials with very specific¶ and closely controlled properties. These new materials will permit the development of products that are more energy efficient, that consume less of mineral resources for their manufacture, are lighter and stronger, and recyclable. Also under development are alloys lighter than aluminum and stronger than steel, and composites based on biological materials that are superior to other materials.¶ The mineral extraction industry is adopting environmentally sound practices and is developing approaches and technologies for remediating past environmental damage. These technologies are now also increasingly applied to rehabilitating degraded landscapes.¶ The remarkably broad-based technological revolution now underway is made possible by information technology. Information technology has the potential to alter how and where people work and live, and thus the nature of urban areas of the future. It is changing the way that enterprises are managed. It is improving the efficiency of air-, land-, and water-based transportation systems, among other sectors of the econmy.¶ Networks of fiber optic cables and systems of Earth-orbiting satellites are extending our ability to survey and protect the environment. These technologies permit real-time monitoring of environmental conditions. From automobiles to nuclear power plants, from chemical processing to mineral extraction, information technologies allow precise control of industrial processes, which improves our ability to minimize pollution and improve energy efficiency.¶

\*A2 Solvency

Congestion Inevitable 1/2

Congestion is the only favorable solution to America’s mobility problem demanded by economic and societal factors

Downs 04

(Anthony Downs, Senior Fellow at Brookings Institution, Fall 2004, Keynote address to UCTC’s Annual Student Research Conference at the University of California, Davis, <http://www.uctc.net/access/25/Access%2025%20-%2004%20-%20Traffic%20Congestion%20is%20Here%20to%20Stay.pdf>)

Trafﬁc congestion is not essentially a problem. It’s the solution to our basic mobility problem, which is that too many people want to move at the same times each day. Efficient operation of the economy and our school systems requires that people go to work, go to school, and run errands during about the same hours so they can interact with each other. We cannot alter that basic requirement without crippling our economy and society. This problem marks every major metropolitan area in the world. In the United States, the vast majority of people wanting to move during rush hours use private vehicles, for two reasons. One is that most Americans reside in low-density settlements that public transit cannot serve effectively. Second, for most people private vehicles are more comfortable, faster, more private, more convenient in trip timing, and more ﬂexible than public transit. Therefore, around the world, as household incomes rise, more and more people shift from less expensive public modes to privately owned cars and trucks

Increasing road capacity is impractical and expensive

Downs 04

(Anthony Downs, Senior Fellow at Brookings Institution, Fall 2004, Keynote address to UCTC’s Annual Student Research Conference at the University of California, Davis, <http://www.uctc.net/access/25/Access%2025%20-%2004%20-%20Traffic%20Congestion%20is%20Here%20to%20Stay.pdf>)

The second approach to reducing congestion is to build enough additional road capacity to simultaneously accommodate all drivers who want to travel at peak hours. But this “cure” is totally impractical and prohibitively expensive. We would have to turn much of every metropolitan region into a giant concrete slab, and the resulting huge roads would be grossly underutilized in noncommuting hours. Although there are many occasions when adding more road capacity is a good idea, no large region can afford to build enough to completely eliminate peak-hour congestion.

Mass transit wouldn’t affect congestion- unpopular and costly

Downs 04

(Anthony Downs, Senior Fellow at Brookings Institution, Fall 2004, Keynote address to UCTC’s Annual Student Research Conference at the University of California, Davis, <http://www.uctc.net/access/25/Access%2025%20-%2004%20-%20Traffic%20Congestion%20is%20Here%20to%20Stay.pdf>)

The third approach is to expand public transit capacity enough to shift so many people from cars to transit that there would be no more excess demand for roads during peak hours. A major reason this approach isn’t feasible is that a very small percentage of commuters today use transit. Even if the nation’s existing transit capacity were increased fourfold and fully utilized, morning peak-hour transit travel would rise only to 11 percent of all morning trips. That would reduce private vehicle trips by only 8.8 percent—hardly enough to end congestion. Moreover, such a quadrupling of transit capacity would be extremely costly.

Mass transit can’t reduce congestion - personal vehicles overwhelm, alternative-route users shift to major roads, transit unused in low-density areas

Downs 4 (Anthony Downs, Senior Fellow at Brookings Institution, Still Stuck In Traffic, 2004, Brookings Institution Press)

Some people believe another alternative to rationing road space that becomes overcrowded during peak hours is providing enough public transit capacity to handle much of the total peak-hour traffic flow. In theory, that could greatly diminish the number of private vehicles trying to move on the roads at the same time, thereby reducing peak-hour congestion. But in the United States, the share of all peak-hour trips made on transit is tiny compared with the share made by privately owned vehicles (POVs) on roads (figure 2-1). Somewhat over one-third of all 1995 weekday trips were POV trips made during peak hours, whereas about 1.5 percent of all daily trips were transit trips made during peak hours.4 Thus, during peak hours, POV trips composed about 96 percent of POV and transit trips combined (which totaled 38.5 percent of all trips). This means twenty-five times as many peak-hour trips arc made in POVs as on transit. Hence, even if expanded transit capacity succeeded in tripling the number of trips made on transit during peak hours in 1995, and thereby replaced a similar number of POV trips, that would have reduced all peak-hour POV trips by only 8.0 percent (1.48 times two as a percentage of 37.1). That would not eliminate peak-hour traffic congestion on most major roadways involved, especially because many of the road users shifting to transit would be replaced by others converging onto those roadways from other times and other routes. The main reason so few peak-hour commuters use public transit is that large parts of the nation have little or no transit service. The forms of public transit dominant in the United States cannot efficiently serve low-density settlements; yet most Americans live in such settlements. Consequently, the nation's transit services are concentrated in a few regions that contain relatively high-density settlements. In 2000, seven metropolitan regions contained 55.7 percent of all public transit com-muters but only 12.5 percent of the nation's total population. Those regions were New York, Chicago, Washington, Boston, Philadelphia, Nassau-Suffolk, and San Francisco.

Efforts to increase road capacity insolvent because networks automatically re-adjust

Downs 4

(Anthony Downs, Senior Fellow at Brookings Institution, Fall 2004, Keynote address to UCTC’s Annual Student Research Conference at the University of California, Davis, <http://www.uctc.net/access/25/Access%2025%20-%2004%20-%20Traffic%20Congestion%20is%20Here%20to%20Stay.pdf>)

The least understood aspect of peak-hour trafﬁc congestion is the Principle of Triple Convergence. It works because trafﬁc ﬂows in any region’s overall transportation networks almost automatically form self-adjusting relationships among different routes, times, and modes. Triple Convergence is the complex process of adaptation through which the various sectors of the metropolitan system adapt to changes in other sectors— speciﬁcally to changes in locations, times, and modes of travel. The Principle of Triple Convergence is best explained by a hypothetical example. Visualize a major commuting freeway so heavily congested each morning that trafﬁc crawls for at least thirty minutes. If that freeway were magically doubled in capacity overnight, the next day trafﬁc would ﬂow rapidly because the same number of drivers would have twice as much road space. But very soon word would get around that this road was uncongested. Drivers who had formerly traveled before or after the peak hour to avoid congestion would shift back into that peak period. Drivers who had been using alternative routes would shift onto this now convenient freeway. Some commuters who had been using transit would start driving on this road during peak periods. Within a short time, this triple convergence upon the expanded road during peak hours would make the road as congested as before its expansion. Experience shows that peak-hour congestion cannot be eliminated for long on a congested road by expanding that road’s capacity if it’s part of a larger transportation network. The Principle of Triple Convergence does not mean that expanding a congested road’s capacity has no beneﬁts. After expansion, the road can carry more vehicles per hour than before, no matter how congested it is, so more people can travel on it at one time. Also, the periods of maximum congestion may be shorter, and congestion on other routes may be less. This principle greatly affects how other congestion remedies to trafﬁc congestion will work in practice. One example is staggered work hours. In theory, if a certain number of workers are able to commute during less crowded parts of the day, it will free up space on congested roads. But once trafﬁc moves faster, other drivers from other routes, other times, and other modes will shift onto the improved roads during peak hours. The same thing will happen if more workers become telecommuters and work at home, or if public transit capacity is expanded on routes paralleling a congested freeway. This is why building light rail systems or subways rarely reduces peak-hour trafﬁc congestion. Such congestion did not decline for long in Portland, where the light rail system doubled in size in the 1990s, or in Dallas, where a new such system opened.

Congestion Inevitable 2/2

Population growth, increased vehicle usage, and sprawl cause congestion

Downs 04

(Anthony Downs, Senior Fellow at Brookings Institution, Fall 2004, Keynote address to UCTC’s Annual Student Research Conference at the University of California, Davis, <http://www.uctc.net/access/25/Access%2025%20-%2004%20-%20Traffic%20Congestion%20is%20Here%20to%20Stay.pdf>)

Why has congestion increased almost everywhere? The most obvious reason is population growth. More people mean more vehicles. But total vehicle mileage has grown much faster than population, in part because a combination of declining real gas prices (corrected for inﬂation) and more miles per gallon caused the real cost of each mile driven to fall 54 percent from 1980 to 2000! That helped raise the percentage of US households owning cars from 86 percent in 1983 to 92 percent in 1995. Furthermore, American road building lagged far behind increases in vehicle travel. Urban lane-miles rose by 37 percent vs. an 80 percent increase in vehicle miles traveled. Another crucial factor contributing to more trafﬁc congestion is the desire of most Americans to live in low-density settlements. Past studies have shown that public transit works best where (1) gross residential densities are above 4,200 persons per square mile, (2) relatively dense housing is clustered close to transit stations or stops, and (3) many jobs are concentrated in relatively compact districts. But in 2000, at least two thirds of all residents of US urbanized areas resided in settlements with densities of under 4,000 persons per square mile. Those densities are too low for public transit to be effective. Hence their residents are compelled to rely on private vehicles for almost all of their travel, including trips during peak hours.

Congestion inevitable- population growth and accumulating wealth

Downs 04

(Anthony Downs, Senior Fellow at Brookings Institution, Fall 2004, Keynote address to UCTC’s Annual Student Research Conference at the University of California, Davis, <http://www.uctc.net/access/25/Access%2025%20-%2004%20-%20Traffic%20Congestion%20is%20Here%20to%20Stay.pdf>)

Peak-hour trafﬁc congestion in almost all large and growing metropolitan regions around the world is here to stay. Indeed, it is almost certain to get worse during at least the next few decades, mainly because of rising populations and wealth. This will be true no matter what public and private policies are adopted to combat congestion. This outcome should not be regarded as a mark of social failure or wrong policies. In fact, trafﬁc congestion reﬂects economic prosperity. People congregate in large numbers in those places where they most want to be. The conclusion that traffic congestion is inevitable does not mean it must grow unchecked. Several policies described here—especially if used in concert—could effectively slow congestion’s growth. But, aside from disastrous wars or other catastrophes, nothing can eliminate traffic congestion from large metropolitan regions here and around the world. Only serious recessions—which are hardly desirable—can even forestall its increasing. So my advice to trafﬁc-plagued commuters is: relax and get used it. Get a comfortable air-conditioned vehicle with a stereo system, a tape deck and CD player, a hands-free telephone, perhaps even a microwave oven, and commute daily with someone you really like. Learn to make congestion part of your everyday leisure time, because it is going to be your commuting companion for the foreseeable future.

Road building exacerbates congestion

TTI 98

(Texas Transportation Institute, part of the Texas A&M system that conducts studies to solve transportation problems, “An Analysis of Relationship Between Highway Expansion and Congestion in Metropolitan Areas”, November 1998, <http://www.daclarke.org/AltTrans/analysis.html>)

What does this mean for the average person in these metro areas? Clearly, congestion levels are continuing to rise. But these results also show that metro areas that invested heavily in road construction did not end up any better off than those that didn’t. There is substantial evidence that demonstrates that building new roads often increases congestion. A well-established body of research shows that new lanes tend to get filled up with new traffic within a few years, particularly if surrounding routes are also congested. This phenomenon—often called "induced traffic"—occurs when road capacity is expanded near congested routes and drivers flock to the new facility hoping to save time, even if they have to travel a great deal farther to achieve it. Also, the new roadways tend to draw people who would otherwise avoid congested conditions or take alternative modes to their destinations. The result is an overall increase in the total amount of driving and the total number of automobile trips in the region—not just the redistribution of traffic from surrounding areas. This theory has been strongly supported by empirical evidence. Since the 1940s, dozens of traffic studies have found that traffic inducement does indeed occur. New studies continue to support this hypothesis. The most notable of these covers 30 urban counties in California from 1973 to 1990. The authors, UC Berkeley researchers Mark Hansen and Yuanlin Huang, found that at the metropolitan level, every 1% increase in new lane-miles generated a 0.9% increase in traffic in less than five years, which led them to conclude that "With so much induced demand, adding road capacity does little to reduce congestion." In spite of these findings, many transportation agencies still insist that highway construction and road widenings are a viable means of relieving congestion. One such road, a segment of I-287 in northern New Jersey, filled up with traffic (especially trucks) just two years after construction, prompting Princeton University Professor David Bernstein to complain that "It’s as if we hadn’t learned anything in the last 50 years."

Studies say building roads, at best, ineffective at easing congestion

TTI 98

(Texas Transportation Institute, part of the Texas A&M system that conducts studies to solve transportation problems, “An Analysis of Relationship Between Highway Expansion and Congestion in Metropolitan Areas”, November 1998, <http://www.daclarke.org/AltTrans/analysis.html>)

Our analysis of the 15 years of data contained in TTI’s study on congestion in 70 metro areas adds to the growing body of evidence that tells us that highway construction is an ineffective means of managing congestion. In fact, numerous studies indicate that highway construction often generates more traffic, raising congestion levels. Given the enormous costs of roadway construction, our transportation officials need to investigate a broader menu of congestion relief measures that include other transportation modes, new technology, pricing, land use, and other strategies. The federal government has provided ample funding for such efforts through both its targeted CMAQ program and its other flexible funding programs.

Stimulus Fails 1/2

Keynesian economics is false – empirical studies disprove

Ross ’11

(Ron Ross Ph.D. is an economist who lives in Arcata, California. He is the author of The Unbeatable Market, 7.22.11, “ Fatal Flaws of Keynesian Economics”, http://spectator.org/archives/2011/07/22/fatal-flaws-of-keynesian-econo)

The stimulus was premised on the economic model known as Keynesianism: the intellectual legacy of the late English economist John Maynard Keynes. Keynesianism doesn't work, never has worked, and never will work. Without a clear understanding of why Keynesianism cannot work we will be forever doomed to pursuing the impossible. There's no real mystery about why Keynesianism fails. There are numerous reasons why and they've been known for decades. Keynesians have an unrealistic and unsupportable view of how the economy works and how people make decisions. Short-Run Focus Keynesian policy advocates focus primarily on the short run -- with no regard for the future implications of current events -- and they assume that all economic decision-makers do the same. Consider the following quote by John Maynard Keynes: "But the long run is a misleading guide to current affairs. In the long run we are all dead. Economists set themselves too easy, too useless a task if in tempestuous seasons they can only tell us that when the storm is long past the ocean will be flat again." After passage of the stimulus package, Lawrence Summers, Obama's chief economic advisor at the time, often said that the spending should be "timely, targeted, and temporary." Although those sound like desirable objectives, they illustrate the Keynesian focus on the short term. Sure it would be convenient if you could just spend a bunch of money and make the economy get well, but it's not that simple. The implication of a Keynesian perspective is that you can hit the economy a few times with a cattle prod and get society back to full employment. Remember that so-called "cash-for-clunkers" program? Maybe it accelerated some new car sales by a month or two, but it had no lasting impact. The "Chicago School" is the primary source of serious research and analysis related to the Keynesian model. Two Chicago School conclusions, in particular, make it clear where Keynesian policies run aground. The two theories are the "permanent income hypothesis" and the theory of "rational expectations." The "permanent income hypothesis" was how Milton Friedman termed the findings of his research on the spending behavior of consumers. The MIT Dictionary of Economics defines the permanent income hypothesis as "The hypothesis that the consumption of the individual (or household) depends on his (or its) permanent income. Permanent income may be thought of as the income an individual expects to derive from his work and holdings of wealth during his lifetime." Whether consumers and investors focus mostly on the short run or the long run is basically an "empirical question." A convincing theoretical case can be made either way. To find out which focus actually conforms closer to reality, you have to gather evidence. Not Evidence-Based Much of the difference between the two schools of thought can be explained by differences in their methodologies. Keynes was not known for his research or empirical efforts. Keynesianism is definitely not an evidence-based model of how the economy works. So far as I know, Keynes did no empirical studies. Friedman was a far more diligent researcher and data collector than was Keynes. Friedman fit the theory to the data, rather than vice versa. The Keynesian disregard for evidence is reflected in their advocacy for more stimulus spending even in the face of the obvious failure of the what's already been spent. At a minimum, we are due an explanation of why it hasn't worked. (Don't expect that to be forthcoming, however). Failure to Consider Incentives Another of the Chicago School's broadsides against Keynesianism is the theory of "rational expectations." It's a theory for which the 1995 Nobel Prize for Economics was awarded to Robert Lucas of the University of Chicago. As economic theories go, it is relatively straightforward. It essentially states that "individuals use all the available and relevant information when taking a view about the future." (MIT Dictionary of Modern Economics) The rational expectations hypothesis is the simple assertion that individuals take into account their best guesses about the future when they make decisions. That seemingly simple concept has profound implications. The Chicago School's research led them to conclude that individuals are relatively deliberate and sophisticated in how they make economic choices. Keynesians and their liberal followers apparently think individuals are short-sighted and simple-minded. An elemental but too often overlooked reality about our economy is that it is based on voluntary exchange. Voluntary exchange is an even more fundamental feature of our economy than is the market. A market is any arrangement that brings buyers and sellers together. In other words, the primary purpose of a market is to make voluntary exchange possible. Voluntary exchange leaves large amounts of control in the hands of private individuals and businesses. The market relies on carrots rather than sticks, rewards rather than punishment. The actors, therefore, need to be induced to move in certain desired directions rather than simply commanded to do so. This is the basic reason why incentives are such an important part of economics. If not for voluntary exchange, incentives wouldn't much matter. In designing economic policy in the context of a market economy it becomes important to take into account what actually motivates people and how they make choices. If you want to change behavior in a voluntary exchange economy, you have to change incentives. Keynesian policies do not take that essential step. The federal government's share of GDP has gone from 19 percent to 24 percent during Obama's time in the White House. A larger government share of GDP ultimately necessitates higher taxes or more debt. In and of themselves, higher taxes retard economic growth because of their impact on incentives. The disincentive effect of higher taxes illustrates why big government is far costlier than it first appears.

Stimulus Fails 2/2

Keynesian theory fundamentally flawed – even if a stimulus was a good idea, the plan cant act fast enough

Brannon and Edwards ’09

 (Ike Brannon and Chris Edwards, Ike Brannon is the Director of Economic Policy as well as the Director of Congressional Relations for the American Action Forum, Chris Edwards is the director of tax policy studies at Cato and editor of [www.DownsizingGovernment.org](http://www.DownsizingGovernment.org), January 29, 2009, “ Barack Obama's Keynesian Mistake”, <http://www.cato.org/publications/commentary/barack-obamas-keynesian-mistake>)

Despite the flaws in Keynes' analysis, his prescription of fiscal stimulus to increase aggregate demand during recessions became widely accepted. Governments came to believe that by manipulating spending or temporary tax breaks they could scientifically manage the economy and smooth out business cycles. Many economists thought that there was a trade-off between inflation and unemployment that could be exploited by skilled policymakers. If unemployment was rising, the government could stimulate aggregate demand to reduce it, but with the side-effect of somewhat higher inflation. Keynesians thought that fiscal stimulus would work by counteracting the problem of sticky wages. Workers would be fooled into accepting lower real wages as price levels rose. Rising nominal wages would spur added work efforts and increased hiring by businesses. However, later analysis revealed that the government can't routinely fool private markets, because people have foresight and they are generally rational. Keynes erred in ignoring the actual microeconomic behaviour of individuals and businesses. The dominance of Keynesianism ended in the 1970s. Government spending and deficits ballooned, but the result was higher inflation, not lower unemployment. These events, and the rise in monetarism led by Milton Friedman, ended the belief in an unemployment-inflation trade-off. Keynesianism was flawed and its prescription of active fiscal intervention was misguided. Indeed, Friedman's research showed that the Great Depression was caused by a failure of government monetary policy, not a failure of private markets, as Keynes had claimed. Even if a government stimulus were a good idea, policymakers probably wouldn't implement it the way Keynesian theory would suggest. To fix a downturn, policymakers would need to recognize the problem early and then enact a counter-cyclical strategy quickly and efficiently. But U.S. history reveals that past stimulus actions have been too ill-timed or ill-suited to have actually helped. Further, many policymakers are driven by motives at odds with the Keynesian assumption that they will diligently pursue the public interest. The end of simplistic Keynesianism in the 1970s created a void in macroeconomics that was filled by "rational expectations" theory developed by John Muth, Robert Lucas, Thomas Sargent, Robert Barro and others. By the 1980s, old-fashioned Keynesian was dead, at least among the new leaders of macroeconomics. Rational expectations theorists held that people make reasoned economic decisions based on their expectations of the future. They cannot be systematically fooled by the government into taking actions that leave them worse off. For example, people know that a Keynesian-style stimulus might lead to higher inflation, and so they will adjust their behaviour accordingly, which has the effect of nullifying the stimulus plan. A spending stimulus will put the government further into debt, but it will not increase real output or income on a sustained basis. It is difficult to find a macroeconomics textbook these days that discusses Keynesian fiscal stimulus as a policy tool without serious flaws, which is why the current $800-billion proposal has taken many macroeconomists by surprise. John Cochrane of the University of Chicago recently noted that the idea of fiscal stimulus is "taught only for its fallacies" in university courses these days. Thomas Sargent of New York University noted that "the calculations that I have seen supporting the stimulus package are back-of-the-envelope ones that ignore what we have learned in the last 60 years of macroeconomic research." It is true that Keynesian theory has been updated in recent decades, and it now incorporates ideas from newer schools of thought. But the Obama administration's claim that its stimulus package will create up to four million jobs is outlandish. Certainly, many top macroeconomists are critical of the plan including Harvard University's Greg Mankiw and Stanford University's John Taylor, who have been leaders in reworking the Keynesian model. Taylor noted that "the theory that a short-run government spending stimulus will jump-start the economy is based on old-fashioned, largely static Keynesian theories." One result of the rational expectations revolution has been that many economists have changed their focus from studying how to manipulate short-run business cycles to researching the causes of long-run growth. It is on long-run growth that economists can provide the most useful advice to policymakers, on issues such as tax reform, regulation and trade. While many economists have turned their attention to long-run growth, politicians unfortunately have shorter time horizons. They often combine little knowledge of economics with a large appetite for providing quick fixes to crises and recessions. Their demand for solutions is often matched by the supply of dubious proposals by overeager economists. Many prominent economists pushed for the passage of the $170-billion stimulus act in early 2008, but that stimulus turned out to be a flop. The lesson is that politicians should be more skeptical of economists claiming to know how to solve recessions with various grand schemes. Economists know much more about the factors that generate long-run growth, and that should be the main policy focus for government reform efforts. The current stimulus plan would impose a large debt burden on young Americans, but would do little, if anything, to help the economy grow. Indeed, it could have similar effects as New Deal programs, which Milton Friedman concluded "hampered recovery from the contraction, prolonged and added to unemployment and set the stage for ever more intrusive and costly government." A precedent will be created with this plan, and policymakers need to decide whether they want to continue mortgaging the future or letting the economy adjust and return to growth by itself, as it has always done in the past.

Stimulus × Econ 1/3

Turn – Stimulus risks economic collapse

Taylor and Vedder ’10

( Jason E. Taylor is professor of economics at Central Michigan University. Richard K. Vedder is distinguished professor of economics at Ohio University and adjunct scholar at the American Enterprise Institute, May/June 2010, “ Stimulus by Spending Cuts: Lessons from 1946” <http://www.cato.org/pubs/policy_report/v32n3/cpr32n3-1.html>) SRK

 The conversation has begun regarding the nation's exit strategy from the unsustainable fiscal and monetary stimulus of the last two years. Our soaring national debt will not only punish future generations but is also causing concern that our creditors may bring about a day of reckoning much sooner (the Chinese have recently become a net seller of U.S. government securities). There are fears that the Fed's policy of ultra-low interest rates may bring new asset bubbles and begin the cycle of boom and bust all over again. And unless the Fed acts to withdraw some of the monetary stimulus, many fear a return of 1970s era double-digit inflation. On the other hand, there are widespread fears that if we remove the stimulus crutch, the feeble recovery may turn back toward that "precipice" from which President Obama has said the stimulus policies rescued us. History and economic theory tell us those fears are unfounded. More than six decades ago, policymakers and, for the most part, the economic profession as a whole, erroneously concluded that Keynes was right — fiscal stimulus works to reduce unemployment. Keynesian- style stimulus policies became a staple of the government's response to economic downturns, particularly in the 1960s and 1970s. While Keynesianism fell out of style during the 1980s and 1990s — recall that Bill Clinton's secretary of treasury Robert Rubin turned Keynesian economics completely on its head when he claimed that surpluses, not deficits, stimulate the economy — during the recessions of 2001 and 2007-09 Keynesianism has come back with a vengeance. Both Presidents Bush and Obama, along with the Greenspan/Bernanke Federal Reserve, have instituted Keynesian-style stimulus policies — enhanced government spending (Obama's $787 billion package), tax cuts to put money in people's hands to increase consumption (the Bush tax "rebate" checks of 2001 and 2008), and loose monetary policy (the Federal Reserve's leaving its target interest rate below 2 percent for an extended period from 2001 to 2004 and cutting to near zero during the Great Recession of 2007-09 and its aftermath). What did all of this get us? A decade far less successful economically than the two non- Keynesian ones that preceded it, with declining output growth and falling real capital valuations. History clearly shows the government that stimulates the best, taxes, spends, and intrudes the least. In particular, the lesson from 1945-47 is that a sharp reduction in government spending frees up assets for productive use and leads to renewed growth.

Stimulus × Econ 2/3

American Recovery and Reinvestment Act proves stimulus doesn’t work – it killed 1,226,000 productive private sector jobs while only creating 443 thousand government jobs

Conley and Dupor ’11

( Timothy Conley and Bill Dupor, Timothy Conley is an associate professor at the Department of Economics, University of Western Ontario, Canada, Bill Dupor is an associate professor of economics at Ohio State Unvierstiy, May 17, 2011, “The American Recovery and Reinvestment Act: Public Sector Jobs Saved, Private Sector Jobs Forestalled”, <http://web.econ.ohio-state.edu/dupor/arra10_may11.pdf>)

\*\*HELP services = health, (private) education, professional and business services

 Table 4 reports the jobs effect of ARRA aid for the four employment categories, both with and without the fungibility restriction imposed. Each estimate uses the outlaid amount, includes the same forty-six states, twelve control variables and all five instruments. The table reports estimates of the thousands of jobs that existed in September of 2010 that would have not existed (i.e. jobs saved or created) had the Act not been implemented. A negative enumber implies that the ARRA destroyed or prevented employment growth in that sector over the period. The bracketed pair of numbers beneath each estimate correspond to its 90% confidence interval. First, our point estimate states that government employment (non-Federal) was 443 thousand persons greater than it would have been in absence of the Act, as seen in Table 4. This is the only sector where we see a strong positive employment effect of ARRA aid. The estimate is consistent with the raw data represented visually in Figure 4. This figure shows that states with weak budget positions, after including ARRA aid, saw falling government employment. Intuitively, state and local governments with declining tax revenue (that was not replaced with ARRA aid) either cut or else did not increase government hiring. In our counterfactual world without the Act, all states would have been forced to take the same action of firing and not filling job openings—resulting in significant government jobs lost. On the other hand, employment in HELP services is 772 thousand persons lower because of the Act. This is consistent with the raw data represented visually in Figure 5. States with weak budget positions, after including ARRA aid, tended to have greater employment growth in the HELP service sector. The employment effects for the other two sectors are smaller. Non-HELP services employment was 92,000 persons greater because of the Act; however, the lower bound of the confidence interval is -347 thousand. Next, goods-producing employment was reduced by 362 thousand workers. The upper bound of its confidence interval was positive 218 thousand. A second way to report the jobs effect is directly as the elasticity of employment growth with respect to ARRA aid (specifically, OFFSET). This coefficient, for each of the sectors, appears in Table 5 in two cases: fungibility is imposed, a from equation (3.1) and fungibility is not imposed, b from equation (3.2). This elasticity equals 0.139 for the government employment sector when fungibility is imposed. In words, this means that a one-percent increase in ARRA outlays relative to the state’s pre-recession revenue results in employment that is 13.9% greater in September 2010. The corresponding elasticity for the HELP service sector is negative -0.096. Table 5 also tells us that the data does not reject the fungibility restriction. Under the heading “fungibility restriction not imposed,” we see the elasticity estimates when b is not required to equal d. Examining the government column, the elasticity for the ARRA outlay-based offset equals 0.149 and the elasticity for −LOSS equals 0.206. Taking into account the standard errors of the estimates, these two values are very close. Formally, the Chi-squared statistic for the test is sufficiently low that we fail to reject fungibility at all conventional significance levels. This failure to reject fungibility also holds for the other sectors. Moreover, our finding of jobs forestalled for the three private sectors is maintained even when the fungibility restriction is not imposed (although the precision of the estimates fall). What can explain our two findings that (a) the ARRA has created/saved government jobs, [Tables omitted] (b) the ARRA has may have forestalled at least some private sector jobs (in particular those in the HELP service sector)? Finding (a) has a straightforward explanation. First, a significant part of the ARRA is aimed directly at saving government jobs and services, e.g. the $53.6 billion State Fiscal Stabilization Fund. Second, states have found ways to use ARRA dollars (not directly intended for government salaries) to free up state funds for other uses. Several examples based on U.S. Dept. of Transportation programs are presented in Section 2. Freed-up state monies can in turn be used for government hiring and retention. Finding (b) might be partially explained by a ‘crowding out’ effect. In the absence of the ARRA, many government employees would have found jobs in the private sector. Governement workers tend to be well educated. In 2006, the most recent available data, 49% of state and 47% percent of local government workers had at least a bachelor’s degree,35 for private sector workers this proportion is only 25%. The labor market for well-educated individuals was relatively strong during and after the recession. In September of 2010, the unemployment rate among persons with at least a bachelor’s degree was only 4.5%; on the other hand, versus 10% for high school graduates with no college. The spread in unemployment rates across different educational attainment categories was fairly constant during and after the recession. The HELP services sector employs much more educated workers than our other two private sectors36, is thus relatively strong as seen in Figure 2, and could plausibly have absorbed large numbers of these counter-factually unemployed workers.

Stimulus × Econ 3/3

Turn – the plan causes recessions, financial crises, many wars, unemployment, depression, energy criscs and poor education

Shannon 6/07

(John Shannon, Novelist – this is his fourth book on the economy – former Investment Advisor, 6/7/2012, “ Keynesian Economics, The Cancer in America”)

 In the United States of America before 1910, there was no Keynesian Economics. The federal government, along with state and local government, did not interfere with free markets. The classical school of economics prevailed. The classical school of economic thought spread from Adam Smith and his book “The World of Nations” written in 1776. A lot of wonderful things were written 1776. The federal government punished crime, protected the country, and made laws to set the rules of the game, but did not interfere with the markets and the economy. The governing should uphold the Constitution, the Bill of Rights, and the freedom and liberty of the people, but not interfere with the markets. The classical school of economics produced the greatest economic boom in recorded history, the Industrial Revolution, and the increase of the middle class from dirt-poor farmers. The first few years of the Twentieth Century showed a nation with an unlimited economic potential. This 150 years of growing wealth and prosperity brought with it the seeds of its own destruction: Keynesian Economics, Keynesian economists and Keynesian politicians - before Lord Keynes was even born. Because Keynesianism is just a masquerade for big government, and big government is just a masquerade for theft and corruption in the name of helping others (as you help yourself), Keynesian Economics was seen by liberal politicians like President Woodrow Wilson and Teddy Roosevelt as a new tickct to unlimited power, status, control, notoriety, and wealth ... at the expense of, and in the name of helping, the American people. As these two presidents expanded the power oi the lederal government with the income tax, the Federal Reserve and other federal agencies, classical economics was being dismantled. Slowly the federal government and the Federal Reserve, within a few short years, created instability in the banking system, a depression, two world wars, and a growing threat to the nation created in 1776. 'Fhc Keynesians found of patsy and a hero. The hero was John Maynard Keynes, whom the Keynesians named their new economic philosophy after; the patsy was the classical school of economics Adam Smith. The Keynesians blamed the free markets and capitalism for all the problems that the Keynesians themselves created. The American people, who are not being taught economics in school and are influenced by the propaganda of the Keynesians themselves, really did not know that the Keynesians who pulled the shirts over their heads were the ones beating the hell out of them. Keynesians Economics got a massive shot of steroids during the President Franklin Roosevelt administration. The next shot of steroids came during the President Johnson administration of the 1960s. With that shot of steroids, the federal government became a superhero just like the “Green Goblin”. President Jimmy Carter and all presidents after and excluding president Ronald Reagan continued with the steroid injections. Current president for life Barack Obama has given so many shots of steroids to himself and to the federal government that he has created a new superhero “Two-Face". Today Keynesian Economics has created a government, lederal, state and local, that is 50% of the economy. That is unbelievable!!!! That is unbelievable!!!! That is unbelievable!!!! And a super villain “Two-Face”, which is President Obama and the federal government has, with the lapdog Keynesian news media, convinced the American public it has a revenue problem. That is unbelievable!!!! Keynesian Economics has given America a massive federal debt, dysfunctional family units, high crime rate, recessions, financial crises, the Federal Reserve, the IRS tax code, open borders, many wars (only government can create wars), inflation, unemployment, welfare (to the lazy not the needy), cronie capitalism, prohibition, depression, debasement of the currency, energy criscs, useless public school system, NAFTA, US manufacturing outsourcing to foreign countries, ObamaCare, Solyndra, 1970s bussing, Alan Greenspan, the Chevy Volt, Korea Gate, moral decay, the Cold War, a large corrupt government, and a very unstable globe ... militarily, politically, economically, and financially. 1 guess John Maynard Keynes, John Kenneth Galbraith, and Professor Paul Samuelson saw the world before they had their effects on it - when they expressed such optimism. I can prove that Keynesian Economics, which is the key word for Big Government is the cause of all these problems. Now I will list some ol the things the government can and should do right without interfering with the free market and classical economics. The government can have the strongest military in the world, a fair and just judicial system, a small yet efficient government that ensures products are safe, food is inspected, and air and water is clean. Massive accomplishments can be done with a small, effective and efficient government that ensures rules of the game are adhered to and steps back and allows the free markets to accomplish the goals of humanity in a far better way than the best laid plans of mice, men and liberals. Keynesian Economics is destroying America because it definitely makes government bigger and bigger. A bigger and bigger government chokes off and collapses the private sector ... just as government will collapse itself. Power corrupts, and absolute power corrupts absolutely. The bigger and bigger government gets, the more the people lose their freedom and their liberty. The bigger and bigger agencies within the government get, the more corrupt, inefficient and useless it becomes. For example: Years ago, when small, the SEC was a watchdog of the securities industry. In 2007 to 2008 they totally missed the largest financial crisis in history while watching porn on their computers. Many other government agencies formed to protcct the consumer are now so massive in size they protect the special interests of the companies they are supposed to watch. 'Ihc most important way Keynesian Economics is destroying America is through its crippling effect on a free-market economy, its crippling effect on freedom, and its crippling effect on capitalism. “In the long run we will all be Communists” — a misquote from John Maynard Keynes. I can prove that Keynesian Economics creates big government and big government creates big problems! 7h is is a fact! This is a truth! And this is a problem! Does anyone not see the direct correlation between big government and big problems in America? The economy, the socicty, the values, the morals ... all dccline as government grows and gets involved. Since the 1960s government has been massively growing to a point of 50% of GDP for federal, state and local spending. America has been failing since the 1960s because government has grown to 50% of the economy. And government has grown to 50% of the economy because of Keynesian Economics. Keynesian Economics is the tool that government uses to expand itself.

A2 Infrastructure Key to Growth

1970’s economic decline not caused by lack of infrastructure investment- manufacturing industry proves

Hulten and Schwab 93

(Charles Hulten, Professor of Economics at the University of Maryland, Ph. D, Research Associate of the National Bureau of Economic Research, Senior Fellow at the Conference Board, Robert Schwab, Professor of Economics at the University of Maryland, Ph.D., National Tax Journal, “Infrastructure Spending: Where Do We Go From Here?”, September, 1993)

One major problem arises from the fact that the U.S. time series data are domi- nated by two trends: infrastructure invest ment fell sharply starting in the late 1960s and early 197Os, and the aggregate U.S. economy has performed poorly since roughly 1973. This is sufficient to establish a correlation between infrastructure and output growth. But, while it is clear that the two are associated, it is far from clear that lower infrastructure investment was the cause of slower growth. Any variable that fell through the 1960s and early 197Os, like SAT scores, is an equally plausi- ble candidate as the cause of our growth problems. The following story illustrates this point. The number of storks in a certain region was found to be closely correlated with the number of babies that were born in that region. This might support the conclu- sion that storks bring babies. But the truth was more mundane. When the harvest was good, families were more likely to have another child and more storks came to the region to take advantage of the available food. Of course, it is always easy to dismiss any evidence by arguing that correlatron does not imply causality. But in this case, there are enough other troubling pieces of evi- dence to suggest that we truly are dealing with spurious correlation. For example, if infrastructure were an important part of the productivity problem, then we would expect to find a significant slowdown in in- dustries such as manufacturing that are very dependent on infrastructure but little change in other industries, such as services and finance, insurance, and real estate. But, in fact, the exact opposite is true; the productivity slowdown in manufacturing has been very mild. The growth rate of GDP per hour of work in manufacturing was roughly the same in the 1973-1987 period as it was during 1948.-1973. In contrast, in the private sector as a whole, GDP per hour grew at a rate only about one-third of the pre- 1973 rate.

A2 Infrastructure Key to Competitiveness

Competitiveness not tied to infrastructure investment- Japan auto and US steel industries prove

Hulten and Schwab 93

(Charles Hulten, Professor of Economics at the University of Maryland, Ph. D, Research Associate of the National Bureau of Economic Research, Senior Fellow at the Conference Board, Robert Schwab, Professor of Economics at the University of Maryland, Ph.D., National Tax Journal, “Infrastructure Spending: Where Do We Go From Here?”, September, 1993)

Thus, the international evidence strongly suggests that inadequate infrastructure spending is not the source of U.S. compet- itive problems as some critics have argued. The great success of Japan’s auto industry was not due to superior infrastructure capi- tal, nor were Detroit’s problems due to a deteriorating American infrastructure. The infrastructure in Japan is, in fact, no better than in the United States and is probably worse; recall that the Japanese hire people to stuff people onto commuter trains at rush hour. Jalpan auto producers were suc- cessful because they pioneered new pro- ‘duction techniques, such as quality circles and the just-in-time inventory system. Moreover, the decline in the U.S. steel in- ldustry was accelerated when the comple- tion of one piece of infrastructure-the St. Lawrence Seatway-allowed iron ore to be ‘shipped to Japan, made into steel, and ‘sold competitively on world markets.

A2 Infrastructure Key to Jobs 1/2

Unemployment not effectively solved by infrastructure projects- too slow

Hulten and Schwab 93

(Charles Hulten, Professor of Economics at the University of Maryland, Ph. D, Research Associate of the National Bureau of Economic Research, Senior Fellow at the Conference Board, Robert Schwab, Professor of Economics at the University of Maryland, Ph.D., National Tax Journal, “Infrastructure Spending: Where Do We Go From Here?”, September, 1993)

Job creation is the final element in the case for more infrastructure spending. The recent recession, combined with the ongo- ing fiscal distress of many American cities, is seen by many as sufficient reason to en- act a public works program to put people back to work. But many have argued that infrastructure spending is a very poor short-term policy tool. Public works proj- ects involve a great deal of planning and long lead times. As a consequence, by the time funds are actually spent, the economy may have recovered and the new spending will come at the peak, rather than the trough, of the business cycle. This problem has been significant in the past. The General Accounting Office (GAO) (1986) found that over 2 years after $9 bil- lion was allocated for infrastructure under the Emergency Jobs Act of 1983, only $4.5 billion had been spent. The GAO noted that “funds for public works programs, such as those that build highways or houses, were spent much more slowly” than funds for other programs. A recent Congressional Budget Office memorandum found that, on average, only 17 percent of federal funds for highways are spent in the first year and that more than 30 percent are spent more than 3 years after the money has been allocated. Bartlett (1993), examining job legislation designed to ame- liorate the 1949, 1958, 1961-1962, 1971, 1975-1977, and 1983 recessions, found that in each case, the antirecession pro- grams were enacted after a recession had officially ended. This history is not encouraging for the cur- rent “jobs” legislation, which would also be enacted (,if passed) after the offictal end of the recent recession. The slower than usual recovery of employment, and the re- cent signs of slower growth, may ulti- mately propel some form of jobs bill through Congress. At best, given the his- tory of long :spending lags, the stimulus for job creation Iunder this legislation may ac- tually come on-line at the beginning of the next recession. Finally, it should be noted that there is a fundamental conflict between short-term infrastructure programs and longer-run in- frastructure objectives. The former stress the “ready to go” aspect of infrastructure projects and their job creating capacity. But It is not at all clear that those projects that (are ready to begin in the near term are the best projects to undertake from a long-run growth perspective.

Using infrastructure investment as stimulus to solve short-term economic problems fails- long lead times

Hulten and Schwab 93

(Charles Hulten, Professor of Economics at the University of Maryland, Ph. D, Research Associate of the National Bureau of Economic Research, Senior Fellow at the Conference Board, Robert Schwab, Professor of Economics at the University of Maryland, Ph.D., National Tax Journal, “Infrastructure Spending: Where Do We Go From Here?”, September, 1993)

Fourth, it is unwise to use infrastructure spending as a tool to solve short-term eco- nomic problems. By their nature, public works projects involve a great deal of plan- ning and long lead times, particularly In a climate when many will be quick to argue that a new road must “not be in my back- yard” and are willing to go to court to make their voices heard. As a conse- quence, by the time funds are actually spent, the economy may have recovered and the new spending will come at the peak rather than the trough of the busi- ness cycle.

A2 Infrastructure Key to Jobs 2/2

Transportation infrastructure projects don’t decrease unemployment

AP ’10

( Matt Apuzzo And Brett J. Blackledge, AP Investigative team, Jan. 11 2010, “ AP Impact: Road projects don't help unemployment”, http://www.deseretnews.com/article/705357688/AP-Impact-Road-projects-dont-help-unemployment.html)

 WASHINGTON — Ten months into President Barack Obama's first economic stimulus plan, a surge in spending on roads and bridges has had no effect on local unemployment and only barely helped the beleaguered construction industry, an Associated Press analysis has found. Spend a lot or spend nothing at all, it didn't matter, the AP analysis showed: Local unemployment rates rose and fell regardless of how much stimulus money Washington poured out for transportation, raising questions about Obama's argument that more road money would address an "urgent need to accelerate job growth." Obama wants a second stimulus bill from Congress that relies in part on more road and bridge spending, projects the president said are "at the heart of our effort to accelerate job growth." Construction spending would be a key part of the Jobs for Main Street Act, a $75 billion second stimulus to revive the nation's lethargic unemployment rate and improve the dismal job market for construction workers. The House approved the bill 217-212 last month after House Speaker Nancy Pelosi, D-Calif., worked the floor for an hour; the Senate is expected to consider it later in January. AP's analysis, which was reviewed by independent economists at five universities, showed that strategy hasn't affected unemployment rates so far. And there's concern it won't work the second time. For its analysis, the AP examined the effects of road and bridge spending in communities on local unemployment; it did not try to measure results of the broader aid that also was in the first stimulus like tax cuts, unemployment benefits or money for states. "My bottom line is, I'd be skeptical about putting too much more money into a second stimulus until we've seen broader effects from the first stimulus," said Aaron Jackson, a Bentley University economist who reviewed AP's analysis. Even within the construction industry, which stood to benefit most from transportation money, the AP's analysis found there was nearly no connection between stimulus money and the number of construction workers hired or fired since Congress passed the recovery program. The effect was so small, one economist compared it to trying to move the Empire State Building by pushing against it. "As a policy tool for creating jobs, this doesn't seem to have much bite," said Emory University economist Thomas Smith, who supported the stimulus and reviewed AP's analysis. "In terms of creating jobs, it doesn't seem like it's created very many. It may well be employing lots of people but those two things are very different." Transportation spending is too small of a pebble to quickly create waves in the nation's $14 trillion economy. And starting a road project, even one considered "shovel ready," can take many months, meaning any modest effects of a second burst of transportation spending are unlikely to be felt for some time. "It would be unlikely that even $20 billion spent all at once would be enough to move the needle of the huge decline we've seen, even in construction, much less the economy. The job destruction is way too big," said Kenneth D. Simonson, chief economist for the Associated General Contractors of America. Few counties, for example, received more road money per capita than Marshall County, Tenn., about 90 minutes south of Nashville. Obama's stimulus is paying the salaries of dozens of workers, but local officials said the unemployment rate continues to rise and is expected to top 20 percent soon. The new money for road projects isn't enough to offset the thousands of local jobs lost from the closing of manufacturing plants and automotive parts suppliers. "The stimulus has not benefited the working-class people of Marshall County at all," said Isaac Zimmerle, a local contractor who has seen his construction business slowly dry up since 2008. That year, he built 30 homes. But prospects this year look grim. Construction contractors like Zimmerle would seem to be in line to benefit from the stimulus spending. But money for road construction offers little relief to most contractors who don't work on transportation projects, a niche that requires expensive, heavy equipment that most residential and commercial builders don't own. Residential and commercial building make up the bulk of the nation's construction industry. "The problem we're seeing is, unfortunately, when they put those projects out to bid, there are only a handful of companies able to compete for it," Zimmerle said. The Obama administration has argued that it's unfair to count construction jobs in any one county because workers travel between counties for jobs. So, the AP looked at a much larger universe: The more than 700 counties that got the most stimulus money per capita for road construction, and the more than 700 counties that received no money at all. For its analysis, the AP reviewed Transportation Department data on more than $21 billion in stimulus projects in every state and Washington, D.C., and the Labor Department's monthly unemployment data. Working with economists and statisticians, the AP performed statistical tests to gauge the effect of transportation spending on employment activity. There was no difference in unemployment trends between the group of counties that received the most stimulus money and the group that received none, the analysis found. Despite the disconnect, Congress is moving quickly to give Obama the road money he requested. The Senate will soon consider a proposal that would direct nearly $28 billion more on roads and bridges, programs that are popular with politicians, lobbyists and voters. The overall price tag on the bill, which also would pay for water projects, school repairs and jobs for teachers, firefighters and police officers, would be $75 billion. "We have a ton of need for repairing our national infrastructure and a ton of unemployed workers to do it. Marrying those two concepts strikes me as good stimulus and good policy," White House economic adviser Jared Bernstein said. "When you invest in this kind of infrastructure, you're creating good jobs for people who need them." Highway projects have been the public face of the president's recovery efforts, providing the backdrop for news conferences with workers who owe their paychecks to the stimulus. But those anecdotes have not added up to a national trend and have not markedly improved the country's broad employment picture.

A2 Stimulus → Jobs

Government spending decreases employment

Mitchell ’08

(Dan Mitchell is a senior fellow at the Cato Institute and co-author of Global Tax Revolution: The Rise of Tax Competition and the Battle to Defend It, December 5, 2008, “ The Fallacy That Government Creates Jobs”, <http://www.cato.org/publications/commentary/fallacy-government-creates-jobs>) SRK

In part, this is a debate about Keynesian economics, which is the theory that the economy can be boosted if the government borrows money and then gives it to people so they will spend it. This supposedly "primes the pump" as the money circulates through the economy. Keynesian theory sounds good, and it would be nice if it made sense, but it has a rather glaring logical fallacy. It overlooks the fact that, in the real world, government can't inject money into the economy without first taking money out of the economy. More specifically, the theory only looks at one-half of the equation — the part where government puts money in the economy's right pocket. But where does the government get that money? It borrows it, which means it comes out of the economy's left pocket. There is no increase in what Keynesians refer to as aggregate demand. Keynesianism doesn't boost national income, it merely redistributes it. The pie is sliced differently, but it's not any bigger. The real world evidence also shows that Keynesianism does not work. Both Hoover and Roosevelt dramatically increased spending, and neither showed any aversion to running up big deficits, yet the economy was terrible all through the 1930s. Keynesian stimulus schemes also were tried by Gerald Ford and George W. Bush and had no impact on the economy. Keynesianism also failed in Japan during the 1990s. It would be easy to dismiss this orgy of new spending as the spoils of war. To be fair, the inability of Keynesianism to boost growth may not necessarily mean that government spending does not create jobs. Moreover, the argument that government can create jobs is not dependent on Keynesian economics. Politicians from both parties, for instance, argued in favor of pork-filled transportation bills earlier this decade when the economy was enjoying strong growth — and job creation generally was their primary talking point. Unfortunately, no matter how the issue is analyzed, there is virtually no support for the notion that government spending creates jobs. Indeed, the more relevant consideration is the degree to which bigger government destroys jobs. Both the theoretical and empirical evidence argues against the notion that big government boosts job creation. Theory and evidence lead to three unavoidable conclusions: The theory of government-instigated job creation overlooks the loss of resources available to the productive sector of the economy. Frederic Bastiat, the great French economist (yes, there were admirable French economists, albeit all of them lived in the 1800s), is well known for many reasons, including his explanation of the "seen" and the "unseen." If the government decides to build a "Bridge to Nowhere," it is very easy to see the workers who are employed on that project. This is the "seen." But what is less obvious is that the resources to build that bridge are taken from the private sector and thus are no longer available for other uses. This is the "unseen." So-called stimulus packages have little bang for the buck. Even if one assumes that money floats down from Heaven and we don't have to worry about the "unseen," government is never an efficient way to achieve an objective. Based on the amount of money that is being discussed and the claims of how many jobs will be created, Harvard Professor Greg Mankiw filled in the blanks and calculated that each new job (assuming they actually materialize) will cost $280,000. But since money doesn't come from Heaven, this calculation is only a partial measure of cost. In reality, the cost of each government job should reflect how that $280,000 would have been spent more productively in the private sector. Government workers are grossly overpaid. There are several reasons why it costs so much for the government to "create" a job, including the inherent inefficiency of the public sector. But the dominant factor is probably the excessive compensation packages for bureaucrats. According to Bureau of Economic Analysis data, the average employee for the federal government now gets paid nearly twice as much as workers in the productive sector of the economy.

A2 Jobs Key to Econ 1/3

Jobs are not key to the economy – external factors and debt ceiling

Swanson 11

Ian Swanson - 07/07/11 “Top Obama adviser says unemployment won't be key in 2012” <http://thehill.com/homenews/campaign/170309-plouffe-says-jobs-rate-not-key-in-2012>

President Obama’s senior political adviser David Plouffe said Wednesday that people won’t vote in 2012 based on the unemployment rate. Plouffe should probably hope that’s the case, since dismal job figures aren’t expected to get any better for Obama and the economy on Friday. Most economists expect a report from the Bureau of Labor Statistics to show that the nation added about 100,000 jobs in June. That’s not enough to keep up with population growth, let alone lower the unemployment rate or make a dent in the 9 million jobs lost during the so called Great Recession. [UPDATED: The [jobs report](http://thehill.com/blogs/on-the-money/801-economy/170335-economy-adds-paltry-18k-jobs-as-unemployment-rate-creeps-up) released on Friday showed the economy added only 18,000 jobs, much less than anticipated. The unemployment rate creeped up to 9.2 percent.] It’s looking more and more like Obama will have to do something no president has done since Franklin Roosevelt: Win reelection with unemployment around 8 percent. Ronald Reagan, another president Obama is sometimes compared with, was reelected in 1984 when unemployment was 7.2 percent. Obama isn’t likely to see a number that low. Mark Zandi, chief economist for Moody’s Analytics, predicts the nation will have added 110,000 jobs in total in June, with 125,000 added in the private sector. Hiring by the public sector will continue to fall. The economy would have to add 350,000 jobs every month between now and December 2014 to get back to the pre-recession low of 5 percent unemployment, last seen in December 2007, according to the Economic Policy Institute (EPI). Reagan saw that kind of growth after the recession of the early 1980s, and it helped him win reelection by a comfortable 18 points. He also faced Walter Mondale, a weak opponent, from the opposing party — a bit of history Obama hopes to repeat in 2012. The economy hasn’t seen such high-octane growth since August 1993 to February 1995, when it last averaged 350,000 jobs created per month. Even during the tech boom in the latter half of the 1990s, the economy didn’t average that many jobs, according to Heidi Shierholz, an economist with EPI. The Obama campaign’s hope is that voters will feel the economy is improving in the fall of 2012, just as they did when Roosevelt and Reagan were reelected. That seemed to be at the root of Plouffe’s remarks on Wednesday, as quoted by Bloomberg. “The average American does not view the economy through the prism of GDP or unemployment rates or even monthly jobs numbers,” Plouffe said, according to Bloomberg. “People won’t vote based on the unemployment rate, they’re going to vote based on: ‘How do I feel about my own situation? Do I believe the president makes decisions based on me and my family?’ ” The remarks will likely irritate Democrats who think Obama and his political team have taken their eye off jobs. There’s some reason to think Obama could get a boost from the economy in the second half of the year, particularly given signs that the White House and congressional Republicans are moving closer to a deal that would lift the nation’s debt ceiling and cut trillions from annual deficits. There’s no doubt such a deal would boost confidence in the economy and the political system. It could also boost hiring. Layoffs have basically stopped since the recession, said Shierholz, but employers aren’t hiring even though corporations are expected to announce huge profits for the first half of the year. “We are still treading water at the bottom of a deep hole,” said Shierholz. The only real improvement in the labor market since the recession ended is with workers who have decided to sit out the slow economy and not look for a new job. That’s helped keep the unemployment rate low, Shierholz said. Zandi argues the economy was sidetracked for the first half of the year by a number of shocks that he hopes are temporary. They include the devastating tsunami in Japan that wreaked havoc on manufacturers around the world; turmoil in the Middle East; the ongoing conflict in Libya that sent crude oil prices to summer highs in the spring; and the debt talks, which Zandi said appear to have led the Treasury to slow outlays to avoid breaching the debt ceiling. “The ill effects of these shocks are or will soon fade and even add to growth during the second half of the year,” Zandi said in an email. He expects payroll employment gains to be back near 200,000 by the end of the year. If Zandi’s right and those gains continue through 2012, Plouffe might be proven right, too, as voters could be pleased with their position. But there isn’t a lot of room for Obama to maneuver when it comes to the unemployment rate.

A2 Jobs Key to Econ 2/3

Education – not jobs – is key to the economy

Gehrke 12

[Joel Gehrke](http://washingtonexaminer.com/author/joel-gehrke), Commentary Writer at The Washington Examiner, July 13, 2012 “Ed. Secretary: Bad economy is not a ‘jobs crisis,’ it’s a ‘skills crisis’” <http://washingtonexaminer.com/ed.-secretary-bad-economy-is-not-a-jobs-crisis-its-a-skills-crisis/article/2502112>,

Education Secretary Arne Duncan ascribed at least part of the nation’s ongoing economic weakness to poor education, as he called on state governors to maintain funding for college education. “Do we have a jobs crisis or do we have a skills crisis? I’m more and more concerned that we have a skills crisis,” Duncan [told the National Governors Association today](http://www.c-span.org/Events/Nations-Governors-Kick-Off-Annual-Meeting-in-Williamsburg-VA/10737432224-2/). “By some counts its over two million high-wage, high-skill jobs that we can’t fill today.” Duncan noted today and in a statement yesterday that the United States has dropped to 16th worldwide in terms of the percentage of adults with college degrees. He faulted state governors for cutting education funding. “We’ve made some progress, but the combination of deep state budget cuts and rising tuition prices is pushing an affordable college education out of reach for middle class families,” Duncan [said in a statement yesterday](http://www.ed.gov/news/press-releases/new-state-state-college-attainment-numbers-show-progress-toward-2020-goal). “As the President has said, the countries that out-educate today will out-compete us tomorrow. The federal government has done a tremendous amount to increase the amount of aid available to students. But we need states and institutions to meet us halfway by doing more to keep college costs down.” The White House has framed issues such as student loan interest rate increases as economic issues, as Republicans have gone on offense about the persistently high national unemployment rate.

A2 Jobs Key to Econ 3/3

Tax Reform not jobs key to econ

Sinquefield & Brown 12

REX SINQUEFIELD (Conservative retired financial executive active in Missouri politics and philanthropic causes) AND TRAVIS H. BROWN (manager of his own government and public affairs businesses) 07/17/2012 “Keeping Taxes Low At State LeveIs Key To Growth” <http://news.investors.com/article/618436/201207171745/state-tax-cuts-key-to-economic-growth-wealth.htm?p=full>,

State taxes impact economic performance more than most people imagine. While the majority of attention is paid to the federal tax code, the evidence suggests that state taxes are just as important in determining economic competitiveness and often mean the difference between economic success and failure. The level and form of state taxation varies greatly, from no-income-tax states such as Florida and Texas to states like Hawaii and Oregon, which have the highest personal income tax rates in the nation (11%). Similarly, economic performance over the last decade has varied dramatically among the 50 states, with Illinois, California and New York performing very poorly, while Texas flourishes. Differences in state tax policies help explain this record. The U.S. economy, in the words of Federal Reserve Chairman Ben Bernanke, is heading for a massive tax cliff. The expiration of the 2001-2003 tax cuts, the expiration of the payroll tax cut and new taxes enacted as part of ObamaCare will completely upend the existing federal tax code. Given this state of affairs and the political gridlock in Washington, D.C., the best one can hope for is the extension of some of the existing tax rates and the avoidance of a disastrous, massive tax increase in January 2013. The chances for substantive tax reform that would make the U.S. more competitive are slim, given the administration's preoccupation with tax "fairness" and demonizing the rich. On the other hand, state taxes are ripe for reform, and many governors around the country are leading the charge to reduce or do away with their state income taxes all together. Tax reforms happening at the state level are much more likely to succeed than anything coming out of Washington D.C., and the evidence shows that cutting state personal income taxes can have a dramatic impact on economic performance. State tax reform is, therefore, the best chance to improve the competitiveness of the United States in this global race for jobs and prosperity.

Jobs not important to economy – tax reform key

Giokaris 12

John Giokaris, graduate from Loyola University Chicago with two Bachelor's in Political Science & Journalism, 3/20/12 “Tax Reform is the Key to Economic Recovery and Bipartisan Cooperation” <http://www.policymic.com/articles/5033/tax-reform-is-the-key-to-economic-recovery-and-bipartisan-cooperation>, ott

As the United States slogs through its [worst](http://www.forbes.com/sites/peterferrara/2012/01/12/the-worst-economic-recovery-since-the-great-depression/) post-recession recovery in history, Americans are left wondering if our best days are over. We’re suffering from a lack of confidence, certainty, and optimism. Unemployment remains [stubbornly high](http://www.gallup.com/poll/152753/unemployment-increases-mid-february.aspx) while more people [give up](http://www.zerohedge.com/news/record-12-million-people-fall-out-labor-force-one-month-labor-force-participation-rate-tumbles-) looking for work and switch over to dependence on government assistance to make ends meet. Is this the best Washington can offer us when it comes to opportunity and independence? President Barack Obama’s original campaign message of “hope and change” is now turning into one of lowering expectations. Americans are also increasingly [frustrated](http://abcnews.go.com/Politics/abc-news-washington-post-poll-confidence-government-falls/story?id=13134173) with the extreme partisanship in Washington that paralyzes the ability of politicians to solve problems. The leadership of the parties is at polar opposite ends with their reform-minded solutions leaving very little common ground left for both sides of the aisle to work with. However, there is one area that provides a golden opportunity for bipartisan cooperation between the parties and would restore confidence, certainty, and optimism in our economy: [pro-growth tax reform](http://www.youtube.com/watch?v=2Aewj_IndN4). Pro-growth tax reform, as illustrated in the bipartisan [1986 Tax Reform Act](http://en.wikipedia.org/wiki/1986_tax_reform), closes loopholes that allow for overseas tax shelters as well as special interest subsidies in order to collect on revenue more efficiently while cutting tax rates across the board at the same time to [incentivize](http://www.cbs.com/primetime/60_minutes/video/?pid=rHgmVWcA9rp3NdUHY63IbYQQFmfWAHuk&vs=homepage&play=true) businesses to keep money and jobs here instead of overseas, thus broadening the tax base. Our corporate tax code is a mess. Our 35% rate (39.2% when including state and local taxes) puts us [at the top of the list](http://www.guardian.co.uk/news/datablog/2011/feb/21/corporation-tax-rates-world) for highest in the world, leaving us with a huge disadvantage competitively in the age of outsourcing and globalization. At the same time, our corporate tax code is [riddled with loopholes](http://www.nytimes.com/2011/02/02/business/economy/02leonhardt.html) and special interest subsidies, making the revenue we collect on our corporate taxes far less than where the rate is set. In other words, we’re not incentivizing global businesses to keep jobs and money here, while those who do lobby Washington for corporate tax exemptions.

\*Growth Good

Growth Good – Biodiversity

Growth promotes biodiversity and prevents species extinction

ASAFU-ADJAYE, 03

(John Asafu-Adjaye, Associate professor at the school of Economics, April 2003, “Biodiversity Loss and Economic Growth: A Cross-Country Analysis”, http://espace.library.uq.edu.au/eserv.php?pid=UQ:10744&dsID=jaa\_03.pdf)

The study results indicate that while improvement in economic freedoms can be associated with improvement in mammal and bird species numbers, the effect on biodiversity is much stronger in low-income countries compared to high-income countries. The main implication here is that there is a need to develop appropriate institutional and macroeconomic policies that allow biodiversity values to be internalised in decision-making processes at the individual and national levels.

Growth Good – Creative Destruction

Economic growth leads to creative destruction

Cox & Alm ‘08

(W. Michael Cox, senior vice president and chief economist at the Federal Reserve Bank of Dallas, Richard Alm, Economics writer at the Dallas Fed, 2008, “Creative Destruction”, The Concise Encyclopedia Of Economics 2nd Edition, http://www.econlib.org/library/Enc/CreativeDestruction.html#abouttheauthor)

Schumpeter and the economists who adopt his succinct summary of the free market’s ceaseless churning echo capitalism’s critics in acknowledging that lost jobs, ruined companies, and vanishing industries are **inherent parts of the growth system**. The saving grace comes from recognizing the good that comes from the turmoil. Over time, societies that allow creative destruction to operate grow more productive and richer; their citizens see the benefits of new and better products, shorter work weeks, better jobs, and higher living standards.

High correlation between economic growth and creative destruction

Reynolds ’99

(Paul D. Reynolds, 2004 winner of the International Award for Entrepreneurship and Small Business Research, 1999, “Creative Destruction: Source or Symptom of Economic Growth?”, Edited by Zoltan J. Acs et al, Entrepreneurship small and medium-sized enterprises and the macroeconomy, chapter 4

Is a higher level of “creative destruction” associated with economic growth? The short answer is yes. This is illustrated, in Table 4.1, in the correlations between measures of establishment and job volatility with job growth for 382 US. labor market areas. Correlations between twelve creative destruction measures and six indices of business volatility are presented in relation to concurrent, subsequent, and economic growth two years in the future. “No-year time periods are used in all cases. Each correlation in Table 4.1 is the average of six correlations over a twelve-year period. The speciﬁc analyses by year are presented in Appendixes 4.] and 4.2. There are some year to year variations. The inter-correlations among all measures are provided in Table 4.Dl (see Addenda D). Measures of “creative destruction" and the business volatility indices are discussed below. The result is an array of positive correlations with two exceptions, rates ratio; population based establishment birth and death rates total; establishment based establishment death rates; and establishment based birth and death rates total. Among the creative destruction measures, however, those associated with job or ﬁrm birth rates tend to have a greater presence in these models, eight times for establishment based establishment birth rate measures; four times for the job birth rate measure; and three times for the population based establishment birth rate measure. Inspection of Table 4.2 indicates that the six business dynamic indices are much more prevalent in the models, compared to the twelve creative destruction measures At least one of these measures appears in every model, and four or more in six of the twelve. For this reason, the business dynamics indices are utilized in the following analysis of the relative impact on general models of economic growth. This preliminary regression analysis indicates that creative destruction and business volatility have a very substantial relationship - on their own - with economic growth. And for most indices it is a positive relationship - more volatility or turbulence is associated with more growth.

Growth Good – Democracy

Growth key to democracy

Barro, ‘99

(Robert J. Barro, an American classical macroeconomist and the Paul M. Warburg Professor of Economics at Harvard University, 1999. “Determinants of democracy.” Journal of Political Economy, http://dash.harvard.edu/handle/1/3451297)

Inspection of the cross-country data suggests that countries at low levels of economic development typically do not sustain democracy. For example, the political freedoms installed in most of the newly independent African states in the early 1960s did not tend to last. Conversely, nondemocratic places that experience substantial economic development tend to become more dramatic. Examples include Chile, South Korea, Taiwan, Spain, and Portugal. Moreover, the countries of central and eastern Europe—which have been reasonably advanced economically for some time, especially in terms of education—eventually became more democratic.

Growth Good – Disease

Growth key to preventing chronic disease

World Health Organization ‘05

(World Health Organization, WHO is the directing and coordinating authority for health within the United Nations system, 2005, “preventing chronic diseases designing and implementing effective policy”, Policy Brief, http://www.who.int/chp/advocacy/policy.brief\_EN\_web.pdf)

Poverty and economic stagnation are important causes and consequences of chronic disease in low and middle income countries. Eighty per cent of all chronic disease deaths occur in low and middle income countries, and people in these countries develop diseases at younger ages, suffer longer, and die sooner than those in high income countries. Chronic disease has serious economic consequences for individuals and families, is a major cause of poverty, and impedes national economic development. The main causes of chronic diseases are well known and are the same in all regions of the world. It is possible to prevent and control chronic disease through a wide range of interventions, many of which are highly cost-effective and inexpensive to implement. Development agencies can contribute to this effort by helping governments to build a solid political and financial infrastructure that allows for economic development and effective chronic disease prevention and control.

Growth Good – Environment

**Growth helps to prevent environmental damage**

Adler 8 (Jonathan H. Adler, Professor of Law and Director of the Center for Business Law and Regulation at Case Western Reserve University School of Law, Fall 2008, “Green Bridge to Nowhere,” The New Atlantis, online: http://www.thenewatlantis.com/publications/green-bridge-to-nowhere)

According to Speth, “most environmental deterioration is a result of systemic failures of capitalism.” This is an odd claim, as the least capitalist nations of the world also have the worst environmental records. The ecological costs of economic statism are far worse than those of economic liberty. The environmental record of the various Soviet regimes amply bears this out: The West’s ecological nightmares were the Soviet bloc’s environmental realities. This is not due to any anomaly of the Soviet system. Nations with greater commitment to capitalist institutions experience greater environmental performance. While Speth occasionally acknowledges pockets of environmental progress, he hardly stops to consider the reasons why some environmental resources have been conserved more effectively than others. Fisheries are certainly declining throughout much of the world—some 75 percent of fisheries are fully or over-exploited—but not everywhere. It is worth asking why. Tropical forests in less-developed nations are declining even as most temperate forests in industrialized nations are rebounding. Recognizing these different trends and identifying the key variables is essential to diagnosing the real causes of environmental deterioration and prescribing a treatment that will work. Speth acknowledges that much of the world is undergoing “dematerialization,” such that economic growth far outpaces increases in resource demand, but seems not to appreciate how the capitalist system he decries creates the incentives that drive this trend. Were it not for market-driven advances in technological capability and ecological efficiency, humanity’s footprint on the Earth would be far greater. While modern civilization has developed the means to effect massive ecological transformations, it has also found ways to produce wealth while leaving more of the natural world intact. Market competition generates substantial incentives to do more with less—thus in market economies we see long and continuing improvements in productive efficiency. This can be seen everywhere from the replacement of copper with fiber optics (made from silica, the chief component in sand) and the light-weighting of packaging to the explosion of agricultural productivity and improvements in energy efficiency. Less material is used and disposed of, reducing overall environmental impacts from productive activity. The key to such improvements is the same set of institutional arrangements that Speth so decries: property rights and voluntary exchange protected by the rule of law—that is, capitalism. As research by Wheaton College economist Seth Norton and many others has shown, societies in which property rights and economic freedoms are protected experience superior economic and environmental performance than those societies subject to greater government control. Indeed, such institutions have a greater effect on environmental performance than the other factors, such as population growth, that occupy the attention of Speth and so many other environmental thinkers.

Growth Good – Famine

Growth Prevents Famine

Timmer ’04

(Peter Timmer PhD, Professor of Development Studies, *emeritus,* at Harvard University, November 22, 2004, “Food Security and Economic Growth: an Asian perspective”, http://www.crawford.anu.edu.au/acde/publications/publish/ArndtLecture\_Timmer2004.pdf)

 Food security and economic growth interact in a mutually reinforcing process over the course of development. It is only in modern times that entire societies have achieved food security. Earlier, only privileged members of society were able to escape from chronic hunger and the constant threat of famine (Fogel 1991). Many countries in the developing world, especially in Africa and South Asia, have not managed this escape. In these countries, understanding the factors that cause widespread hunger and vulnerability to famines, and the mechanisms available to alleviate their impact, remain important intellectual challenges (Ravallion 1987, 1997; Sen 1981; Dreze and Sen 1989). There is a different way to pose the question, however. Rather than asking how to cope with hunger and famine, the question might be how to escape from their threat altogether. As Fogel (1991) has emphasised, this is a modern question that is only partly answered by the institutional and technological innovations that are at the heart of modern economic growth (Kuznets 1966). Without these innovations, the modern escape from hunger to food security would not have been possible. But the record of economic growth for the developing countries since the 1950s shows that, even in countries with relatively low levels of per capita income, government interventions to enhance food security can lift the threat of hunger and famine. The countries most successful at this task are in East and Southeast Asia, although the experience in South Asia has been instructive as well (Timmer 2000).

Growth Good – Heg

Growth key to heg - empirics prove

Pietroburgo ‘9

(Anthony Pietroburgo, Political Scientist, April 15 2009, “The End of American Hegemony”, <http://ezinearticles.com/?The-End-of-American-Hegemony&id=2207395>)

However we can learn from past hegemonic states, all of which, withered away with time just as the American one is currently in the process of doing. Great Britain was perhaps the last true hegemon before that of the United States. Back in 1890 the collapse of their empire had just began. David A. Lake's research on the issue is work that should be greatly analyzed due to the illustrious similarities between the British recession in to retirement and the United States' as well. For much of the 19th century Great Britain was dominating in the same fields as the U.S. did so in the 1950's through the late 1970's. Soon in the later 1800's The United States and Germany moved to a protectionist system to plant their economic seeds and soon after were surpassing British industries and abilities. The industrial base of Great Britain crumbled and forced them to invest heavily in the service, shipping and insurance sectors of the economy just to break-even when concerning their balance of payment statistics. For the time being the British were able to carry on with the pound as the dominant world currency. The frail system was already on the thinnest of ice, when WWI confounded the weak British economy (Lake 122). At the time of Great Britain's reign of power they also pursued operations to completely open up and liberalize the world economy. This did lead to substantial brief economic abundance but eventually the struggles of remaining a strong enough power to be considered an absolute hegemon wore off. Hegemonic powers are only sustainable during periods of constant economic growth. When growth is no longer the complete and utter status of the hegemony's economic functionality the power ceases to be consistent. We see this to be the case with Great Britain, as other world powers emerged and caught up in terms of economic status and influence, British power that was exerted was much more explicit and coercive, just like it was during the American hegemonic era under President Nixon (Lake 121).

**Economic growth is key to heg — Empirics prove**

Pietroburgo 9 (Anthony, Political Scientist, “The End of American Hegemony,” April 10, 2009, http://ezinearticles.com/?The-End-of-American-Hegemony&id=2207395: Ad 7-6-9)

However we can learn from past hegemonic states, all of which, withered away with time just as the American one is currently in the process of doing. Great Britain was perhaps the last true hegemon before that of the United States. Back in 1890 the collapse of their empire had just began. David A. Lake's research on the issue is work that should be greatly analyzed due to the illustrious similarities between the British recession in to retirement and the United States' as well. For much of the 19th century Great Britain was dominating in the same fields as the U.S. did so in the 1950's through the late 1970's. Soon in the later 1800's The United States and Germany moved to a protectionist system to plant their economic seeds and soon after were surpassing British industries and abilities. The industrial base of Great Britain crumbled and forced them to invest heavily in the service, shipping and insurance sectors of the economy just to break-even when concerning their balance of payment statistics. For the time being the British were able to carry on with the pound as the dominant world currency. The frail system was already on the thinnest of ice, when WWI confounded the weak British economy (Lake 122). At the time of Great Britain's reign of power they also pursued operations to completely open up and liberalize the world economy. This did lead to substantial brief economic abundance but eventually the struggles of remaining a strong enough power to be considered an absolute hegemon wore off. Hegemonic powers are only sustainable during periods of constant economic growth. When growth is no longer the complete and utter status of the hegemony's economic functionality the power ceases to be consistent. We see this to be the case with Great Britain, as other world powers emerged and caught up in terms of economic status and influence, British power that was exerted was much more explicit and coercive, just like it was during the American hegemonic era under President Nixon (Lake 121). It is safe to say that the U.S. is headed down the same path that will eventually end up being the ultimate de-throning of the American empire and it's hegemonic capabilities. If you think back to all the complications that the United States is experiencing in this very moment concerning obvious financial difficulties and others in the areas of education, technological innovation and healthcare respectively. Other nations have clearly started their own catch up phase and are impeding on American power as we speak. The irony between the situations leading up to the collapse of the British hegemonic state and the current burdens that are being placed upon a contemptuous American hegemon are too similar for coincidence. It took the disaster of WWI to finally destabilize the British hegemon and the United States is one major crisis away from experiencing the same fate (Bartilow Lecture).

Growth Good – HIV/AIDS

Economic growth key to fight aids/hiv

Tren ‘02

(Richard Tren, Richard Tren is Director of Africa Fighting Malaria, an analyst for the Free Market Foundation, and a Research Fellow of the Environment Unit at the Institute of Economic Affairs, 11/28/02, “Economic growth key to tackling AIDS”, http://www.europeanvoice.com/article/imported/economic-growth-key-to-tackling-aids/46159.aspx)

PEOPLE with HIV/AIDS are dying in vast numbers in Botswana, Uganda, Zimbabwe, Namibia and Mozambique – denied treatment because of appalling levels of poverty, a complete lack of health infrastructure, prejudice, ignorance and stigmatisation. This was the overwhelming message of presentations at Botswana's recent ‘Hands Across the Divide' health conference. Drug patents and drug prices, which were barely mentioned, have little impact when governments lack the political will to address the problem. But though the situation seems bleak, there is cause for much hope, and it comes in part from the drug companies that have been accused of denying people access to drugs.
Indeed, at a mini-ministerial for the World Trade Organization (WTO) in Australia at the very same time, trade ministers from 25 developed and developing countries seemed intent on blaming pharmaceutical companies for the current crisis. They view efforts to allow poor countries to import generic versions of any drug, in violation of intellectual property rights, as essential to combating disease in the developing world and critical if the ‘development round' of trade talks begun in Doha last November is to succeed. They are wrong on both counts. How can countries build successful programmes to combat AIDS and other diseases? There is no simple answer, but Botswana offers an encouraging example of what works: a combination of essential government infrastructure, access to drugs, and adequate funding.With more than 30% of its adult population living with HIV/AIDS, Botswana's government launched the African Comprehensive HIV/AIDS Partnership, an ambitious anti-retroviral treatment programme in partnership with the Bill and Melinda Gates Foundation and the US drugs giant, Merck. The Gates Foundation and Merck are both providing $50 million over the next five years and Merck is providing free anti-retroviral therapies. Though only 2,200 people are currently enrolled in the programme, it will have the capacity to treat almost 100,000 people. This contrasts with the failure of programmes in Zimbabwe and Nigeria, which shows that patent protection is not the problem. Activists hailed Zimbabwe for its decision to declare an AIDS emergency six months ago, which would have allowed the importation of generic versions of patented AIDS drugs. Thanks to years of misrule and corruption, however, Zimbabwe simply does not have the financial resources to purchase any drugs, patented or generic.The German drugs company Boehringer Ingelheim has tried to give Zimbabwe free HIV/AIDS drugs for some time with negligible government response. The problem seems to be that the health infrastructure is unable to deliver any form of anti-retroviral treatment.If a country can't even afford to accept free donations of drugs, it seems unlikely that they could purchase generic copies of the same drugs. It's easier to blame and shame corporations than corrupt governments. Undermining the rights of the rich western drug companies through the emergency provisions was a display of power that did nothing to change the dire realities of the situation.Anyone who still believes that the solution to the drug access problem lies in generic medicines should simply look at India. The country has over 22,000 producers of generic drugs, yet it is widely estimated that only 1% of those that need anti-retroviral therapies actually get them. India has no system of drug patenting, and yet for all diseases, the UN development programme estimates that only 30% of the population has access to essential drugs.Cut-price drugs from India or elsewhere cannot build the essential health infrastructure. Only economic growth and development can do that.

Growth Good – Poverty

Economic growth reduces poverty

Roemer & Gugerty ’97

(Michael Reomer, Harvard Institute for International Development Writer, Mary Kay Gugerty, PhD associate professor of Public Affairs at Harvard University, March 1997, “DOES ECONOMIC GROWTH REDUCE POVERTY?”, http://pdf.usaid.gov/pdf\_docs/PNACA656.pdf)

The study examines the question of whether economic growth tends to reduce poverty, where poverty is measured by the incomes of the poorest 20% and 40% of a population. Using the most recent data available, the paper shows that an increase in the rate of GDP growth translates into a direct one-for-one increase in the rate of growth of average incomes of the poorest 40%. GDP growth of ten percent per year is associated with income growth of ten percent for the poorest 40% of the population. For the poorest 20% the elasticity of response is 0.921; GDP growth of 10% is associated with income growth of 9.21%. These results give strong support to the proposition that growth in per capita GDP can be and usually is a powerful force in reducing poverty.

Economic growth correlates to large decreases in poverty

Romer and Gugerty 97

DOES ECONOMIC GROWTH REDUCE POVERTY? Technical Paper Michael Roemer and Mary Kay Gugerty Harvard Institute for International Development March 1997 <http://pdf.usaid.gov/pdf_docs/PNACA656.pdf>

Even early studies found that increases in poverty and economic growth were a very exceptional combination. A 1979 study of 12 growth periods in various countries found no increase in poverty and the real per capita income of the poorest 20% rose in every period of growth. A more recent study by Fields (1989) indicates that of 18 countries with data on poverty over time, in only one case was economic growth not accompanied by a fall in poverty. Moreover, Fields found that more rapid economic growth tends to bring greater declines in poverty. While this preliminary evidence was encouraging, more conclusive results were precluded by the lack of data. In 1996, however, a new database was compiled by Klaus Deininger and Lyn Squire at the World Bank. This database contains the most comprehensive data that exist on income distribution across countries. The data cover 58 countries, beginning in 1960, and for each country give the distribution of income by quintile. In compiling the database, every effort was made to ensure that only reasonably high quality data based on comprehensive household surveys were included. Of the 58 countries included in the database, 26 are developing countries. The database makes it possible for the first time to test propositions about the Kuznets curve and the relationship between growth and poverty over time. We used the Deininger-Squire data set to identify 61 intervals, covering 26 developing countries, for which growth in national average and quintile incomes could be identified. We used relatively restrictive criteria in defining our sample: intervals should be at least 5 years in length, but as long as a decade if possible, and based on consistently defined household surveys. Our aim in this study was to measure the growth of average income for both the poorest 20% and the poorest 40% of the population, then to compare these to the growth of GDP per capita. For example, to calculate the growth in income for the poorest 20% of the population we took the share of income held by the poorest 20% and used the level of GDP for each year to calculate the dollar amount of income held by the poor. The GDP figures were taken from the Summers and Heston Penn World Tables, which calculates a cross-nationally comparable GDP, adjusted for differences in purchasing power in different countries. The data and the calculations used to derive them are given in Appendix A. From these calculations, we regressed the growth of income for the poorest two groups against the growth of GDP per capita for the entire population. The results are summarized in Table 4 and in Figures 3 and 4 below. Larger versions of these figures are given in Appendix B. The regressions reported in Table 4 show that an increase in the rate of per capita GDP growth translates into a one-for-one increase in average income of the poorest 40%. GDP growth of 10% per year is associated with income growth of 10% for the poorest 40% of the population. For the poorest 20% the elasticity of response is 0.921; GDP growth of 10% is associated with income growth of 9.21%. These regressions indicate that on average the poor do benefit from economic growth. Figure 3 shows the data for the poorest 20% of the population and indicates that there is a clear relationship between growth of the incomes of the bottom 20% and growth in GDP per capita. All the data points in the upper right quadrant are examples of periods where economic growth increased the incomes of the poorest 20%. The cases where increases in per capita GDP were accompanied by decreases in the income of the bottom 20%, are located in the bottom right quadrant and are discussed below. In the vast majority of cases, economic growth is accompanied by a reduction of poverty, as indicated by the large number of observations in the upper right hand quadrant of the graph.

Growth Good – Terrorism

Growth solves terrorism-theoretically and empirically

Gries et al ’09

(Thomas Gries, University of Paderborn, Department of Economics, February 17 2009, “Causal Linkages Between Domestic Terrorism and Economic Growth”, http://groups.uni-paderborn.de/fiwi/RePEc/Working%20Paper%20neutral/WP20%20-%202009-02.pdf)

Economic theory argues that terrorists are rational individuals which choose their levels of violent activity according to the costs and benefits arising from their actions (cf., e.g., Sandler and Enders, 2004). Because of terrorists presumed rationality, the opportunity costs of terror also matter. Intuitively, low opportunity costs of violence that is, few prospects of economic activity lead to elevated terrorist activity, whereas high opportunity costs result in the opposite (cf., e.g., Freytag et al., 2008). Times of economic success mean, inter alia, more individual economic opportunities and economic participation. Higher levels of overall growth should coincide with higher opportunity costs of terror and thus less violence. Conversely, in periods of economic downturn should be accompanied by fewer economic opportunities and participation and thus by more economic dissatisfaction. In times of economic crisis, dissidents are more likely to resort to violence as the opportunity costs of terror are low, while the potential long-run payoffs from violence ñ a redistribution of scarce economic resources which is to be enforced by means of terrorism are comparatively high (cf. Blomberg, Hess and Weerapana, 2004). To some extent, empirical evidence suggests that economic performance and terrorism are linked along the lines discussed before. The Endings of Collier and Hoeer (1998) indicate that higher levels of economic development coincide with lower likelihoods of civil war, providing initial evidence that economic success and conáict are diametrically opposed. Considering economic development and terrorism, several studies Önd that higher levels of development are obstacles to the production of transnational terrorism (cf., e.g., Santos Bravo and Mendes Dias, 2006; Lai, 2007; Freytag et al., 2008). Blomberg and Hess (2008) also Önd that higher incomes are a strong deterrence to the genesis of domestic terrorism. Furthermore, there is evidence connecting solid short-run economic conditions with less political violence (cf. Muller and Weede, 1990; Freytag et al., 2008). In general, the evidence indicates that terrorism and economic conditions are linked. Here, economic success seems to impede the genesis of terrorism, presumably due to higher opportunity costs of conáict. In other words, in times of stronger economic performance individuals simply have more to lose.

Growth Good – War

Growth solves global conflict

Marquardt, 5

(Michael J. Marquardt, Professor of Human Resource Development and International Affairs at George Washington University, “Globalization: The Pathway to Prosperity, Freedom and Peace,” Human Resource Development International, March 2005, Volume 8, Number 1, pg. 127-129, http://org8220renner.alliant.wikispaces.net/file/view/Marquardt.pdf)

Perhaps the greatest value of globalization is its potential for creating a world of peace. Economic growth has been identiﬁed as one of the strongest forces that turn people away from conﬂict and wars among groups, tribes, and nations. Global companies strongly discourage governments from warring against countries in which they have investments. Focusing on economic growth encourages cooperation and living in relative peace (Marquardt, 2001, 2002)

Wealth prevents wars from occurring- liberal economics prove

Gat, professor of national security in the Department of Political Scence at Tel Aviv University, 2005 (“The Democratic Peace Theory Reframed”, *World Politics*, Project Muse)

Throughout history, rising prosperity has been associated with decreasing willingness to endure the hardships of war. Freedom from manual labor and luxurious living conditions achieved by the rich in prosperous premodern societies conflicted with the physical hardship of campaigning and life in the field, which thereby became more alien and unappealing. As the industrial-technological age unfolded and wealth per capita rose exponentially, the wealth, comfort, and other amenities formerly enjoyed by only the privileged elite spread throughout society. Thus, increasing wealth has worked to decrease war not only through the modern logic of expanding manufacturing and trading interdependence but also through the traditional logic that affluence and comfort affect society's willingness to endure hardship. Because new heights of affluence and comfort have been achieved in the developed world in the post–World War II era, when practically all the world's affluent countries have been democracies, it is difficult to distinguish the effects of comfort from those of democracy in diminishing belligerency. Obviously, as already noted, the two factors have to some degree been interrelated.¶ It is difficult for people in today's liberal, affluent, and secure societies to visualize how life was for their forefathers only a few generations earlier and largely still is in poor countries. Angst may have replaced fear and physical pain in modern societies; yet, without diminishing the merits of traditional society or ignoring the stresses and problems of modernity, this change has been nothing short of revolutionary. People in premodern societies struggled to survive in the most elemental sense. The overwhelming majority of them endured a lifetime of hard physical labor to escape hunger, from which they were never secure. The tragedy of orphanage, of child mortality, of premature death of a spouse, and of early death in general was an inescapable fact of life. People of all ages were afflicted with illness, disability, and physical pain, for which no effective remedies existed. Even where state rule prevailed, violent conflict between neighbors was a regular occurrence and, [End Page 89] therefore, an ever-present possibility, putting a premium on physical strength, toughness, honor, and a reputation for all of these. Hardship and tragedy tended to harden people and make them fatalistic. In this context, the suffering and death associated with war were endured as just another nature-like affliction, together with Malthus's other grim reapers: famine and disease.¶ By comparison, by contrast even, life changed dramatically in affluent liberal societies. The decline of physical labor has already been mentioned. Hunger and want were replaced by societies of plenty, where food, the most basic of needs, became available practically without limit, with overweight rather than starvation becoming a major problem, even and, indeed, sometimes especially, among the poor. Infant mortality fell to roughly one-twentieth of its rate during preindustrial times. Annual general mortality declined from around thirty per thousand people to between seven and ten per thousand.34 Infectious diseases, the number one killer of the past, were mostly rendered nonlethal by improved hygiene, vaccinations, and antibiotics. Countless bodily irritations and disabilities—deteriorating eyesight, bad teeth, skin disease, hernia—that used to be an integral part of life, were alleviated by medication, medical instruments, and surgery. Anesthetics and other drugs, from painkillers to Viagra, dramatically improved the quality of life. People in the developed world live in well-heated and air-conditioned homes, equipped with all manner of electrical appliances. They have indoor bathrooms and lavatories. They wash daily and change clothes as often. They drive rather than walk. They are flooded with popular media entertainment with which to occupy their spare time. They take vacations in faraway places. They embrace "postmodern," "postmaterialistic" values that emphasize individual self-fulfillment. In an orderly and comfortable society, rough conduct in social dealings decreases, while civility, peaceful argument, and humor become the norm. Men are more able to "connect to their feminine side." Whereas children and youth used to be physically disciplined by their parents and fought among themselves at school, on the playground, and in the street, they now encounter a general social abhorrence of violence. Social expectations and psychological sensitivity have risen as dramatically as these changes. People in affluent liberal societies expect to live, to control their lives, and to enjoy life rather than merely endure it, with war scarcely fitting into their life plan.

Growth Good – Warming

Growth solves warming- innovation and development

Bowman, head of research at the Adam Smith Institute, 2010 (Sam, October 14, “Economic growth will deliver us from the pessimism of WWF predictions”, http://www.telegraph.co.uk/earth/earthcomment/8064274/Economic-growth-will-deliver-us-from-the-pessimism-of-WWF-predictions.html)

The WWF says that humans are using more natural resources than the world can sustain, and that during this century resources will dwindle, harming biodiversity and the environment. This could not be more wrong.¶ The campaigning organisation has committed the zero-sum fallacy of thinking that one person’s gain can only be at the expense of somebody else. It has assumed that humans can only become rich by using natural resources – taking a share of the Earth’s pie to the cost of other species, so to speak. In fact, human progress has come from a smarter use of, and less reliance on, raw materials.¶ Economic growth comes in large part from being smarter about how we use the scarce resources available to us. This is achieved through human ingenuity, which the environmental economist Julian Simon called the "ultimate resource", and it is growing exponentially.¶ The sharpest declines in biodiversity since the 1960s, according to the WWF, have occurred in low-income countries. Incredibly, they blame the carbon emissions of high-income countries for this, and suggest that forced limits on carbon emissions are the way to better living standards.¶ It is partially correct in blaming carbon emissions on wealth: the world’s carbon footprint in prehistoric times was admittedly very small. And, no doubt, biodiversity was very high then too. But human living standards were miserable, and this should matter.¶ The way to promote biodiversity and reduce carbon emissions is not to retard economic growth but to encourage it. Tourism from wealthy countries has allowed countries like Kenya to afford wildlife preserves, and foreign investment and consumption is what allows the developing world to grow economically. Without this growth, luxuries like clean air will, for poor countries, remain unaffordable.

\*A2 Growth Bad

Sustainability → Transition War

**Transition to a sustainable economy causes world war**

Alier et al 09 (Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

When these above topics are related to resource availability and use, the overall question of the sustainable character of the present market economy has to be reviewed. Indeed the market economy with its monetary structure is not sustainable and destroys the world wide ecosystem of which humankind is apart of. The conviction is alive among leaders that the world society finds itself in an economic and environmental -global warming- transition phase. This is certainly true, however in which direction the transition is moving, is not made clear enough to the public. When a market economy is environmentally destructive by definition, then a new one has to be defined and applied. Some thinkers have proposed different economic systems: green economy, eco-social economy, social enterprise system and other. All contain valuable elements which would improve the present system. However, the question remains if the elements taken together, are sufficient to lead to a fundamental transition. The present crisis is frequently designated as an extraordinary opportunity for bringing about a fundamental change. This an optimistic vision. It would be a historical landmark, that an immense transition as this one, would take place without a major world conflict.

De-Dev × Enviro

**Dedev causes massive death toll and environmental harm**

Rubin 8

(Dani Rubin, Earth Editor for PEJ News, January 8, 2008, “Beyond Post-Apocalyptic Eco-,” http://www.pej.org/html/modules.php?op=modload&name=News&file=article&sid=7133&mode=thread&order=0&thold=0.)

Unlike twenty-five years ago, people are now publicly, saying that our global civilization is a disease and that mankind is a plague, a planetary scourge. I admit that I find these sorts of metaphors alluring. There is finality, a sense of epistemological certainty in the notion that our species is cancerous due to its avaricious proclivities. It does seem that we are busily destroying the Garden of Eden. But this metaphor is incomplete, as are many metaphors. â€œWhat are we? Monsters, machines, animals, angels, humans...?â€ Of course, these are all possible answers, varied and complex patterns lurk in our self-definition. For me the best answer is, â€œ We are the part of Nature that has forgotten that we are a part of nature.â€ (Some might say that we are in â€˜complete denial.) We fool ourselves. No matter how man-made our immediate environs, we are still a part of nature “ deeply and richly so. We are a part of the pageant of life, and as I said at the start, I love life. We are part of an extraordinary flowering in the universe. Unlike twenty-five years ago, increasingly, people are adopting the anarcho-apocalyptic, civilization-must-fall-to-save-the-world attitude. It is a fairly clean and tight worldview, zealously bulletproof, and it scares me. I want the natural world, the greater community of life beyond our species, with all its beautiful and terrifying manifestations, and its vibrant landscapes to survive intact “ I think about this a lot. A quick collapse of global civilization, will almost certainly lead to greater explosive damage to the biosphere, than a mediated slower meltdown. When one envisions the collapse of global society, one is not discussing the demise of an ancient Greek city-state, or even the abandonment of an empire like the Mayans. The end of our global civilization would not only result in the death of six billion humans, just wiping natures slate clean. We also have something like 5,000 nuclear facilities spread across the planets surface. And this is just one obvious and straightforward fact cutting across new radical arguments in favor of a quick fall. We have inserted ourselves into the web of life on planet Earth, into its interstitial fibers, over the last 500 years. We are now a big part of the worlds dynamic biological equation set “ its checks and balances. If we get a œfever and fall into social chaos, even just considering our non-nuclear toys laying about, the damage will be profound. It will be much more devastating than our new visionaries of post-apocalyptic paradise have prophesized. If one expands upon current examples of social chaos that we already see, like Afghanistan or Darfur, extrapolating them across the globe, encompassing Europe, Asia, North and South America, and elsewhere, then one can easily imagine desperate outcomes where nature is sacrificed wholesale in vain attempts to rescue human life. The outcomes would be beyond ugly; they would be horrific and enduring. That is why I cannot accept this new wave of puritanical anarcho-apocalyptic theology. The end-point of a quick collapse is quite likely to resemble the landscape of Mars, or even perhaps the Moon. I love life. I do not want the Earth turned barren. I think that those who are dreaming of a world returned to its wilderness state are lovely, naive romantics “ dangerous ones. Imagine 100 Chernobyls spewing indelible death. Imagine a landscape over-run with desperate and starving humans, wiping out one ecosystem after another. Imagine endless tribal wars where there are no restraints on the use of chemical and biological weapons. Imagine a failing industrial infrastructure seeping massive quantities of deadly toxins into the air, water and soil. This is not a picture of primitive liberation, of happy post-civilized life working the organic farm on Salt Spring Island. I agree that we must change our ways. We desperately need to change our ways. Our global society is exploitative, unsustainable, and abuses the biosphere. We are in big trouble. However, coping out by calling for a hastened end to civilization is suicidal, and like all suicides, it does not fully consider what comes after “ it is marked by a surplus of self-absorbed willfulness and a short-fall of thoughtful consideration. There is, however, a more reasonable sub-strain of eco-apocalyptic that makes a truly heartfelt argument: The End is coming anyway. If we hasten it, we may save species x that is currently on the verge of extinction. We should accept that our species is doomed. Must we take everything down with us in a long, slow death? I find this rhetoric particularly appealing because it awakens deep personal notions of romantic heroism in me. These are noble, caring thoughts. Unfortunately, life just isnt quite so simple. Sure a quick crash might save a couple of emblematic species from extinction, for a while, but the near certain trade-off would be the desertification of whole continental areas of the planet, wiping out thousands of complete ecosystems.

De-Dev → Transition Wars

Collapse causes massive transition wars

Panzner 8 (Michael J. Panzner, faculty at the New York Institute of Finance, 25-year veteran of the global stock, bond, and currency markets who has worked in New York and London for HSBC, Soros Funds, ABN Amro, Dresdner Bank, and JPMorgan Chase, 2008, “Financial Armageddon: Protect Your Future from Economic Collapse”, Revised and Updated Edition, p. 136-138)

Many will wonder whether the United States might renege on some of its fi nancial obligations or even declare an outright default on its once AAA securities. Likely adding to a widespread sense of panic will be the exodus from an array of global fi at currencies into gold, silver, property, and other tangible assets, which can hold their value in a world of government fi nances run amok. Needless to say, systemic fi nancial pressures and domino-like bank failures will make preservation of capital the utmost concern. Rising angst will also wreak havoc with links among markets, fi nancial systems, economies, and countries. Many people could fi nd themselves subject to stricter government controls or even fi nd avenues closed off as a result of attempts to stem contagion effects. The widespread urge to withdraw will feed rising xenophobia, already infl amed by illegal immigration, unfair trade practices, and leaking borders. Playing to populist sentiment, politicians around the country will respond enthusiastically to calls for restrictions on foreigners. This will further feed a brain drain, as scientists, students, and other temporary visa holders are left with little choice but to uproot and go elsewhere, further sapping America’s economic resiliency. Continuing calls for curbs on the fl ow of fi nance and trade will inspire the United States and other nations to spew forth protectionist legislation like the notorious Smoot-Hawley bill. Introduced at the start of the Great Depression, it triggered a series of tit-for-tat economic responses, which many commentators believe helped turn a serious economic downturn into a prolonged and devastating global disaster. But if history is any guide, those lessons will have been long forgotten during the next collapse. Eventually, fed by a mood of desperation and growing public anger, restrictions on trade, fi nance, investment, and immigration will almost certainly intensify. Authorities and ordinary citizens will likely scrutinize the cross-border movement of Americans and outsiders alike, and lawmakers may even call for a general crackdown on nonessential travel. Meanwhile, many nations will make transporting or sending funds to other countries exceedingly diffi cult. As desperate offi cials try to limit the fallout from decades of ill-conceived, corrupt, and reckless policies, they will introduce controls on foreign exchange. Foreign individuals and companies seeking to acquire certain American infrastructure assets, or trying to buy property and other assets on the cheap thanks to a rapidly depreciating dollar, will be stymied by limits on investment by noncitizens. Those efforts will cause spasms to ripple across economies and markets, disrupting global payment, settlement, and clearing mechanisms. All of this will, of course, continue to undermine business confi - dence and consumer spending. In a world of lockouts and lockdowns, any link that transmits systemic fi nancial pressures across markets through arbitrage or portfolio-based risk management, or that allows diseases to be easily spread from one country to the next by tourists and wildlife, or that otherwise facilitates unwelcome exchanges of any kind will be viewed with suspicion and dealt with accordingly. The rise in isolationism and protectionism will bring about ever more heated arguments and dangerous confrontations over shared sources of oil, gas, and other key commodities as well as factors of production that must, out of necessity, be acquired from less-than-friendly nations. Whether involving raw materials used in strategic industries or basic necessities such as food, water, and energy, efforts to secure adequate supplies will take increasing precedence in a world where demand seems constantly out of kilter with supply. Disputes over the misuse, overuse, and pollution of the environment and natural resources will become more commonplace. Around the world, such tensions will give rise to fullscale military encounters, often with minimal provocation. In some instances, economic conditions will serve as a convenient pretext for confl icts that stem from cultural and religious differences. Alternatively, nations may look to divert attention away from domestic problems by channeling frustration and populist sentiment toward other countries and cultures. Enabled by cheap technology and the waning threat of American retribution, terrorist groups will likely boost the frequency and scale of their horrifying attacks, bringing the threat of random violence to a whole new level. Turbulent conditions will encourage aggressive saber rattling and interdictions by rogue nations running amok. Age-old clashes will also take on a new, more heated sense of urgency. China will likely assume an increasingly belligerent posture toward Taiwan, while Iran may embark on overt colonization of its neighbors in the Mideast. Israel, for its part, may look to draw a dwindling list of allies from around the world into a growing number of confl icts. Some observers, like John Mearsheimer, a political scientist at the University of Chicago, have even speculated that an “intense confrontation” between the United States and China is “inevitable” at some point. More than a few disputes will turn out to be almost wholly ideological. Growing cultural and religious differences will be transformed from wars of words to battles soaked in blood. Long-simmering resentments could also degenerate quickly, spurring the basest of human instincts and triggering genocidal acts. Terrorists employing biological or nuclear weapons will vie with conventional forces using jets, cruise missiles, and bunker-busting bombs to cause widespread destruction. Many will interpret stepped-up confl icts between Muslims and Western societies as the beginnings of a new world war.

A2 Steady-State Economy

Steady-state economy fails- only economic growth leads to stability

Hayward et al 2000

(Steven Hayward, Director of the center for environmental and regulatory reform at the Pacific Research Institute in San Francisco. He holds a Ph.D. in American studies, April 4, 2000, “The Relationship between Economic Growth and Sustainability”, http://www.mackinac.org/2841)

Scientists can point to favorable trends in resource bases, increasing efficiencies of production, and falling amounts of pollution, reaching the conclusion that we are on the way to achieving, if not already achieving, Daly's definition. Yet Daly and many others take a dimmer view, arguing that the imperative of sustainable development requires "steady state" economics, which would include zero population growth, centralized command of natural resources, and controls on individual incomes and personal wealth. Some economists have called Daly's "steady state" idea "a return to a regulated caveman culture."66 His view throws a spotlight on the implication some have drawn that economic growth itself is unsustainable and should be stopped or drastically curtailed.67 The most stark expression of this view is found in Paul and Anne Ehrlich's equation for human environmental impact, I = P x A x T where I = environmental impact, P = population, A = affluence, and T = technology.   In other words, any increases in population, wealth, and technology are inherently damaging to the environment, no matter what mitigating measures are possible. It is a schematic for the most extreme pessimism and would require wholesale transformation of human society and political institutions if it were made the basis of policy. Indur Goklany offers an elegant and compelling refutation of the Ehrlichs' equation, and in the process explains why the signs point to a sustainable future.68 The most significant flaw is the assumption that population, affluence, and technology are wholly independent factors with no relation to each other. To the contrary, these three factors are highly interdependent, mostly in favorable ways. Rising affluence, for example, cuts fertility rates. The richest nations of the world have negative fertility rates and falling populations, a condition that would be true of the United States in the absence of high rates of immigration. The world fertility rate has fallen by nearly half since 1960, from 5.58 to 2.75, and with it the global rate of population growth, from 2.07 percent in 1967 to 1.33 percent in 1998. The stabilization of world population can be expected as the rest of the world grows more affluent. The environmental impact of technology is exactly backward from what the Ehrlichs' equation suggests. The amount of energy used and pollution emitted per dollar of economic activity has been falling for as long as reliable long-term data exist. In the United States, energy intensity has been falling by one percent per year since 1800. That is, it takes one percent less energy each year to produce the same amount of goods. Goklany has examined specific air pollutants in the United States, finding, for example, that a dollar of economic activity today generates only .084 times as much sulfur dioxide emissions as a dollar of economic activity in 1900. In other words, changing technology has delivered a more than tenfold reduction in SO2pollution per unit of economic output in the twentieth century. Other pollutants show even larger declines—30-fold for volatile organic compounds and particulates, and 100-fold for lead. This trends means, among other things, that today's worldwide carbon emissions are nearly 60 less than what they would have been were we still using 1950 technology. As developing nations become wealthier, we can expect to see a convergence of environmental performance that approaches the progress of the United States and other western nations. An example of what this convergence should look like can be seen in Chart 32 which shows sulfur dioxide trends in the U.S. and some of the eastern European nations that have embraced market economies in the last decade. Goklany's conclusion is worth quoting at length: The future could see a world in which the population has stabilized, is richer, cleaner, and with room for both humanity and the rest of nature, or one which is more populated, poor and polluted and where the rest of nature is pinched for space and water. The odds of the former are increased by bolstering the co-evolving, mutually reinforcing forces of economic growth, technology, and trade by strengthening the institutions that are their mainstays.

A2 Resource scarcity

Tech innovation and resource substitution solves scarcity – green revolution and oil crisis prove

Eastin et al 10 ( Josh Eastin Department of Political Science, 101 Gowen Hall, Box 353530, University of Washington, Seattle. Reiner Grundmann Sociology and Public Policy, Aston University, School of Languages and Social Sciences, Aseem Prakash Department of Political Science, 39 Gowen Hall, Box 353530, University of Washington, Seattle, WA 98195-3530, USA, The two limits debates: ‘‘Limits to Growth’’ and climate change http://www2.lse.ac.uk/researchAndExpertise/units/mackinder/pdf/Futures\_LtG-CC\_2010.pdf

Arguably, the Limits to Growth report insufﬁciently recognized or factored in the human capacity for technological innovation. Technological innovation and market forces can, at least partially, mitigate resource scarcity by facilitating resource substitution. This argument was made by a host of scholars shortly following the publication of LtG, notably Julian Simon [21] and Herman Kahn [22] (see also [23]). The food crisis in some parts of the world was averted by the ‘‘green revolution’’ that entailed the introduction of new technology (high yielding varieties of seeds coupled with the systematic application of pesticides, fertilizers and irrigation), and policy changes (e.g. altering terms of trade between rural and urban areas). If the current food crisis persists, it would be interesting to see if it leads to investment in the development of ‘‘second wave’’ of green revolution technologies (or the third wave if genetically engineered crops are to be labeled as the second wave). The oil crises of 1973 and 1979 illustrated that exogenous shocks on primary resource availability can spur the development of new resources and technologies. Although these ‘‘solutions’’ deferred issues of resource depletion into the (then) future (and our present), the broader lesson is that under certain conditions, human ingenuity and adaptability, often mediated through governmental intervention, can alter patterns of consumption and production, at least at the margins. In this capacity, the social, political, and economic dimensions of human response need to be anticipated, and if possible, accounted for in making predictions about resource scarcity. However, despite the importance of anticipating public responses to resource price changes, as Kempton et al. point out, it is puzzling that the public does not take greater advantage of cost savings through energy conservation, even in the face of governmental efforts to promote cost savings through energy conservation [59].

A2 Transition

**Transition will fail – No institutions on board**

Alier et al 09 (Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

Here are examples of policies that could be introduced in order to support the positive initiatives on the local level: collective reduction of purchasing power for natural resources (including redistribution) through virtual economy exit, monetary degrowth & localizing; reduction of speed limits, 3-days working week, reducing shop opening hours; reducing extractive tools, material certificates, mineral and biological sanctuaries; reducing infrastructure to produce and consume, reducing roads, road capacity, airports, industrial production, and favoring local economy to international trade; institutionalization of more common goods & public spaces; limits to advertising, and internalizations; basic income, valuing unpaid work, reduction of inequalities of salaries, maximum income, non recognition of fiscal paradise credits; better quality, social, environmental standards. Solving problems from the local level is deemed to fail if the institutions do not support the process in some way. This is especially relevant in a time of crisis when people experience a reduction in consumption, car and energy use. Support of policy makers about that should be therefore provided.

\*Growth Bad

**Biodiversity and ecosystems are failing fast – economic growth is the main driver**

Rosales 8

(JON ROSALES Department of Environmental Studies, St. Lawrence University, Economic Growth, Climate Change, Biodiversity Loss: Distributive Justice for the Global North and South, June 2008, http://s3.amazonaws.com/files.posterous.com/forestpolicy/eDT7wRWCEQSEHeQ5LLs3zInpcaF1Z3S95N7s0Zy6YApP92BwU5HO1rL6R07Q/Rosales\_2008.\_Growth\_vs\_Biodiv.pdf?AWSAccessKeyId=AKIAJFZAE65UYRT34AOQ&Expires=1342790692&Signature=pYzFramyxntf9DPVkc3uKIoRlps%3D)

In their Fourth Assessment Report the IPCC compiles and assesses climate-change literature from 1970 to 2005. Regarding biodiversity, they affirm, “recent warming is already strongly affecting natural biological systems” (IPCC 2007a). Observed changes in terrestrial systems include shifting species ranges, in particular poleward and elevational range shifts; increased wildfire risk; and phenological changes in species, such as timing of growth and migration, length of growing season, and changes in abundance (IPCC 2007a). Changes have also been observed in aquatic systems, including phenological Conservation Biology Volume 22, No. 6, 2008 changes in species; poleward shifts in the range of species (plankton have moved 10 ◦ north in the last 40 years); coral bleaching; and, perhaps most disturbingly, ocean acidification that has affected corals, plankton, and benthic marine organisms (IPCC 2007a). Ocean pH has declined by an average of 0.1 units since 1750 (IPCC 2007a). The full ramifications of ocean acidification are unknown. Similar effects have been observed in lakes and rivers (IPCC 2007a). Of the 28,671 observed biological changes reviewed by the IPCC, 90% are consistent with what one would expect to see with global warming (IPCC 2007a). The projected impacts on biodiversity are even more troubling. The most vulnerable terrestrial ecosystems— tundra, boreal forest, mountain, and Mediterranean-type ecosystems; mangroves and salt marshes; coral reefs and sea ice biomes—are virtually certain (>99% probability) to experience “severe” impacts (IPCC 2007a). Endemic species are the most vulnerable. Some species and communities will benefit from increasing net primary productivity in systems (e.g., savannas, species-poor deserts in some regions), but ecosystems are unlikely to be able to adapt by 2100 to atmospheric CO2 levels higher than any time in the last 650,000 years and to temperatures higher than in the last 740,000 years (IPCC 2007a). These conditions will be “characterized by threshold-type responses, many irreversible on time-scales relevant to human society, such as biodiversity loss through extinction, disruption of species’ ecological interactions, and major changes in ecosystem structure and disturbance regimes” (IPCC 2007a). Overall, the IPCC states with high confidence (80% chance) that there will be up to a 30% increase in risk of extinction with 1 ◦ C warming and more than 40% extinction with 4 ◦ C warming (IPCC 2007a). Economic growth drives climate change, and attendant biodiversity loss, and the rate at which it does so increases with size of the economy. Producing a dollar’s worth of goods or services in the United States yields, on average, 0.36 kg of CO2e (all GHGs weighted for their global warming potential compared with CO2) at the site of production and 0.83 kg when supply-chain emissions are included (Suh 2006). According to Canadell et al. (2007), economic growth accounts for approximately 65% of the increase in GHGs in the atmosphere (17% of which comes from an increase in carbon intensity and ∼18% of which comes from decreased environmental sink efficiency). Growth rates in CO2 emissions increased from 1.3%/year in the 1990s to 3.3%/year between 2000 and 2006. Carbon dioxide concentrations in the atmosphere are growing at 1.93 ppm/year, the highest rate of increase on record. These new findings exceed IPCC’s highest emissions scenarios. Additionally, midrange emissions scenarios predict global emissions will grow by 60% between 2000 and 2025 (Baumert & Pershing 2004). Although technological efficiency improvements that allow economies to grow without any additional burden on the environment have a powerful grip on our imaginations, evidence shows technological improvements have been overtaken by economic growth. Whereas the energy intensity embodied in goods and services decreased by 33% between 1970 and 2004, increased use of carbon-based energy from economic and population growth vastly outstripped gains in efficiency, with GHGs emissions growing by 70% over the same period (IPCC 2007b). The main driver of increased GHGs from 1970 to 2004 was global economic growth, which grew by 77% over the period (IPCC 2007b). Even if technological improvements can lessen GHG production, the activities required to research and produce these technologies require surplus production in other sectors that will have an additional impact on ecosystems and biodiversity (Czech 2008 [this issue]). Although much uncertainty remains about individual species and ecosystems, it is well established that the overall impact of climate change on biodiversity has been and will be negative. It is also well established that economic growth is the main driver in increased GHG emissions. Therefore, by inference, economic growth is the main driver of climate-change-related biodiversity loss. The issue at hand, then, is how to limit economic growth in an ethical manner to minimize biodiversity loss. Traditional economic instruments are insufficient for the task. To address this enormous challenge, one must turn to ethics.

Growth Bad – China

Delaying collapse ensures war with china

Heinberg, Senior Fellow-in-Residence at Post Carbon institute, 2010 (Richard, February, “China or the U.S.:Which Will be the Last Nation Standing”, http://richardheinberg.com/213-china-or-the-u-s-which-will-be-the-last-nation-standing)

It’s easy to see the advantage of collapse preparedness for the citizenry—with better preparation, more will survive. But does a higher survival rate during and after collapse translate to some sort of geopolitical advantage?¶ The process of collapse will be determined by many factors, some hard to predict, and so it is difficult to know the size or scope of the political power structure that might re-emerge in either country. It’s possible that one nation, or both, could devolve into smaller political units squabbling among themselves and unable to engage much in global jockeying for resources. All new political units emerging within the present territories of China or the U.S. would be immediately beset with enormous practical problems, including poverty, hunger, environmental disasters, and mass migrations.¶ Presumably some potent weaponry from the age of global warfare would remain intact and usable, so it is possible in principle that one or another of these smaller political entities could assert itself on the world stage as a short-lived, bargain-basement empire of limited geographic scope. But even in that case “winning” the collapse race would be small comfort.¶ The possibility of armed conflict between the two powers prior to mutual collapse is not to be entirely excluded if, for example, U.S. efforts to contain Iran’s nuclear ambitions were to set off a deadly chain reaction of attacks and counter-attacks possibly involving Israel, with world powers being forced to choose sides; or if the U.S. were to persist in arming Taiwan. But neither the U.S. nor China wants a direct mutual military confrontation, and both nations are highly motivated to avoid one. Thus all-out nuclear war—still the worst-case imaginable scenario for homo sapiens and planet Earth—seems thankfully unlikely, though in the few decades ahead the use of some of these weapons, on some occasions, by one nation or another, is probable.

Growth Bad – Ecocide

Economic collapse is the ONLY way to prevent extinction though ecocide

Barry 8

(Glen Barry, January 2008. PhD in Land resources and a Masters of Science in Conservation Biology and Sustainable Development from University of Wisconsin-Madison. “Economic Collapse and Global Ecology,” <http://earthmeanders.blogspot.com/2008/01/economic-collapse-and-global-ecology.html>.)

 Humanity and the Earth are faced with an enormous conundrum -- sufficient climate policies enjoy political support only in times of rapid economic growth. Yet this growth is the primary factor driving greenhouse gas emissions and other environmental ills. The growth machine has pushed the planet well beyond its ecological carrying capacity, and unless constrained, can only lead to human extinction and an end to complex life. With every economic downturn, like the one now looming in the United States, it becomes more difficult and less likely that policy sufficient to ensure global ecological sustainability will be embraced. This essay explores the possibility that from a biocentric viewpoint of needs for long-term global ecological, economic and social sustainability; it would be better for the economic collapse to come now rather than later. Economic growth is a deadly disease upon the Earth, with capitalism as its most virulent strain. Throw-away consumption and explosive population growth are made possible by using up fossil fuels and destroying ecosystems. Holiday shopping numbers are covered by media in the same breath as Arctic ice melt, ignoring their deep connection. Exponential economic growth destroys ecosystems and pushes the biosphere closer to failure. Humanity has proven itself unwilling and unable to address climate change and other environmental threats with necessary haste and ambition. Action on coal, forests, population, renewable energy and emission reductions could be taken now at net benefit to the economy. Yet, the losers -- primarily fossil fuel industries and their bought oligarchy -- successfully resist futures not dependent upon their deadly products. Perpetual economic growth, and necessary climate and other ecological policies, are fundamentally incompatible. Global ecological sustainability depends critically upon establishing a steady state economy, whereby production is right-sized to not diminish natural capital. Whole industries like coal and natural forest logging will be eliminated even as new opportunities emerge in solar energy and environmental restoration. This critical transition to both economic and ecological sustainability is simply not happening on any scale. The challenge is how to carry out necessary environmental policies even as economic growth ends and consumption plunges. The natural response is going to be liquidation of even more life-giving ecosystems, and jettisoning of climate policies, to vainly try to maintain high growth and personal consumption. We know that humanity must reduce greenhouse gas emissions by at least 80% over coming decades. How will this and other necessary climate mitigation strategies be maintained during years of economic downturns, resource wars, reasonable demands for equitable consumption, and frankly, the weather being more pleasant in some places? If efforts to reduce emissions and move to a steady state economy fail; the collapse of ecological, economic and social systems is assured. Bright greens take the continued existence of a habitable Earth with viable, sustainable populations of all species including humans as the ultimate truth and the meaning of life. Whether this is possible in a time of economic collapse is crucially dependent upon whether enough ecosystems and resources remain post collapse to allow humanity to recover and reconstitute sustainable, relocalized societies. It may be better for the Earth and humanity's future that economic collapse comes sooner rather than later, while more ecosystems and opportunities to return to nature's fold exist. Economic collapse will be deeply wrenching -- part Great Depression, part African famine. There will be starvation and civil strife, and a long period of suffering and turmoil. Many will be killed as balance returns to the Earth. Most people have forgotten how to grow food and that their identity is more than what they own. Yet there is some justice, in that those who have lived most lightly upon the land will have an easier time of it, even as those super-consumers living in massive cities finally learn where their food comes from and that ecology is the meaning of life. Economic collapse now means humanity and the Earth ultimately survive to prosper again. Human suffering -- already the norm for many, but hitting the currently materially affluent -- is inevitable given the degree to which the planet's carrying capacity has been exceeded. We are a couple decades at most away from societal strife of a much greater magnitude as the Earth's biosphere fails. Humanity can take the bitter medicine now, and recover while emerging better for it; or our total collapse can be a final, fatal death swoon. A successful revolutionary response to imminent global ecosystem collapse would focus upon bringing down the Earth's industrial economy now. As society continues to fail miserably to implement necessary changes to allow creation to continue, maybe the best strategy to achieve global ecological sustainability is economic sabotage to hasten the day. It is more fragile than it looks.

Growth Bad – Environment 1/2

Sustained growth leads to catastrophe

Cairns 09

(John Cairns, Jr. Department of Biological Sciences, Virginia Polytechnic Institute and State University, Tribal to Global: Can Humankind Make the Transition in Time?, Asian J. Exp. Sci., Vol. 23, No. 3, 2009, <http://www.johncairns.net/Papers/Tribal%20to%20Global.pdf>)

Anyone with even a modest understanding of exponential growth should be aware that a continual growth rate of merely 1% per year of human population will have catastrophic consequences on a finite planet —shockingly, no robust, global discussion is occurring on this issue. As a result, no significant efforts are being made to eliminate this problem. If present trends continue, rapid climate change will add additional catastrophic consequences. Global discussion has begun at least on climate change, although effective countermeasures have not yet been implemented. Persuasive evidence indicates that the global human population has already exceeded Earth’s carrying capacity (i.e., ecological overshoot). Approximately onehalf of Earth’s human population is either starving or malnourished, is lacking adequate370 medical care, is poorly housed, and is lacking safe drinking water, while approximately 1% of the global human population enjoys unprecedented wealth. Does humankind wish to have even more people at a subsistence level or would a much smaller human population enjoying a quality life within the planet’s carrying capacity be a superior objective? Some aid from developed countries to developing countries has not produced desirable results, and some subsidies within both developed and developing countries have produced perverse results. The biospheric life support system, which has maintained a climate favorable to the genus Homo for approximately two million years, has already been severely, possibly irreversibly, damaged by present human numbers and lifestyles. In addition, many species, which collectively comprise the planet’s life support system, have been driven to extinction. One species, Homo sapiens, has been too “successful,” and this high energy/ technological success threatens civilization.

Growth Risks Human Survival- A Steady-State Economy is the Only Chance

Attarian ’03

(John Attarian, Social Contract Journal Staff Writer, Spring 2003, Herman Daly's Ecological Economics - An Introductory Note, http://www.thesocialcontract.com/artman2/publish/tsc1303/article\_1138.shtml)

Daly maintains that the economy is a subset of an ecosystem which is finite, non-growing, and materially closed (i.e., no matter enters or leaves it) and that it uses the environment as a source for material inputs and as a sink for wastes. Unfortunately, he argues, the economy has become so large relative to the ecosystem that human activity is undermining the ecosystem's ability to support human life. Resource finitude and the entropy law make perpetual economic growth impossible. Accordingly, we must abandon growth (quantitative enlargement) in favor of development (qualitative improvement), and of a "steady-state economy" which can be sustained long-term (though not forever), in which population and capital stocks are constant, and throughput (the flow of low-entropy matter and energy which is taken from the environment and transformed into high-entropy wastes) is minimized.

Growth Bad – Environment 2/2

Growth causes a laundry list of environmental destruction

Daly ’10

(Herman Daly, An ecological economist and professor at the School of Public Policy of University of Maryland, College Park in the United States, August 15, 2010, “Opportunity Cost of Growth”, http://steadystate.org/opportunity-cost-of-growth/)

However, increasing takeover of the ecosystem is the necessary consequence of the physical growth of the macroeconomy. This displacement is really a transformation of ecosystem into economy in physical terms. Trees are physically transformed into tables and chairs; soil, rain, and sunlight are physically transformed into crops and food and then into people; petroleum is physically transformed into motive force, plastics, and carbon dioxide. Thanks to the law of conservation of matter-energy, the more matter-energy appropriated by the economy, the less remains to build the structures and power the services of the ecosystem that sustains the economy. Thanks to the entropy law, the more dissipative structures (human bodies and artifacts) in the economy, the greater the rates of depletion and pollution of the remaining ecosystem required to maintain the growing populations of these structures against the eroding force of entropy. These are basic facts about how the world works. They could plausibly be ignored by economists only as long as the macroeconomy was tiny relative to the ecosystem, and the encroachment of the former into the latter did not constitute a noticeable opportunity cost. But now we live in a full world, no longer in an empty world – that is, in a finite ecosystem filled up largely by the economy. Remaining ecosystem services and natural capital are now scarce and their further reduction constitutes a significant opportunity cost of growth. The new economic question is: Are the extra benefits of physically transforming more of the ecosystem into the economy worth the extra opportunity cost of the ecosystem services lost in the transformation? Has the macroeconomy reached, or surpassed, its optimal physical scale relative to its containing and sustaining ecosystem? Is the economy now too big for the ecosystem from the point of view of maximum human welfare? Or from the point of view of all living species and the functioning of the biosphere as we know it? If these questions about the opportunity costs of growth sound too abstract, think of the following concrete examples: wholesale extinction of species, climate change, peak oil, water scarcity, topsoil loss, deforestation, risks from more powerful technologies, a huge military to maintain access to world resources, and an increase in the risk of wars over resources, etc.

Growth Bad – Gender Equality

Growth Creates Female Unemployment and Gender Inequality

Thompson ’12

(Derek Thompson, senior editor at *The Atlantic*, 5/24/12, Is Economic Growth Bad for Female Workers? Sometimes, http://www.theatlantic.com/business/archive/2012/05/is-economic-growth-bad-for-female-workers-sometimes/257631/)

But some of the most interesting barriers are economic. In underdeveloped economies with large informal sectors (such as families selling their wares at bazaars), a strong economy ironically pushes women out of the workforce because the men find that their income alone can support the family. (Studies of countries in South Asia have often found that when household income goes up, female participation goes down, according to the ILO.) The introduction of a manufacturing sector -- an essential part of any country's industrialization -- overwhelmingly benefits men, opening up a wider gap between male and female employment and earnings. As a result, female participation rates don't rise in a straight diagonal line like we tend to see in most positive trends.

Growth Bad – Poverty

**Growth Creates Poverty**

Daly ’10

(Herman Daly, An ecological economist and professor at the School of Public Policy of University of Maryland, College Park in the United States, August 15, 2010, “Opportunity Cost of Growth”, http://steadystate.org/opportunity-cost-of-growth/)

As the marginal costs of growth have increased, what has happened to the marginal benefits? Studies in the U.S. and other countries show that, beyond a threshold of sufficiency, growth in real GDP does not increase happiness. In sum, growth has become uneconomic at the margin, making us poorer, not richer. Uneconomic growth leads to less available wealth to share with the poor, not more. And such growth in the U.S. in recent years has been accompanied by increasing inequality in the distribution of income and wealth – that is, the marginal benefits of growth have gone overwhelmingly to the rich (third cars and second homes) while the marginal costs (polluted neighborhoods, unemployment and foreclosures) have gone mainly to the poor.

Growth Bad – Traffic Congestion 1/2

A rebounding economy generates congestion

Leavitt 11

(Wendy Leavitt is a director and involved in editorial and market development at Fleet Owner magazine, Fleet Owner, “Congestion rebounds with economy”, March 2011, <http://search.proquest.com/docview/863364387>)

The findings of a new traffic study should come as no surprise to anyone in the trucking industry. After two years of slight declines in overall traffic congestion - attributable to the economic downturn and higher fuel prices - leading indicators suggest that as the economy rebounds, traffic problems are doing the same. This is according to the 2010 Urban Mobility Report published by the Texas Transportation Institute at Texas A&M University. While 2008 was the best year for commuters in at least a decade, the problem began to grow again in 2009: Measured in constant 2009 dollars, the cost of congestion has risen from $24 billion in 1982 to $115 billion in 2009. The total amount of wasted fuel in 2009 topped 3.9 billion gals. - equal to 130 days of flow in the Alaska Pipeline. Cost to the average commuter was $808 in 2009 compared to an inflation-adjusted $351 in 1982. Yearly peak delay for the average commuter was 34 hours in 2009, up from 14 hours in 1982. For carriers and shippers hoping to save time by moving freight during off hours, the report also offers more specific data about when opportunities are best. About half of the total delay occurs in the midday and overnight (outside of the peak hours of 6-10 a.m. and 3-7 p.m.), times of day when shippers and carriers generally have expected lighter traffic. It also noted that midday congestion is not as severe, but it can cause problems, especially for time-sensitive shipments. "Freight movement has attempted to move away from the peak periods to avoid congestion when possible," the report said. "But this accommodation has limits as congestion extends into midday and overnight periods [and] manufacturing processes and human resources are difficult to significantly reschedule." Extensive tables, by city, also translate freight delays into a "congestion cost" using commodity values and delay times to arrive at dollar amounts - information carriers may find of use when establishing rates that take into account the actual cost to serve particular shippers. In Chicago, for example, truck delays resulted in a "congestion cost" of more than $3,349 million. Slow traffic in New York cost $3,133 million, thanks to the time trucks spent stuck in traffic there. According to the report, congestion is even a problem in smaller cities. In McAllen, TX, for instance (ranked number 97 on the freight delay congestion charts), truck delays cost a total of $14 million. "Congestion is worse in areas of every size," the report noted. "It is not just a big-city problem. Regions of all sizes have problems implementing enough projects, programs and policies to meet the demand of growing populations and jobs." The data in the new report also shows conditions for every day of the year and includes the effect of weather problems, traffic crashes, special events, holidays, work zones, and other factors directly impacting traffic flow. As a result of the new data, a revised congestion trend has been constructed for each urban region from 1982 to 2009. Eleven new urban regions have also been added, including San Juan, Puerto Rico. Finally, three new measures of congestion are calculated for the 2010 report: delay per auto commuter, delay per non-peak traveler, and a commuter stress index that is calculated for the worst direction in each peak period to show the time penalty to those who travel in the peak direction.

Growth Bad – Traffic Congestion 2/2

Congestion tied to economic performance

The Economist 09

(The Economist is a reputable news source for weekly news and international affairs, “United States: Stalled; Traffic congestion”, July 11, 2009, <http://search.proquest.com/docview/223987696>)

Congestion may be down, but America is stuck IT SOUNDS like good news. In 2007, for the first time in 16 years, congestion in America's 439 recognised urban areas actually declined. The finding came in a report published on July 8th by the Texas Transportation Institute, which for years has rung an alarm bell from central Texas in the hope that those in Washington, DC, will hear. Politicians usually shake their heads over the institute's findings, but do little else. With the publication of this report, it might seem that fuel prices have solved the problem. Unfortunately they have not. Even though congestion dropped between 2006 and 2007, it still forced urban Americans to travel for 4.2 billion extra hours and buy an extra 2.8 billion gallons of petrol. The cost of all these delays was $87.2 billion, an increase of more than 50% over 1997. The problem affects metropolitan areas of all sizes, but big ones--the country's economic engines--are in the worst shape. Drivers in Los Angeles suffer the most: in 2007 the average driver spent 70 hours inching along streets and freeways. Declining congestion can be attributed to two main factors: rising fuel prices and, more recently, a slumping economy--so the figures for 2008 and 2009, when they are compiled, will presumably be a lot better. But neither development is welcome or permanent. History suggests that as the economy rebounds congestion will too, as shipments and commutes resume. The question, then, is what can be done to help? The stimulus's shovels are ready--last month states met a 120-day deadline for proposing projects--but it is unclear how much the new plans will ease traffic. James Oberstar, a congressman, wants to help big urban areas create plans to mitigate traffic. But his proposal, part of a big reauthorisation for transport, will probably be delayed. TTI points to simple steps that could help, such as shortening the response time to accidents. In the long term, road pricing is surely the answer. A driver now pays the same petrol-tax-imposed price for roads, whether demand is high or low. Society bears the costs of pollution and wasted time. Road pricing is controversial--a plan to introduce it in Manhattan was scuttled last year. But if Americans don't want to be stuck in their cars, they had better get a move on.

Growth Bad – Warming 1/4

Economic growth is the root cause of emissions

Rosales 8

(JON ROSALES Department of Environmental Studies, St. Lawrence University, Economic Growth, Climate Change, Biodiversity Loss: Distributive Justice for the Global North and South, June 2008, http://s3.amazonaws.com/files.posterous.com/forestpolicy/eDT7wRWCEQSEHeQ5LLs3zInpcaF1Z3S95N7s0Zy6YApP92BwU5HO1rL6R07Q/Rosales\_2008.\_Growth\_vs\_Biodiv.pdf?AWSAccessKeyId=AKIAJFZAE65UYRT34AOQ&Expires=1342790692&Signature=pYzFramyxntf9DPVkc3uKIoRlps%3D)

The atmospheric space for safe levels of GHG emissions and the ecological space for socially beneficial economic growth have been outstripped. Long-term ecological and economic carrying capacities have been overshot, development options are cut off, and economic growth is no longer an option for all people on the planet. If the north does not abide by its ethical obligations to accept responsibility and to act first, as expressed in principles such as the polluter pays, ability to pay, and common but differentiated responsibilities, the south’s participation in global environmental protection is less likely. Similarly, if countries act according to national interests alone, the economic growth impasse cannot be resolved. The most effective resolution is to provide room for development for the south while capping economic growth. With increased knowledge of ecological thresholds, and in the context of an ethical framework, per capita GHG emissions can be used to determine levels of responsibility and, by association, to identify under- and overgrown economies. In other words, per capita emissions can be adjusted as a scientifically sound metric and used to determine whether economic growth is an appropriate goal for particular countries. Climate-change negotiations that developed the Kyoto Protocol were fantastic efforts to guard economic growth, especially for the high-polluting economies of the north. Many government delegations recognized the threat an unstable climate poses to economic growth, particularly for agriculture and coastal human settlements. They rallied to develop a treaty that addresses climate change, albeit insufficiently, yet develops new sectors for economic growth such as GHG credits, technology exchange, and financial trade. In addition, those countries that resisted the protocol most fervently—the United States and until recently Australia—did so on grounds that it would dampen economic growth even with the development of these new sectors. Ironically, guarding economic growth is often the key consideration in climate-change negotiations even though economic growth is the main driver of climate change. This imperative may be changing. Negotiations by the UNFCCC are increasingly focusing on science-based decision making (IISD 2007), and scientists are increasingly exposing the impact of economic growth on the environment (Canadell et al. 2007; IPCC 2007b). In addition the Working Group III of the IPCC is building on the ethical foundations of the UN and the UNFCCC and increasingly working on the ethical dimensions of climate change (see Fisher et al. 2007). Efforts to mitigate climate change that began at the Earth Summit in 1992, and earlier with the establishment of the IPCC in 1988, are moving political leaders toward the realization that economic growth is the main driver of climate change and biodiversity loss. The politics of scarcity may yet be tempered by the politics of science and equity.

**Economic crisis is the best way to cut emissions – empirics prove**

Alier et al 09

(Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

The world peak in carbon dioxide emissions has been reached because of the economic crisis. Emissions are now (finally?) going down. This might become a unique historical chance. In May 2008, it was announced that carbon dioxide concentration in the atmosphere was at a record level of 387 parts per million (ppm) according to the measurements at the Mauna Loa observatory in Hawaii. This meant an increase of 30 per cent above the level of 300 ppm that Svante Arrhenius used in his article of 1895, when he pointed out that burning coal would increase the concentration of carbon dioxide in the atmosphere and would increase temperatures. Between 1970 and 2000, the concentration had increased by 1.5 ppm per year, since 2001 and until 2007 growth in concentration reached 2.1 ppm. In early 2008, the world was still travelling at all speed towards 450 ppm to be reached in about thirty years. The great increase in the prices of oil, gas, and other commodities until July 2008, and the economic crisis in the second half of 2008 and in 2009, stopped economic growth and changed the trend in carbon dioxide emissions. From the point of view of climate change, the economic crisis should certainly be welcome.

Growth Bad – Warming 2/4

Recession proves degrowth is the best way to cut emissions and environmental degradation

 Schneider et al 10

(François Schneider is an industrial ecologist and degrowth researcher. He worked on the development of Life Cycle Assessment (LCA) methodology at the INSA engineering school in Lyon and at the CML in Holland. Giorgos Kallis, Joan Martinez-Alier Crisis or opportunity? Economic degrowth for social equity and ecological sustainability. Introduction to this special issue, Spainhttp://degrowth.org/wp-content/uploads/2011/05/Schneider\_Crisis-or-opportunity.pdf)

The Paris Conference took place when the economic crisis of 2008–09 was yet about to start (although our contributors were asked to revise their articles and reﬂect on the implications of the crisis). As Kallis, Martinez-Alier and Norgaard [43] argue, the crisis is a result of unsustainable growth. Irresponsible borrowing and the cultivation of fake expectations in the housing market were not accidents, but a systemic failure of a system struggling to keep up with growth rates that could not be sustained by its biophysical base (the ‘‘real’’ economy). Furthermore, the crisis marks a failure of ‘‘economicism’’, the doctrine of mainstream, neo-classical economics which refuses to accept any material reality beyond the beliefs of investors and consumers. The collapse of the ﬁctitious economy had real impacts. Because of the economic crisis, and despite growth in India, China, Indonesia, the world trend towards increased emissions of carbon dioxide (3 per cent growth in emissions per year up to 2007) has been stopped, and there has been a reduction of three per cent[44]. This is too little compared with the IPCC recommended reduction of over 60 per cent but it shows that more than the Kyoto commitment and more than technological changes, it is economic degrowth that achieves greenhouse gas emission reductions. Similarly, because of the decrease in external demand for exports, the rate of deforestation in the Brazil Amazon has decreased to ‘‘only’’ 7000 sq. km. in the year 2008 [45]. Economic degrowth can be good for the environment. It helped to reach goals that 20 years of talking about sustainable development did not achieve. Nevertheless, scientists and politicians have not been considering degrowth as an option. The IPCC projections [46] (or the Stern report [47]) never considered that the peak of carbon dioxide emissions could be reached in 2007. Will this be just one peak in cordillera of peaks leading to climate disaster? The consequences of economic degrowth have been absolute reductions of emissions and extractions, and perhaps to some extent avoidance of outsourcing/delocalization of environmental impacts. In a context of economic degrowth, increased efﬁciency in resource use is not accompanied by a rebound effect [48]. The rate of substitution of renewable energies (wind, photovoltaic) for other energies may increase more easily when the overall use of energy is stable or declines. It is likely that the reduction of natural resource extraction and CO2 emissions is larger than the degrowth rate of the economy because in times of economic shrinking it seems (at least in the present crisis) that material and energy intensive industries are heavily affected, leading to an actual decoupling. For instance, the cement output has decreased faster than the overall economy in many countries; in Spain in the ﬁrst four months of 2009, cement demand dropped by about 45% [49]. If well targeted ‘‘green Keynesianism’’ rather than ‘‘public works Keynesianism’’ and ‘‘car subsidy Keynesianism’’ had been applied, the dematerialization of the economy could have advanced further in the economic crisis of 2008–09.

Growth Bad – Warming 3/4

Growth causes global warming

Science Daily ’12

(Science Daily, 5/1/12, Global Warming: New Research Blames Economic Growth, http://www.opednews.com/populum/linkframe.php?linkid=149763)

It's a message no one wants to hear: To slow down global warming, we'll either have to put the brakes on economic growth or transform the way the world's economies work. That's the implication of an innovative University of Michigan study examining the most likely causes of global warming. The study, conducted by José Tapia Granados and Edward Ionides of U-M and Óscar Carpintero of the University of Valladolid in Spain, was published online in the peer-reviewed journal *Environmental Science and Policy.* It is the first analysis to use measurable levels of atmospheric carbon dioxide to assess fluctuations in the gas, rather than estimates of CO2 emissions, which are less accurate. "If 'business as usual' conditions continue, economic contractions the size of the Great Recession or even bigger will be needed to reduce atmospheric levels of CO2," said Tapia Granados, who is a researcher at the U-M Institute for Social Research. For the study, the researchers assessed the impact of four factors on short-run, year-to-year changes in atmospheric concentrations of CO2, widely considered the most important greenhouse gas. Those factors included two natural phenomena believed to affect CO2levels -- volcanic eruptions and the El Niño Southern oscillation -- and also world population and the world economy, as measured by worldwide gross domestic product. Tapia Granados and colleagues found no observable relation between short-term growth of world population and CO2concentrations, and they show that incidents of volcanic activity coincide with global recessions, which may confound any slight volcanic effects on CO2. With El Niño outside of human control, economic activity is the sole modifiable factor. In years of above-trend world GDP, from 1958 to 2010, the researchers found greater increases in CO2 concentrations. For every $10 trillion in U.S. dollars that the world GDP deviates from trend, CO2 levels deviate from trend about half a part per million, they found. Preindustrial concentrations are estimated to be 200-300 parts per million. To break the economic habits contributing to a rise in atmospheric CO2 levels and global warming, Tapia Granados says that societies around the world would need to make enormous changes. "Since the mid 1970s, scientists like James Hansen have been warning us about the effects global warming will have on the Earth," Tapia Granados said. "One solution that has promise is a carbon tax levied on any activity producing CO2in order to create incentives to reduce emissions. The money would be returned to individuals so the tax would not burden the population at large. "What our study makes clear is that climate change will soon have a serious impact on the world, and the time is growing short to take corrective action."

Growth Bad – Warming 4/4

Growth can’t solve emission output- only preventing growth solves

Simms, policy director of nef (the new economics foundation), 2/1/12 (Andrew, “Clinging to economic growth suffocates the imagination”, http://www.guardian.co.uk/commentisfree/2012/feb/01/limits-to-economic-growth)

¶ For one thing, the model used by the MIT scientists didn't make precise "predictions", but projected what was likely to happen if certain trends continued, allowing for "adjustable assumptions" of resource use. Their real finding was not that collapse was likely to occur by a particular year, but that population and the global economy would contract rapidly after peaking. The only circumstances under which some kind of stabilisation, rather than collapse, was achieved, was constraining population and the scale of the economy.¶ ¶ Models and reality are not the same thing. But – strikingly given the relatively crude computer modelling available at the time – the MIT projections have proved remarkably accurate. Today they can be checked against decades of actual data. Population, industrial output, pollution and food consumption all track the lines in the model.¶ ¶ 1There is a popular view that economic growth can be saved by efficiency measures, recycling and technological substitution, such as nuclear and renewable energy replacing fossil fuels. Yet the model allowed even for these variables, and crashed under the pressure of growth just the same.¶ I took part in a debate last week with Michael Jacobs who was an environmental adviser to Gordon Brown's Treasury. My job was to respond to a lecture he gave at University College London called The Green Moment? The Crises of Capitalism and the Response of Progressive Politics. Jacobs's critique, which several on the left share, is that pointing out the non-viability of economic growth (at least at the global aggregate level and where rich countries are concerned) is a mistaken article of faith in the green movement.¶ His argument is that, firstly, opposing growth is bad politics, it's bad spin for the green movement that "puts people off". Secondly he argues that low growth is compatible, even in rich countries, with environmental constraints. The first point is immaterial if the limits are scientifically real. It is an inconvenient reality that cannot be spun away. The second point is a claim that must be backed with evidence, it cannot simply be asserted.¶ And while I have yet to see any figures to illustrate how growth in rich countries can, in perpetuity, be compatible with environmental limits, several assessments point to the opposite conclusion. The Tyndall Centre for Climate Change Research at Manchester University found that to prevent dangerous global warming, economic growth in rich countries would not be possible. With colleagues at the New Economics Foundation, I came to a similar conclusion.¶ Jacobs quotes, admiringly, the work of Tim Jackson on "prosperity without growth" with the former government advisory body the Sustainable Development Commission. Yet Jackson's work too, as the name suggests, foresees a future without growth.¶ Work by the Stockholm Resilience Centre on environmental "planetary boundaries" shows several have already been transgressed, requiring large absolute reductions of consumption in rich countries.¶ One thing is sure: advocates of growth need to be able to show not only that environmental impact can be cancelled out by efficiency and resource substitution, but that deep, absolute reductions in resource use can be achieved simultaneously, and that such gains can be made year, after year, after year, ad infinitum.¶ A key insight by the original MIT group was the problem of time lag. Environmental problems became obvious and were acted on too late. Damage became locked in. This is the moment we are now living through. Nasa climate scientist James Hansen recently pointed out that if the rich world had started reducing emissions as recently as 2007, the annual reductions necessary would have been 3%. Wait until next year and the figure rises to 6%, wait further until 2020 and the annual target leaps to a staggering 15% reduction per year.¶

\*Growth Bad Internals/A2

Transition Solvency

Collapse now creates sustainable local civilizations

Lewis 2k (Chris H, Ph.D. University of Colorado at Boulder “The Paradox of Global Development and the Necessary Collapse of Global Industrial Civilization” The Coming Age of Scarcity: Preventing Mass Death and Genocide in the Twenty-First Century, google books)

With the collapse of global industrial civilization, smaller, autonomous, local and regional civilizations, cultures, and polities will emerge. We can reduce the threat of mass death and genocide that will surely accompany this collapse by encouraging the creation and growth of sustainable, self-sufficient regional polities. John Cobb has already made a case for how this may work in the United States and how it is working in Kerala, India. After the collapse of global industrial civilization, First and Third World peoples won't have the material resources, biological capital, and energy and human resources to re-establish global industrial civilization. Forced by economic necessity to become dependent on local resources and ecosystems for their survival, peoples throughout the world will work to conserve and restore their environments. Those societies that destroy their local environments and economies, as modern people so often do, will themselves face collapse and ruin**.**

Policy makers will learn from past mistakes and shift towards local solutions

Lewis 2k (Chris H, - Ph.D. University of Colorado at Boulder “The Paradox of Global Development and the Necessary Collapse of Global Industrial Civilization” The Coming Age of Scarcity: Preventing Mass Death and Genocide in the Twenty-First Century, google books)

The only alternative we now have is to recognize the very real imminent collapse of global industrial civilization. Instead of seeing this collapse as a tragedy, and trying to put "Humpty Dumpty" back together again, we must see it as a real opportunity to solve some of the basic economic, political, and social problems created and exacerbated by the development of global industrial civilization since the 1600s. Instead of insisting on coordinated global actions, we should encourage self-sufficiency through the creation of local and regional economies and trading networks.(Norgaard 1994) We must help political and economic leaders understand that the more their countries are tied to the global economic system, the more risk there is of serious economic and political collapse. The First World’s effort to impose the WTO and globalization on the rest of the world in the 1990s and early 2000s is a last ditch effort to keep global industrial civilization from unraveling. Who knows, the recent collapse of the WTO Third Ministerial meeting in Seattle in November 1999, the Jubilee 2000 movement to cancel all Third World debt, and increasing challenges to World Bank and IMF policies, might be a harbinger of this global collapse. We are witnessing the increasing collapse of global industrial civilization. My guess is that sometime between 2010 and 2050 we will see its final collapse. In the case of the collapse of Mayan civilization, those city-states and regions in Central America that were not as dependent on the central Mayan civilization, economy, and trade were more likely to survive its collapse. Those city-states who were heavily dependent on Mayan hegemony destroyed themselves by fighting bitter wars with other powerful city-states to maintain their declining economic and political dominance.(Weatherford 1994) Like the collapse of Mayan and Roman civilization, the collapse of global civilization will cause massdeath and suffering as a result of the turmoil created by economic and political collapse. The more dependent nations are on the global economy, the more economic, political, and social chaos they will experience when it breaks down. Once global industrial civilization collapses, humanity won't have the material, biological, and energy and human resources to rebuild it. This must be the real lesson that nations and polities learn from this global collapse. If they try to rebuild unsustainable regional or even international economies, it will only cause more suffering and mass-death. In conclusion, the only solution to the growing political and economic chaos caused by the collapse of global industrial civilization is to encourage the uncoupling of nations and regions from the global industrial economy. Efforts to integrate Third World countries into this global economy through sustainable development programs such as Agenda 21 will only further undermine the global economy and industrial civilization. Globalization must end, or it will bring down the global industrial civilization that spawned it. Unfortunately, millions will die in the wars and economic and political conflicts created by the accelerating collapse of global industrial civilization. But we can be assured, on the basis of the past history of the collapse of regional civilizations such as the Mayan and the Roman empires, that, barring global nuclear war, human societies and civilizations will continue to exist and develop on a smaller, regional scale. Yes, such civilizations will be violent, corrupt, and often cruel, but, in the end, less so than our current global industrial civilization, which is abusing the entire planet and threatening the mass-death and suffering of all its peoples and the living, biological fabric of life on Earth.

The paradox of global economic development is that although it creates massive wealth and power for modern elites, it also creates massive poverty and suffering for underdeveloped peoples and societies. The failure of global development to end this suffering and destruction will bring about its collapse. This collapse will cause millions of people to suffer and die throughout the world, but it should, paradoxically, ensure the survival of future human societies. The collapse of global civilization is necessary for the future, long-term survival of human beings. Although this future seems hopeless and heartless, it is not. We can learn much from our present global crisis. What we learn will shape our future and the future of the complex, interconnected web of life on earth.

Transition Solvency

Any rebuilding effort will fail

Lewis 2k (Chris H, Ph.D. University of Colorado at Boulder “The Paradox of Global Development and the Necessary Collapse of Global Industrial Civilization” The Coming Age of Scarcity: Preventing Mass Death and Genocide in the Twenty-First Century, google books)

A more hopeful cause of the collapse of global industrial civilization is a global economic collapse “financial crises have become increasingly common with the speed and growth of global capital flows.” The financial crises caused by the 1994 collapse of the Mexican peso, the 1997 Asian financial panic, the 1998 Russian financial panic, and the 1998 bailout of Long Term Capital Management by the United States Federal Reserve and Global Banks are all examples of recent financial crises that greatly stressed the global financial system. During the 1997 Asian financial crisis, U.S. Treasury Secretary Robert Rubin said, “There was a moment when I thought it could have come undone.” He was, of course, referring to the global financial system. A global depression caused by a financial panic could finally undermine the entire structure of globalization. With the loss of trillions of dollars of paper money, First World elites would find that they don’t have the funds to bail out Third World countries and banks, and even bail their own banks and corporations out**.** With the loss of trillions of dollars, the global economy would come to a grinding halt and there wouldn’t be the collective resources or the will to restart it. Of course, these are the precise sorts of crises that lead to World Wars and military conflict. No matter how it collapses, through economic collapse and the development of local and regional economies and/or through **a** global military struggle by the First World to maintain its access to Third World resources, global industrial civilization will collapse because its demands for wealth, natural resources, energy, and ecosystem services aren't sustainable**.**

Pro-Growth Bias

Growth Discourse is ingrained in the public – media and politicians

Spangenberg et al 08 (Joachim H. Spangenberg, SERI Sustainable Europe Research Institute Germany, Joan Martinez-Alier & Hali Healy of UAB & International Society of Ecological Economics, Proceedings of the First International Conference on Economic De-Growth for Ecological Sustainability and Social Equity Paris, 18-19 April 2008, <http://events.it-sudparis.eu/degrowthconference/appel/Degrowth%20Conference%20-%20Proceedings.pdf>)

The public growth discourse is based upon statements from politics, the business sector and has a strong foothold in the media, all claiming the necessity of more economic growth. Its second base are the public expectations of (or at lest the hope for) continuous improvements of their quality of life; this expectation provides a resonance body for the “growth is necessary” messages. They claim that the central factor for social, economic, political and environmental progress is economic growth – it is assumed to create wealth, and provide the necessary means for social and environmental improvements (thus the European Commission called growth a precondition for social cohesion and environment protection). Thus the focus of politics, it is assumed, should be on enhancing growth. The optimal growth rate is assumed to be the maximum possible rate 1 . This discourse coexists with the one on the need for urgent action to combat climate change and other environmental problems, without any cross-referencing (in the EU a formal crossing has been achieved by declaring both as mutually supportive, without any impact on the content). It is linked, however, to the social discourse on unemployment. This link has only recently become weaker as for instance in Germany people realised that the gains from growth during the economic boom benefited only the top 20% of income earners, while the rest experienced no positive aspects of growth.

Delaying Collapse Bad

Delaying transition makes the impacts of collapse worse- no preparedness

Heinberg, Senior Fellow-in-Residence at Post Carbon institute, 2010 (Richard, February, “China or the U.S.:Which Will be the Last Nation Standing”, http://richardheinberg.com/213-china-or-the-u-s-which-will-be-the-last-nation-standing)

Okay, so there is no serious effort on the part of U.S. or Chinese leaders to avoid collapse in the long run (say, over the next 10 to 20 years). Perhaps this is because they have concluded that it is impossible to do so—there are just too many trends leading in the same direction, and actually dealing with any of those trends head-on would entail huge, immediate political risks. In reality, however, it is much more likely that they simply refuse seriously to think about these trends and their implications, because they do have another option—to postpone collapse through deficit spending, bailouts, and more financial bubbles, while enacting their parts in a climate-policy kabuki play and engaging in resource geopolitics. This way blame will at least fall on the next set of leaders. Postponing collapse is itself a big job, enough so as to take all of one’s attention away from having to contemplate the awfulness and inevitability of what is being postponed.¶ Do these short-term efforts in any way reduce the risk of dissolution? Hardly. In fact, the longer the reckoning is delayed, the worse it will be.¶ What would make more sense than just trying to put off the inevitable is quite simply to build resilience throughout society, re-localizing basic social systems involving food, manufacture, and finance. There is no need to rehearse the existing discourse about this strategy: readers who are not familiar with it can find plenty of useful pointers at www.transitiontowns.org, or in the books and articles of authors such as Rob Hopkins, Albert Bates, David Holmgren, Pat Murphy, and Sharon Astyk (and in some of my own writings, including Museletter #192).¶ It is understandably hard for national politicians to think along those lines. Building societal resilience means disregarding the dictates of economic efficiency; it means systematically reducing the power of the central government and national/global commercial institutions (banks and corporations). It also means questioning the central dogma of our modern world: the efficacy and possibility of unending economic growth.¶ So if the best outcome lies in a strategy of resilience and re-localization, and our national leaders can’t even contemplate such a strategy, that means those leaders are, in one sense at least, irrelevant to our future.¶ Some blog readers are so in tune with this line of thinking that they no longer see any point in paying attention to the global scene. They may even think this article is a waste of time (and I expect to get an email or two to that effect). But following world events is more than a matter of infotainment: when and how China and the U.S. come apart at the seams is a question of far greater consequence than that of whether the New Orleans Saints or the Indianapolis Colts will win the Superbowl. The reality is that no nation, and no community will be able to completely protect itself from the sudden, harsh winds that will rush to fill the vacuum left by an implosion of either superpower.¶ By the way, my apologies to the other 190 or so nations of the world, large and small: my singling out of the U.S. and China for discussion does not signify that other countries are unimportant, or that their destinies will not be as unique as their cultures and geographies; merely that those destinies will probably unfold in the context of a global collapse spreading from the two nations we have been discussing. For any nation—India, Bolivia, Russia, Brazil, South Africa—and for any community or family, survival will require some comprehension of the direction of large events, so as to get out of the way when debris is flying and to anticipate opportunities to regroup.

Transportation Stops Dedev

Transportation Infrastructure prevents degrowth

Spangenberg et al 08 (Joachim H. Spangenberg, SERI Sustainable Europe Research Institute Germany, Joan Martinez-Alier & Hali Healy of UAB & International Society of Ecological Economics, Proceedings of the First International Conference on Economic De-Growth for Ecological Sustainability and Social Equity Paris, 18-19 April 2008, <http://events.it-sudparis.eu/degrowthconference/appel/Degrowth%20Conference%20-%20Proceedings.pdf>)

- For the manufacturing industries, a reduction of resource use by a factor four or even ten has been suggested in the recent past. By and large the technologies to reach these objectives do exist. - Recycling of materials has been suggested since many years and is now practiced a respectable scales. This proposals keep their entire validity in the discussion of degrowth practices. - Maintenance and repair friendly production schemes offer considerable reduction of resource use, they represent an serious alternative to the present throw-away habits on which the market-driven economic system is built upon. - The transportation sector is often put into question, however the Just in Time philosophy (JIT) remains common practice. The announced increase of the air and maritime transport activities in the next twenty five years, are diametrically opposite to de-growth approaches.

A2 Clean Tech & Efficiencies

**Conventional solutions like clean tech cannot solve – the rebound effect undoes any “green” gains**

Alier et al 09 (Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

There are good reasons to think that the concept of “green growth”, “green new deal”, “sustainable development”, “cleaner technologies” alone are not adequate for heading towards a more sustainable society. These concepts do not take into account the idea of limits of the availability of natural resources and the idea of reduction of the societal capacity to extract natural resources. Developed countries, or more precisely the so-called "global North"(1), even when guided by these concepts, are likely to continue developing policies that increase their capacity to extract natural resources through production and consumption, referred here as "Economic Capacity" (Production and Consumption Capacities). Another concept (Flipo & Schneider 2008) based on the Economic Capacity reduction, needs to be introduced, in order to avoid failures of "solutions"(2) (due to rebound effect) or/and crises (due to over-capacity). 1. Failure of solutions due to a macro rebound effect when the Economic Capacity is maintained Solutions, and especially the ones involving technological efficiency improvements (in terms of material, energy, time...), would fail to bring absolute reduction of material, energy, time use... if a high capacity to produce and consume is simply maintained. A typical example of a "micro" rebound effect is the case of reduced fuel spendings on an efficient car that are allocated to long distance travels: efficiency savings are used for further consumption. This effect is not taking place on the micro level only. It occurs at the level of society as a whole. This "macro" rebound effect, or Jevons paradox (Jevons 1866, Alcott 2005) can be analyzed through different limiting factors. The infrastructure rebound effect is one example. Infrastructure is a limiting factor. Production and consumption would be limited if there is insufficient infrastructure to process material, energy and areas, to extract, transport, distribute, transform, store, consume or treat waste. Maintaining the same level of infrastructure, and improving the efficiency of its use would either lead to unused infrastructure capacity or to its reallocation for new consumption and production (See Figure 1). As an illustration, maintaining large road width does not resolve traffic congestion. The only way to reduce traffic congestion is to introduce a traffic limit, rather than maintaining high road capacity (Schneider 2002). Another example is the time rebound effect. When the length of the time dedicated to working or consuming is maintained, and labor productivity and time efficiency increases (involving faster consumption and production), more time is made available for work and consumption. In that case, there is unused time capacity that can be used for additional work and consumption. Labor productivity, for example, has increased by a factor from 30 to 50 in the last century, but this did not lead to an equivalent size reduction of working time. The gains have mainly been used for increasing production. Financial capacity is another example of the rebound effect at play. If solutions involve a reduction of production and consumption costs, the savings free financial resources, leading to a macro level rebound effect. If the capacity to buy natural resources in developed societies remains high and too many people claim real wealth (in the form of natural resources), an ecological disaster and an economic crisis are likely to occur. The simple reasons for that is the mismatch between real wealth and the financial capacity in the world. The capacity to produce and consume may also increase in other ways: ► regarding unawareness: being unaware of impacts eases growth of production and consumption, ► regarding inequality: the attractive lifestyles of the privileged is an incentive to consume and produce more, ► deregulation in the social, environmental or economic sphere may enable conspicuous production and consumption patterns, ► unfulfilled needs resulting from short lived products (planned obsolescence) or the impossibility to share leads to an increase of production and consumption needs, ► regarding access to natural resource. It is nevertheless known that limits to natural resource extraction exist. Peak oil and peak of resource extraction for several commodities are about to be reached (Cohen 2007)

A2 Green Growth

“Green Growth” is impossible

Schneider et al 10 (François Schneider is an industrial ecologist and degrowth researcher. He worked on the development of Life Cycle Assessment (LCA) methodology at the INSA engineering school in Lyon and at the CML in Holland. Giorgos Kallis, Joan Martinez-Alier Crisis or opportunity? Economic degrowth for social equity and ecological sustainability. Introduction to this special issue, Spainhttp://degrowth.org/wp-content/uploads/2011/05/Schneider\_Crisis-or-opportunity.pdf)

The economic crisis produced proposals for ‘‘green Keynesianism’’ (or a ‘‘green New Deal’’) to cope with short-term unemployment and also in a long-run perspective of achieving ‘‘green economic growth’’ that would avoid climate change, resource depletion, and loss of biodiversity. ‘‘Green dreams’’, we would call this. Hueting and d’Alessandro et al in this issue provide arguments why green growth is an oxymoron. ‘‘Dematerialized’’ activities use materials and overall make a small share of the GDP. The energy and monetary return on energy investment of renewable energy is lower than that of fossil fuels. A transition to renewables and a dematerialised economy will more than likely halt growth. Jackson (2009) – in a book [52] based on his report reviewed by Oliver for this issue – uses back-of-the-envelope calculations to show that if the economy would continue to grow as it did until 2007 and income is equalised around the world, an unrealistic level of 130fold reduction in carbon intensity will be necessary by 2050 to stay within the maximum safety limits of carbon emissions. There are limits to any greening of the economy given the fact that current levels of energy consumption are well beyond existing source and sink capacities. Green growth does not challenge the type of production: ‘‘green bulldozers’’ will still extract natural resources, ‘‘green cars’’ will still consume energy and generate urban sprawl, and ‘‘green trucks and ships’’ will still transport more goods further. Green growth implies the development of greener industries but not necessarily replacing existing problematic industries. One can have 20 per cent new renewable energy and nevertheless increased coal production if the economy grows enough. In fact, the positive impact of the green goods and services could be cancelled out by increases in production and consumption, as revenues from more eco-efﬁcient technologies are used to consume more elsewhere in growing economies (again the Jevons Paradox or ‘‘rebound effect’’). Increased extraction of natural resources by corporations in the pursuit of cheap inputs is destroying local communities and ecosystems at the ‘‘commodity frontiers’’. Local populations protest increasingly the impacts of ever-expanding commodity and waste frontiers. In order to avoid the increase in environmental liabilities, a better economic system and equitable way of life for the South are needed in parallel with economic downscaling in the global North. There is a need however for viable development alternatives developed by the South and for the South (rather than by northern elite academics for the South), and for policy reforms which will seek disentanglement, i.e. removal of the obstacles that prevent Southern countries from post-development [53].

A2 Growth Key to Heg 1/2

Economic power is not key to hegemony

Kapila 10 (Dr. Subhash Kapila is an International Relations and Strategic Affairs analyst and the Consultant for Strategic Affairs with South Asia Analysis Group and a graduate of the Royal British Army Staff College with a Masters in Defence Science and a PhD in Strategic Studies., “21st Century: Strategically A Second American Century With Caveats,” June 26, <http://www.eurasiareview.com/201006263919/21st-century-strategically-a-second-american-century-with-caveats.html>)

Strategically, the 20th Century was decidedly an American Century. United States strategic, military, political and economic predominance was global and undisputed. In the bi-polar global power structure comprising the United States and the Former Soviet Union it was the United States which globally prevailed. The 20th Century's dawn was marked by the First World War which marked the decline of the old European colonial powers, noticeably Great Britain. The Second World War marked the total eclipse of Great Britain and other colonial powers. The United States replaced Great Britain as the new global superpower. The 20th Century's end witnessed the end of the Cold War, with the disintegration of the Former Soviet Union as the United States strategic challenger and counter-vailing power. On the verge of the new millennium the United States strode the globe like a colossus as the sole global super power. With a decade of the 21st Century having gone past, many strategic and political analysts the world over have toyed with projections that United States global predominance is on the decline, and that the 21st Century will not be a second American Century. Having toyed, with such projections, these analysts however shy away from predicting whose century the 21st Century will strategically be? The trouble with such projections is that they are based predominantly on analyses of economic trends and financial strengths and less on detailed analyses of strategic and military strengths, and more significantly strategic cultures. Presumably, it is easier for such analysts to base trends on much quoted statistical data. Strategic analysis of global predominance trends is a more complex task in the opinion of the Author, as it cannot be based on statistical data analysis. Global predominance trends need unravelling of strategic cultures of contending powers, the reading of national intentions and resolve and the inherent national strengths and willpower demonstrated over a considerable time span of half-centuries and centuries. Crisply put, one needs to remember that in the 1980's, Japan and Germany as "economic superpowers" could not emerge as global superpowers. Hence global predominance calls for more than economic strengths. The United States getting strategically bogged down in Iraq and Afghanistan in the first decade of the 21st Century has not led to any noticeable decline in American global predominance. Despite Iraq and Afghanistan, the United States reigns supreme globally even in East Asia where China could have logically challenged it. More significantly, and normally forgotten, is the fact that the off-quoted shift of global and economic power from the West to East was facilitated by United States massive financial direct investments in China, Japan, South Korea and India. China quoted as the next superpower to rival the United States would be economically prostate, should the United States surgically disconnect China's economic and financial linkages to the United States. More significantly, while examining the prospects of the 21st Century as a "Second American Century" it must be remembered that besides other factors, that out of the six multipolar contenders for global power, none except China have shown any indications to whittle down US global predominance. Even China seems to be comfortable with US power as long as it keeps Japan in check. This Paper makes bold to assert that the 21st Century would be a Second American Century despite China's challenge and the strategic distractions arising from the global Islamic flash-points.

A2 Growth Key to Heg 2/2

Growth is not zero sum – wont impact US leadership

Bernd-Joachim **Schuller and** Marie **Lidbom,** University of Skövde, Sweden, 20**09**

“COMPETITIVENESS OF NATIONS IN THE GLOBAL ECONOMY. IS EUROPE INTERNATIONALLY COMPETITIVE?” (<http://www.ktu.lt/lt/mokslas/zurnalai/ekovad/14/1822-6515-2009-934.pdf>)

In many countries, most of what is produced is generally also consumed there, which has been shown in the EU (Boschini & Eriksson, 2005). This makes the economy less susceptible to things happening in other countries. However, **discussions on competitiveness often come with** expressed **concerns that positive economic developments in one part of the world are to a disadvantage for another part. This is not** necessarily **true.** **Suppose that the firms of an internationally trading country find ways which make them more competitive on the world market. This enables their products to be sold in larger amounts both on domestic and foreign markets, i.e. both domestic supply and exports grow**. **The increasing supply and demand** of domestically produced goods and services **boost the circular flow of income in the economy as productivity is rising**. C**onsequently, both public and private incomes increase. Saving, investment, consumption, export, but even import will rise. Thus, positive economic developments in one part of the world are not automatically a disadvantage for other part**s 5 . It should be clear from the discussion that national competitiveness is not a zero-sum game, but rather a plus-sum game – success breeds success. As mentioned before, countries engaging in international trade have the possibility to grow beyond their production potential, and raise average productivity. This gives an opportunity to all participants in international trade to gain. A country should not be seen as a gigantic firm. Running an economy differs obviously a lot from managing a firm. As discussed above, a firm not being able to make profits will soon be forced out of the market, unless it improves its performance. But since trade between countries is not profit driven, nations do not have a distinct bottom line. In a democracy with bad economic outlook, the individuals have the choice to vote and to express their disappointment by not re-electing the ruling government. A nation going bancrupt is virtually unheard of 6.

A2 Prosperity

**Continued growth will not translate to prosperity**

Rees 10 (William E. Rees, PhD, Institute for Resources, Environment and Sustainability, University of British Columbia, Vancouver, B.C. Canada,, June, 2010, Growth and Sustainability Don’t Mix, Journal of Cosmology, 2010, Vol 8, http://journalofcosmology.com/ClimateChange108.html)

This critical point (point ‘a’ on Figure 1) actually represents the optimal scale of the human enterprise. Here the net aggregate value of the economy (sum of all benefits minus sum of all costs) will have reached a maximum. If we grow beyond ‘a’, the costs of ‘progress’ regularly exceed the gains and total net benefits shrink. The economy will have entered a phase of what ecological economist Herman Daly calls ‘uneconomic growth’, counter-productive growth that makes society poorer, not richer. Figure 1: When to Stop Growing  Point ‘a’ represents the optimal scale of the human enterprise—total net benefits of growth/development (total benefits minus total costs) have reached a maximum (i.e., [d-e] > [f-g]). At this point, the declining marginal benefits of further growth just equal the rising marginal costs (slope MC = slope MB). Growth beyond ‘a’ is therefore counterproductive. It represents uneconomic growth that impoverishes. By point ‘c’ the economy may still be growing in money terms, but eco-catastrophe will have wiped out all the gains of civilization. It is possible that today’s global-economy-in-overshoot already exceeds optimal scale (Rees 2006b, WWF 2008) and that the global socio-ecosystem has begun its decline (climate change is only the best publicized symptom). This should blunt any criticism of Anderson’s and Bow’s (2008) intrusion into the policy arena and supports Moriarty’s and Honnery’s (2010) conclusion. Regrettably, at least two major obstacles prevent the world from testing the overshoot hypothesis or acting upon the results: 1) all governments are fixated on quantifying the easily measurable benefits of growth, but none focuses equivalent energy on assessing the much-harder-to-measure costs. It is therefore impossible to estimate a reliable benefit/cost ratio for growth; 2) the global economy is structured so that the already wealthy (and powerful) ‘enjoy’ most of the gains from growth while the chronically poor (and powerless) suffer the entropic costs. Those in a position to ‘fix’ the problem have little incentive to act; those most immediately affected by the problem are powerless to act. In these circumstances, decisive action is impossible and growth may well continue, perversely, to shrink the global economy for decades to come!

A2 Steady State Econ

**Steady state economy cannot solve – de-dev is key**

Alier et al 09 (Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

2. Crises due to over-capacity when Production and Consumption Capacity is maintained. If the Economic Capacity is unused, a crisis occurs. A crisis takes place when a there is gap between capacity and the actual production and consumption. This crisis is nothing new, it is being experienced within the "global South" with misery. Misery is about little production and consumption in a world of high capacities. This is what happens when you have no savings in a large financial economy; when you have no work in a place where workers overwork; when you have no car in a highly cardependent environment... Economic recession intensifies when consumption and production go down while capacities to produce and consume are maintained the same. Since the capacity to access natural resources is diminishing, there is at the very least one reason to expect that the crisis would be inevitable if other capacities remain high. Therefore maintaining high Economic Capacity, in a "steady state" at the current high capacity level (in the global North), is not a solution.

A2 Tech Good

Dedev is not mutually exclusive with tech or innovation

Schneider et al 10 (François Schneider is an industrial ecologist and degrowth researcher. He worked on the development of Life Cycle Assessment (LCA) methodology at the INSA engineering school in Lyon and at the CML in Holland. Giorgos Kallis, Joan Martinez-Alier Crisis or opportunity? Economic degrowth for social equity and ecological sustainability. Introduction to this special issue, Spainhttp://degrowth.org/wp-content/uploads/2011/05/Schneider\_Crisis-or-opportunity.pdf)

Technological and knowledge progress is not to be arrested under sustainable degrowth but redirected from more to better. Denying the imperative of growth is not synonymous with turning back the clock to a ﬁctitious pre-industrial, communal past. Sustainable degrowth is about constructing an alternative sustainable future. Research and technological innovations in a degrowth trajectory would involve innovations for consuming less through lifestyles, political measures and technologies which embody appropriate and chosen limits, rather than continuous innovation to spur consumption.

A2 Tech Solutions 1/2

Laws of physics mean tech cannot solve forever

Mills 9

(Julianne H. Mills, Julianne H. Mills received her PhD in Evolution, Ecology, and Organismal Biology from The Ohio State University, 2009, ECONOMIC PROSPERITY, STRONG SUSTAINABILITY, AND GLOBAL BIODIVERSITY CONSERVATION: TESTING THE ENVIRONMENTAL KUZNETS CURVE HYPOTHESIS, <http://etd.ohiolink.edu/send-pdf.cgi/Mills%20Julianne%20H.pdf?osu1243432252>)

Unfortunately, technology can only achieve so much before it runs up against the restrictions of physics. Neoclassical economists have been quick to point out that we have not yet encountered any such limits, heralding proponents of limits-to-growth as doomsayers (Beckerman 1992). For such economists, the fact that we are in ecological overshoot merely proves the astuteness of economic maxims: substitution and technology have thus far managed to sustain our existence, despite overreaching of supposed biocapacity. But, it should be plain to anyone that not yet having encountered something does not preclude its existence. What such weak formulations of sustainability neglect is that we are subsidizing current growth at the expense of future regenerative ability. Absolute, binding limits do exist. The first law of thermodynamics dictates a finite amount of energy and matter on Earth, while the second law ensures that technology (or any other process) will never achieve perfect efficiency (see Czech 2008 for a more thorough explanation of these laws as they apply to ecology and conservation). A different, stronger brand of sustainability is therefore in order, one which acknowledges these inherent physical limitations to growth and seeks to maintain the stock of natural capital at a constant level, operating within the Earth’s regenerative capacity, rather than above it (Costanza & Daly 1992; Rees 2002). This “strong sustainability” is a founding principle of ecological economics, the discipline which forms the basis for this study, and, arguably, must form the cornerstone of any endeavor which seeks to abate the current biodiversity crisis and address the underlying socioeconomic environment, both of which will be of vital importance in paving the way for global sustainability (Armsworth & Roughgarden 2001).

Substitution impossible- diminishing rare minerals and economic inefficiency

Heinberg, , Senior Fellow-in-Residence at Post Carbon institute, 2011 (Richard, March“Won’t Innovation, Substitution, and Efficency Keep Us Growing?”, http://richardheinberg.com/226-won%E2%80%99t-innovation-substitution-and-efficiency-keep-us-growing)

¶ Increasingly, substitution is less economically efficient. But surely, in a pinch, can’t we just accept the less-efficient substitute? In emergency or niche applications, yes. But if the less-efficient substitute must replace a resource of profound economic importance (like oil), or if a large number of resources have to be replaced with less-useful substitutes, then the overall result for society is a reduction—perhaps a sharp reduction—in its capacity to achieve economic growth.¶ ¶ As we saw in Chapter 3, in our discussion of the global supply of minerals, when the quality of an ore drops the amount of energy required to extract the resource rises. All over the world mining companies are reporting declining ore quality.[10] So in many if not most cases it is no longer possible to substitute a rare, depleting resource with a more abundant, cheaper resource; instead, the available substitutes are themselves already rare and depleting.¶ ¶ Theoretically, the substitution process can go on forever—as long as we have endless energy with which to obtain the minerals we need from ores of ever-declining quality. But to produce that energy we need more resources. Even if we are using only renewable energy, we need steel for wind turbines and coatings for photovoltaic panels. And to extract those resources we need still more energy, which requires more resources, which requires more energy. At every step down the ladder of resource quality, more energy is needed just to keep the resource extraction process going, and less energy is available to serve human needs (which presumably is the point of the exercise).[11]¶ ¶ The issues arising with materials synthesis are very similar. In principle it is possible to synthesize oil from almost any organic material. We can make petroleum-like fuels from coal, natural gas, old tires, even garbage. However, doing so can be very costly, and the process can consume more energy than the resulting synthetic oil will deliver as a fuel, unless the material we start with is already very similar to oil.¶ ¶ It’s not that substitution can never work. Recent years have seen the development of new catalysts in fuel cells to replace depleting, expensive platinum, and new ink-based materials for photovoltaic solar panels that use copper indium gallium diselenide (CIGS) and cadmium telluride to replace single-crystalline silicon. And of course renewable wind, solar, geothermal, and tidal energy sources are being developed and deployed as substitutes for coal.¶ ¶ We will be doing a lot of substituting as the resources we currently rely on deplete. In fact, materials substitution is becoming a primary focus of research and development in many industries. But in the most important cases (including oil), the substitutes will probably be inferior in terms of economic performance, and therefore will not support economic growth.

A2 Tech Solutions 2/2

Ending growth is the only option – tech cannot overcome a finite planet

Alier et al 9

(Joan Martinez Alier ICTA, Universitat Autònoma de Barcelona, Francois Schneider, Associate Researcher at ICTA, Autonomous University of Barcelona. Francine Mestrum University of Ghent, Stefan Giljum Sustainable Europe Research Institute (SERI), Socially Sustainable Economic Degrowth Editors: Leida Rijnhout and Thomas Schauer Proceedings of a workshop in the European Parliament on April 16, 2009 upon invitation by Bart Staes MEP and The Greens / European Free Alliance, http://www.clubofrome.at/archive/pdf/degrowth\_brussels.pdf)

The analysis above illustrated that an absolute reduction (a de-growth) of natural resource use in Europe and other high-consuming countries is required as a basis for qualitative changes to reduce the related environmental impacts. Realising a more sustainable development for all inhabitants requires much more than incremental improvements of the current system; what is needed is a radical change on how we use nature’s resources to produce goods and services and generate well-being. In order to allow developing countries to overcome poverty and increase the material welfare of their inhabitants in the future, countries with high levels of per-capita resource consumption are required to sharply decrease their share in global resource use in absolute terms. A Factor 10 improvement in resource productivity, i.e. the economic value produced per unit of natural resource has been suggested as an overall guiding target for Western countries (Schmidt-Bleek, 2009). So far, there is no empirical evidence that technological improvements could remove the physical limits of the planet and allow sustaining ever-growing amounts of resource consumption for a growing world population. Therefore, qualitative strategies, such as an increased share of biofuels and biomaterials in total resource consumption, can only be implemented as part of such a quantitative reduction scenario, which avoids overusing the limited capacities of global ecosystems. EU policy documents acknowledged that European production and consumption patterns have environmental and social impacts, which reach far beyond the EU borders. However, despite the adoption of a large number of policy strategies in the past few years, there is a clear lack of concrete targets for resource use and related impacts. No integrated strategy exists so far, which would ensure supporting resource productivity across different EU policy areas. Most strategies remain on a very general level of declarations of intent, without describing how the formulated objectives should be achieved through concrete policy measures. However, most importantly for the debate on economic de-growth is the fact that empirical evidence disproves the possibility of an absolute reduction of resource use in a growing economy. In the past three decades, Europe achieved significant improvements regarding local or regional environmental degradation through pollution of certain environmentally harmful substances. This was achieved through technological innovations and substitution of harmful substances and products. However, environmental problems related to the growing scale of the European production and consumption system, have worsen: many species are in threat of extinction, fish stocks deplete, water reserves shrink, overall waste volumes have been growing, urban sprawl transforms fertile land into sealed areas, valuable soil is lost through erosion, energy consumption grows, and Europe is far away from achieving a significant reduction in greenhouse gas emissions (EEA, 2005). Developing alternative forms of economic development, which are not dependent on economic growth (see Hinterberger et al., 2009), is therefore not only a key objective from a social perspective. It is also crucial to ensure that the natural resource base, on which the quality-of-life of our societies builds on, is not being overexploited and collapsing.

A2 Econ Collapse → War

Economic decline doesn’t cause war

Apps ’10

( Peter Apps, Political Risk Correspondent for Reuters, Jun 8, 2010, “ Crisis fuels unrest, crime, but war risk eases”, <http://in.reuters.com/article/2010/06/08/idINIndia-49123220100608>)

The global financial crisis has made the world less peaceful by fuelling crime and civil unrest, a worldwide study showed on Tuesday, but the risk of outright armed conflict appears to be falling. The 2010 Global Peace Index -- which examines several dozen indicators from the crime rate to defence spending, conflicts with neighbouring states and respect for human rights -- showed an overall reduction in the level of peacefulness. The key drivers were a five percent rise in homicide, more violent demonstrations and a perceived greater fear of crime. "We have seen what looks like a direct impact from the crisis," Steve Killelea, the Australian entrepreneur behind the index, told Reuters. "At least some unrest is probably unavoidable but the important thing is to target measures to keep it to a minimum." That could mean ensuring any economic pain was equitably shared across society, he said, to maintain social cohesion. Perhaps as a result of the more cash-strapped times, defence spending as a percentage of gross domestic product was down to its lowest in four years with countries also showing generally better relations with their neighbours. "In most areas of the world, war risk seems to be declining," he said. "That is very important." The index is compiled by the Institute for Economics and Peace based on data From the Economist Intelligence Unit. They estimate violence costs the global economy $7 trillion a year. A 25 percent reduction in violence would save about $1.7 trillion a year, enough to pay off Greece's debt, fund the United Nations millennium development goals and pay for the European Union to reach its 2020 climate and carbon targets. "There are such clear economic benefits to peace and it is something investors are now looking at much more closely," he said, adding that some were using the index alongside the World Bank governance indicators and other key rating systems to inform investment decisions. NEW ZEALAND "MOST PEACEABLE" The struggling euro zone economies of Portugal, Ireland, Italy, Greece and Spain showed a particular rise in unrest risks, while Africa and the Middle East were the only two regions to have become safer since the survey began in 2007. Africa had seen a drastic fall in the number of armed conflicts and an improvement in relations between neighbours, he said, overshadowing the impact of greater crime. Better ratings for the Middle East and North Africa came primarily from improving relations between nations.

Economic collapse doesn’t cause war

Ferguson 6

(Niall Ferguson is the Laurence A. Tisch Professor of History at Harvard University, September/October 2006, “ The Next War of the World”,http://www.foreignaffairs.com/articles/61916/niall-ferguson/the-next-war-of-the-world)

 Nor can economic crises explain the bloodshed. What may be the most familiar causal chain in modern historiography links the Great Depression to the rise of fascism and the outbreak of World War II. But that simple story leaves too much out. Nazi Germany started the war in Europe only after its economy had recovered. Not all the countries affected by the Great Depression were taken over by fascist regimes, nor did all such regimes start wars of aggression. In fact, no general relationship between economics and conflict is discernible for the century as a whole. Some wars came after periods of growth, others were the causes rather than the consequences of economic catastrophe, and some severe economic crises were not followed by wars.

No war from economic collapse

Barnett ’09

(Thomas P.M. Barnett, Thomas P.M. Barnett is an American military geostrategist and Chief Analyst at Wikistrat, 24 Aug 2009, “ The New Rules: Security Remains Stable Amid Financial Crisis”, <http://www.worldpoliticsreview.com/articles/4213/the-new-rules-security-remains-stable-amid-financial-crisis>) SRK

 When the global financial crisis struck roughly a year ago, the blogosphere was ablaze with all sorts of scary predictions of, and commentary regarding, ensuing conflict and wars -- a rerun of the Great Depression leading to world war, as it were. Now, as global economic news brightens and recovery -- surprisingly led by China and emerging markets -- is the talk of the day, it's interesting to look back over the past year and realize how globalization's first truly worldwide recession has had virtually no impact whatsoever on the international security landscape. None of the more than three-dozen ongoing conflicts listed by GlobalSecurity.org can be clearly attributed to the global recession. Indeed, the last new entry (civil conflict between Hamas and Fatah in the Palestine) predates the economic crisis by a year, and three quarters of the chronic struggles began in the last century. Ditto for the 15 low-intensity conflicts listed by Wikipedia (where the latest entry is the Mexican "drug war" begun in 2006). Certainly, the Russia-Georgia conflict last August was specifically timed, but by most accounts the opening ceremony of the Beijing Olympics was the most important external trigger (followed by the U.S. presidential campaign) for that sudden spike in an almost two-decade long struggle between Georgia and its two breakaway regions. Looking over the various databases, then, we see a most familiar picture: the usual mix of civil conflicts, insurgencies, and liberation-themed terrorist movements. Besides the recent Russia-Georgia dust-up, the only two potential state-on-state wars (North v. South Korea, Israel v. Iran) are both tied to one side acquiring a nuclear weapon capacity -- a process wholly unrelated to global economic trends. And with the United States effectively tied down by its two ongoing major interventions (Iraq and Afghanistan-bleeding-into-Pakistan), our involvement elsewhere around the planet has been quite modest, both leading up to and following the onset of the economic crisis: e.g., the usual counter-drug efforts in Latin America, the usual military exercises with allies across Asia, mixing it up with pirates off Somalia's coast). Everywhere else we find serious instability we pretty much let it burn, occasionally pressing the Chinese -- unsuccessfully -- to do something. Our new Africa Command, for example, hasn't led us to anything beyond advising and training local forces. So, to sum up: \*No significant uptick in mass violence or unrest (remember the smattering of urban riots last year in places like Greece, Moldova and Latvia?); \*The usual frequency maintained in civil conflicts (in all the usual places); \*Not a single state-on-state war directly caused (and no great-power-on-great-power crises even triggered); \*No great improvement or disruption in great-power cooperation regarding the emergence of new nuclear powers (despite all that diplomacy); \*A modest scaling back of international policing efforts by the system's acknowledged Leviathan power (inevitable given the strain); and \*No serious efforts by any rising great power to challenge that Leviathan or supplant its role. (The worst things we can cite are Moscow's occasional deployments of strategic assets to the Western hemisphere and its weak efforts to outbid the United States on basing rights in Kyrgyzstan; but the best include China and India stepping up their aid and investments in Afghanistan and Iraq.) Sure, we've finally seen global defense spending surpass the previous world record set in the late 1980s, but even that's likely to wane given the stress on public budgets created by all this unprecedented "stimulus" spending. If anything, the friendly cooperation on such stimulus packaging was the most notable great-power dynamic caused by the crisis. Can we say that the world has suffered a distinct shift to political radicalism as a result of the economic crisis? Indeed, no. The world's major economies remain governed by center-left or center-right political factions that remain decidedly friendly to both markets and trade. In the short run, there were attempts across the board to insulate economies from immediate damage (in effect, as much protectionism as allowed under current trade rules), but there was no great slide into "trade wars." Instead, the World Trade Organization is functioning as it was designed to function, and regional efforts toward free-trade agreements have not slowed. Can we say Islamic radicalism was inflamed by the economic crisis? If it was, that shift was clearly overwhelmed by the Islamic world's growing disenchantment with the brutality displayed by violent extremist groups such as al-Qaida. And looking forward, austere economic times are just as likely to breed connecting evangelicalism as disconnecting fundamentalism. At the end of the day, the economic crisis did not prove to be sufficiently frightening to provoke major economies into establishing global regulatory schemes, even as it has sparked a spirited -- and much needed, as I argued last week -- discussion of the continuing viability of the U.S. dollar as the world's primary reserve currency. Naturally, plenty of experts and pundits have attached great significance to this debate, seeing in it the beginning of "economic warfare" and the like between "fading" America and "rising" China. And yet, in a world of globally integrated production chains and interconnected financial markets, such "diverging interests" hardly constitute signposts for wars up ahead. Frankly, I don't welcome a world in which America's fiscal profligacy goes undisciplined, so bring it on -- please! Add it all up and it's fair to say that this global financial crisis has proven the great resilience of America's post-World War II international liberal trade order. Do I expect to read any analyses along those lines in the blogosphere any time soon? Absolutely not. I expect the fantastic fear-mongering to proceed apace. That's what the Internet is for.

 \*\*Competitiveness

\*UQ

Competitiveness – Yes 1/2

America still has a global edge

Yetiv 12

8 reasons America is not in decline <http://www.csmonitor.com/Commentary/Opinion/2012/0306/8-reasons-America-is-not-in-decline/US-still-has-most-competitive-major-economy-in-the-world> Steve Yetiv, political science professor at Old Dominion University 3/6/12

1. US still has most competitive major economy in the world. The stakes in the debate on American decline are big. Exaggerated views of demise can create a self-fulfilling prophecy at home, encourage global troublemakers, and produce world economic and strategic instability. Let’s set the record straight. America has had the most competitive major economy in the world over the past several years, according to the World Economic Forum. Only the small states of Switzerland, Sweden, Finland, and Singapore sometimes eclipse it. Even the European Union countries are now looking to America to help them out of their debt crisis, as ironic as that may sound. 2. US has world’s best entrepreneurs and most Fortune 500 companies. It has the world’s best entrepreneurs and by far the highest number of Fortune 500 companies. It remains at the forefront of the technologies of the future, such as biotechnology and nanotechnology, and has the advantage in cyberspace, even though it has fallen behind in some other areas, like green technologies. 3. US remains world’s leading magnet for immigrants. It remains by far the world’s leading magnet for immigrants, allowing it to draw on millions of bright, hardworking people. It’s hard to exaggerate such brain power, which constantly helps renew the country. 4. US has many trustworthy allies. It has trustworthy allies in NATO, the EU, the Group of 20 industrialized countries, and elsewhere that usually help it meet national and international goals. Contrast that with, let’s say, China and Russia. They suspect each other and often lack such global support. 5. US has weakened adversaries. It benefits because most of its adversaries are largely constrained and less threatening than they used to be. North Korea is a pariah. Syria is on the ropes. Hugo Chávez is not well liked and is ailing. Fidel Castro is a has-been. Saddam Hussein and Osama bin Laden are dead. The Soviet Union is gone. Those are tectonic shifts in world politics that we rarely appreciate in full. America also possesses a military that is far ahead of its rivals, allowing the US to operate at great distances in unique ways. Difficulties in Iraq and Afghanistan are not a commentary on US military capability, but on strategy and the challenges of nation-building. 6. US has vast energy resources. It lacks a comprehensive energy policy, but it has more energy resources than any major country, except Russia. The US is also less dependent on oil than most great powers. That’s important in a world where energy is becoming increasingly central. 7. US is leader in global move toward democracy. It has spearheaded the global move toward democracy, which has been on the march in the past 100 years – not communism, fascism, Nazism, autocracy, radical Islamism, or any other forms of governance. According to sophisticated rankings, America ranks third in soft power – the ability to attract others due to culture and policies, marginally behind France and Britain (China clocked in at No. 17). 8. US colleges and universities top global rankings. The US trails badly in K-12 education – a huge problem – but its universities, especially at the graduate level, dominate the global rankings.

Competitiveness – Yes 2/2

The US is still competitive- Worker efficiency and innovation

Walden 10

Posted Jul. 28, 2010 at 3:27 p.m. Is U.S. still competitive? The answer is a resounding ‘Yes!’ By MICHAEL WALDEN, NCSU Economist <http://wraltechwire.com/business/tech_wire/news/blogpost/8050877/>

RALEIGH, N.C. – To many, the recession of the last two years is a symptom of a larger economic problem in the nation - that we just can't compete anymore. This viewpoint says that in today's globalized economy, where businesses can locate virtually anywhere and then ship their products physically or send their services electronically, it's a losing battle to think the U.S. can go head-to-head against lower wage countries. So should we just throw in the towel and wait for the day when everything we use will be made somewhere else? Is it inevitable that we become a nation of consumers and not producers? Based on the latest report from the World Economic Forum (WEF), the answer is a resounding "no." The WEF, which organizes a highly publicized and well-attended annual meeting in Davos, Switzerland each year, produces a Global Competitiveness Index for over 130 countries. The index is based on scores of factors, including worker costs and training, education quality, financing, infrastructure like roads and airports and innovation. The WEF combines these factors into a single number based on their relative importance to business persons and investors. And now the drum roll please. Based on the WEF Global Competitiveness Index, where does the U.S. rank in the latest reading for 2010? The answer is number two out of 133 countries. Only Switzerland ranked higher. The U.S. actually ranked number one in 2008 and 2009 and only missed the top spot this year due to the depth of the recession. Why are business people and investors so bullish on the U.S.? It's because we rank very high on two out of the three broad categories of factors important to the economy: innovation and efficiency. The U.S. ranks number one in the world on innovation. We are still the land of opportunity, where smart, creative and foresightful people can take a chance to follow their dream and hit it big. The U.S. also has excellent colleges and universities that both produce these entrepreneurs and support them with discoveries and practical applications. Efficiency means businesses get a lot of bang for their bucks spent on workers and other inputs. While worker costs in the U.S. may be higher than in other countries, the productivity of our workers - what they can produce in a given time period - is also commensurately higher. Investors also rate the U.S. high on worker flexibility. This means it's much easier to both downsize and upsize businesses and move workers from one firm to another. Again, our excellent higher education system helps with this transition.

Competitiveness - No

US becoming less competitive- Political gridlock, complex tax system, and poor primary school education

Malone 12

<http://www.huffingtonpost.com/2012/01/18/us-economy-less-competitive-harvard-business-school-survey_n_1212548.html>

By Scott Malone

U.S. Economy Becoming Less Competitive, Harvard Business School Survey Finds

1/18/12 6:59AM EST

BOSTON, Jan 18 (Reuters) - The United States is becoming less economically competitive versus other nations, with political gridlock and a weak primary education system seen as the main drag, according to a survey released on Wednesday. In particular, the nation is falling behind emerging market rivals and just keeping pace with other advanced economies, according to a Harvard Business School survey of 9,750 of its alumni in the United States and 121 other countries. Seventy-one percent of respondents expected the U.S. to become less competitive, less able to compete in the global economy with U.S. firms less able to pay high wages and benefits, the study found. The findings come at a time when high unemployment is a major concern for Americans, with 23.7 million out-of-work and underemployed, and the economy the top issue ahead of November's presidential election. "The U.S. is losing out on business location decisions at an alarming rate" said Michael Porter, a Harvard Business School professor who was a co-author of the study. U.S. companies, which slashed headcount sharply during the 2007-2009 recession, have been slow to rehire since the downturn's official end and some have continued to cut. This month, Archer Daniels Midland Co, Kraft Foods Inc and Novartis AG all said they would be cutting U.S. jobs this year. Survey respondents said they remained more likely to move operations out of the United States than back in. Of 1,005 who considered offshoring facilities in the past year, 51 percent decided to move versus just 10 percent who opted to keep their facilities in the country, with the balance not yet decided. Respondents, graduates of the prestigious business school who were polled from Oct. 4 through Nov. 4, were particularly concerned about how the United States was shaping up versus emerging nations such as China, Brazil and India, with 66 percent saying the United States was falling behind. WEAK POINTS Among respondents who had decided to move operations out of the United States over the past year, 70 percent cited lower wages as the reason they chose a new location, pointing to what is widely seen as emerging markets' main advantage. While the United States held up better compared to other advanced economies, with about 70 percent saying it was keeping pace competitively, 21 percent said the U.S. was also falling behind other wealthy countries, such as those in Western Europe and Japan. The United States' main disadvantages compared with other advanced economies were the complexity of its tax code, the ineffectiveness of its political system and the weakness of its educational system from kindergarten through high school.

Infrastructure Competitiveness – No

US competitiveness is decreasing because of delay on infrastructure projects

Crossley 11

Infrastructure report, US not globally competitive From ULI, Ernst & Young David Crossley, May 17, 11. <http://www.houstontomorrow.org/livability/story/report-us-not-globally-competitive-for-infrastructure/>

In contrast with its global competition, the United States is lurching along a problematic course—potentially losing additional ground in terms of essential infrastructure development, according to a new report from the Urban Land Institute and Ernst & Young. Among other things, Infrastructure 2011: Strategic Priorities says: After more than 30 years of conspicuously underfunding infrastructure and faced with large budget deficits, increasing numbers of national and local leaders have come to recognize and discuss how to deal with evident problems. But a politically fractured government has mustered little appetite to confront the daunting challenges, which include finding an estimated $2 trillion just to rebuild deteriorating networks. Operating beyond their planned life cycles, these systems include roads, bridges, water lines, sewage treatment plants, and dams serving the nation’s primary economic centers. Although President Obama ranks infrastructure as one of his administration’s top three “win the future” initiatives (together with education and innovation), the chances for setting and executing national priorities appear to be foundering in partisan debate over tax burdens and how to cut exploding government debt. Plans for transformational networks—regional high-speed passenger rail, a new electric grid tied to energy-saving technologies, and state-of-the-art satellite air traffic control systems to replace obsolete radar stations—will probably get delayed, pared back, or shelved. Despite the nation’s unemployment woes, the vast job-creation potential of infrastructure projects is being sidetracked by concerns about government spending appetites and potential cost overruns. Related benefits from reducing carbon footprints—energy efficiencies and greater independence from problematic foreign energy sources—are also failing to gain much traction. The overriding stumbling block to generating support for rebuilding the country’s infrastructure remains simple public resistance to paying more for these systems—either through higher taxes or user fees. Although informed voters have passed bond issues and even some sales tax increases for new projects, Congress perennially refuses to raise the federal gasoline tax or allow states to put new tolls on interstate highways, which could help ramp up funding for mass transit alternatives and repair existing highways and bridges.

\*Theory

Competitiveness Theory False

Nothing about the competitiveness theory makes sense – positive sum games are more likely in a globalized world

Mitschke 8

Andreas Mitschke, ‘The Influence of National Competition Policy on the International Competitiveness of Nations, 2008 Pg. 104-105,

An early and well-known critic of using the concept of international competitiveness with reference to nations is Krugman338. His point of view is characteristic for many opponents of the concept of macroeconomic competitiveness who state that a macroeconomic competitiveness of nations does not exist. The concept is rejected because of the following reasons. Firstly, according to the Ricardian theory of comparative advantages, every country always has ‘a comparative advantage in something’339 so that competitiveness of nations is a largely meaningless concept.340 Chapter 3.1.3 has shown the weak points of this argumentation. Secondly, nations can not go bankrupt. While firms have to go out of business when they do not fulfil their liabilities to pay, countries only become poorer: ;Countries . . . do not go out of business. They may be happy or unhappy with their economic performance, but they have a well-defined bottom line’341. Thirdly, the international competitiveness of domestic enterprises can have a negative influence on the competitiveness of other domestic enterprises, for example in case that the increasing competitiveness and productivity of a certain national industry leads to an upward revaluation of the exchange rate or an increase of wages so that other domestic industries, which do not achieve the same productivity gains but also have to pay increased wages and sell at higher prices, become less competitive.342Fourthly, countries do not economically compete against eachother.343Instead, at the end of the day, only companies do compete in a zero-sum game because they are judged on their performances on global markets so that the competitiveness debate finally should be given up in favour of a mere microeconomic productivity concept. Besides the fundamental assumption of economic theory that ‘trade between a country and the rest of the world tends to be balanced, particularly over the long term’344, global trade can be regarded as a positive-sum game. This means that, in most cases, countries benefit from the welfare gains of foreign countries so that there is no rivalry and competition between countries, except for status and power.345 Indeed, quite the reverse, modern open economies’ welfare depends on the positive economic development of other countries, especially in times of economic slowdown or crisis. If a certain country grows, possibly faster than the others, then the global markets will expand and all foreign trading partners will benefit from the availability of better or cheaper products and from more favourable terms of trade. 346 Consequently, there are neither winners nor losers. The false and illogical idea to increase the welfare and international competitiveness of a country by means of national policy is based on the wrong idea that world economy would amount to a zero-sum game so that every country would have to increase its welfare and competitiveness at the expense of other countries. Krugman explicitly warns that this could cause the return of a ‘dangerous obsession’, which means protectionism, industrial policy, and other kinds of bad governmental policy, based on false and negative political attitudes and ideas against free trade and resulting in the waste of money. This would cause harm both to consumers, tax-payers, and to the development of the domestic economy. There are at least two reasons for these negative effects. Firstly, governments do not know which industries or companies have good prospects for the future. Furthermore, even in case that the government knew about the future prospects of industries or companies, all attempts to support their international competitiveness would have negative and selective effects. Secondly, every form of strategic trade and beggar-thy-neighbour policies would harm international competitors as a result in retaliatory measures. This would finally end in a negative-sum game. These arguments against the term ‘international competitiveness of nations’ have not convinced all economists because of several shortcomings. The following chapter will criticize these arguments by describing the proponents’ view on international competitiveness.

Competitiveness = Zero Sum

Competitiveness is zero sum – growth in one nation is a loss for another

Momoh 10

SIAKA MOMOH, 3-8 2010, Industry Editor and Member Editorial Board who has covered the sector for about two decades; experienced journalist “[Industry stakeholders advised on how to fly high at LCCI meet](http://www.businessdayonline.com/ARCHIVE/index.php?option=com_content&view=article&id=9064:industry-stakeholders-advised-on-how-to-fly-high-at-lcci-meet&catid=81:entrepreneur-news&Itemid=599)” <http://www.businessdayonline.com/ARCHIVE/index.php?option=com_content&view=article&id=9064:industry-stakeholders-advised-on-how-to-fly-high-at-lcci-meet&catid=81:entrepreneur-news&Itemid=599>, ott

Industry stakeholders were advised last week on steps to take to swim successfully through the current economic storm the nation is experiencing. The stakeholders who gathered in Lagos at the instance of the Lagos Chamber of Commerce and Industry (LCCI) were asked to take a fresh look at their business and asked “what their core business is”. They were told if they were still doing the same businesses, they should think on how they could improve on such businesses. Abiodun Adedipe, a management and financial consultant who is chief consultant, B. Adedipe Consultants Limited who listed these steps and many others at LCCI business luncheon in Ikeja asked the stakeholders to recall if they had ignored any existing market and those they found it difficult to explore. He asked, “What existing market have you ignored and found difficult to exploit? What are the limiting factors and how do you deal with them? Which new markets can you explore and with what? What do you stand for?” He added that their corporate values reinforced repeatedly would build the future they desire. “Start today to build that future!” he said emphatically. On the issue of cost he advised that they should analyze costs and determinedly cut off the fat! And on power he said “Plan as if power supply will never come back to normal and the present challenges will toughen! For Adedipe, if the Nigerian businessperson can work out how to survive those conditions, there is a silver lining in the horizon that will surely bring a recovery that will lead to another boom! For him, business is an endeavour which brings considerable inconvenience; business people deliberately expose themselves to this inconvenience with an expectation of reward. In his characteristic manner he went on to say the logical question to ask then is: “How do I run my business at a profit, given the realities of my business environment alongside my capabilities and competencies?” He argued, “All around the world, the government is a prime mover of the economy, whether directly through its involvement in economic activities or by facilitating those activities through policies/actions conducive to business. It is to this extent that government actions (and at times, inaction) are key to the business climate and competitiveness of any nation with the rest of the world. “In reality, it is a highly competitive world we live in today. Nations compete with each other to attract and retain resources for development. Companies compete with each other across borderless nations. In the same manner, individuals compete with one another for space and opportunities. This competitive mindset is easy for any business person to appreciate, but hardly so for political leaders and some individuals. Yet, competition is a zero-sum game! Your gain is a loss to your competitor, and vice versa.” He took a look at the economy in the last 10 years citing an average real GDP growth rate of 6.19 per cent during 2001 to 2008, which was consistently above 6 per cent annually since 2003 (except 2008), noting that GDP composition was (and still is) dominated by the agric sector, illustrating his argument with charts. He also cited the growing oil economy until the restiveness in the Niger Delta region checkmated that, and that as an enclave economy the oil economy has had little or no direct linkage with the rest of the economy.

A2 Krugman

Krugman is wrong – competitiveness is zero-sum

Prestowitz ’94

[Clyde V. Prestowitz, Jr, founder and President of the Economic Strategy Institute, served as counselor to the Secretary of Commerce in the Reagan Administration, “Playing To Win”, July/August, <http://www.foreignaffairs.com/articles/50109/clyde-v-prestowitz-jr/playing-to-win?page=2>]

Paul Krugman first achieved a measure of public recognition with a study of competition in the aircraft industry, which proved mathematically the potential efficacy of strategic--that is to say managed--trade. That this analysis was considered important might seem odd in view of the fact that the German-American scholar Friedrich List had done more or less the same work nearly 150 years ago and in view of the experience of the Japanese, who had been practicing strategic trade for more than 40 years at the time of Krugman's study. But given the narrow scope of the research considered permissible by the conventional wisdom of U.S. economists, as well as their ignorance of history and other disciplines, Krugman's analysis was a notable, iconoclastic achievement. Indeed, it may have been too daring because ever since its publication Krugman has been running away from the implications of his own findings. His diatribe in Foreign Affairs (March/April) against the concept of competitiveness and those who espouse it is only the most recent example. Krugman not only claims that concern with competitiveness is misplaced. He attacks all those who think otherwise--including leading members of the Clinton administration such as Robert B. Reich, Ira C. Magaziner, Laura D'Andrea Tyson and the president himself--as protectionists whose work is careless if not dishonest and whose motives run from simple greed to chauvinism and demagoguery. Krugman contends that concern about competitiveness is silly because as a practical matter the major countries of the world are not in economic competition with each other. He attempts to prove this by making three points. First he argues that trade is not a zero-sum game. Trade between the United States and Japan is not like competition between Coca-Cola and Pepsi because whereas Pepsi's gain is almost always Coke's loss, the United States and its trading partners can both be winners through the dynamics of comparative advantage. Although true to some extent, this rationale ignores that different kinds of trade take place. Surely Krugman is correct in the case of trade between the United States and Costa Rica, where America imports bananas it does not grow and exports airplanes and machinery that Costa Rica does not make. Both countries come out winners by devoting their resources to what each does best. But what about the kind of trade typified by the recent Saudi Arabian order for $6 billion of new airplanes? Why were the Europeans so upset and Clinton so happy when the Saudis announced that U.S. producers would win all the orders? Both the Europeans and the Americans make airplanes, and this order means that the United States will gain jobs and income that Europe might have had but lost. This was largely a zero-sum trade situation, and ironically it was precisely the case that first brought Krugman to prominence. Maybe he was right the first time. IT'S LIVING STANDARDS, STUPID In fact, Krugman later concedes the point by allowing that "in principle" competitiveness problems could arise between countries. But he insists that they do not in practice because trade is a relatively small part of GNP in the major countries. Consequently, living standards are determined almost wholly by how well the economy works domestically rather than by international performance. In this vein, he observes that exports constitute only 10 percent of U.S. output, apparently leaving 90 percent of the economy to purely domestic factors. Moreover, he attributes 91 percent of the 1973 to 1990 stagnation in U.S. living standards to declining domestic productivity growth and only 9 percent to deteriorating terms of trade. But competitiveness proponents have never denied the importance of domestic economic performance. Indeed, virtually all competitiveness prescriptions emphasize domestic savings and investment rates, education, cost of capital and research and development. Trade is typically treated as a secondary issue--more a symptom than a cause of subpar competitiveness. Second, Krugman ignores America's imports--which equal 11 percent of GNP and nearly half of U.S. manufacturing output. Thus, overall trade is equivalent to about 21 percent of GNP, and by some estimates the impact of trade is felt directly by at least half the U.S. economy: Take the U.S. auto industry. It is not a big exporter, and imports account for only about 15 percent of the U.S. market. But the prices and quality of those imports help determine the retail prices U.S. automakers can charge, wages of U.S. auto workers and incomes of those who service the U.S. auto industry. Krugman does not explain the slowdown in U.S. productivity growth, but he implies that domestic factors are the sole culprits. Yet the slowdown came just when U.S. imports were soaring and entire industries such as consumer electronics were being wiped out by foreign competitors pursuing mercantilist tactics. Surely these dislocations had some impact on U.S. productivity growth. Krugman's third and final argument is that although countries may be rivals for status and power, such rivalry is something apart from economics and has no impact on living standards. A high relative growth rate may enhance Japan's status, for example, but it does not reduce the living standard of other countries. Although this notion may be true in the short-term, absolute sense, it is not necessarily true in the long-term, potential sense. Since the end of World War II, the United States has grown faster than Great Britain. The United States has done so in part by taking British inventions such as jet planes and radar and commercializing them faster than the British, thereby closing off those industries as potential avenues of British growth. Of course, if Britain could enter other high-growth, high-wage industries, the U.S. position would make no difference. But at any one time the number of those industries is limited; missing the boat on one can mean losing potential gains in living standards. In the extreme, loss of economic competitiveness can weaken national security and cause greater vulnerability to political regimes and international cartels that may severely constrain a country's economic potential. This competition is, after all, what imperialism and its opposition has been all about. SPLITTING HAIRS To buttress his arguments, Krugman attacks his critics' arithmetic as careless. Yet Krugman's own arithmetic is careless and selective. His analysis of how manufacturing job loss affects real average wages ignores the relationship between service and manufacturing wages. American barbers are not notably more productive than Bangladeshi barbers. But their wages are much higher because their customers work with much higher productivity than the customers of their Bangladeshi counterparts. Loss of high wage U.S. manufacturing jobs also depresses not only manufacturing wages, but service industry wages as well. Krugman, however, fails to mention this drag. Krugman's discussion of value added is even more questionable. He may have a point in that "high value added" has become a kind of shorthand for technology-intensive and high-wage industries when that is not always the case. But Krugman uses very broad industry categories to make his point, although the data he draws on clearly show that a huge industry like electronics consists of many sectors, some with high value added and others with low. Overall, Krugman notes a figure of value added per worker in the electronics industry of only $64,000. But why did he ignore the tables showing the figures of $443,000 for computers and $234,000 for semiconductors? Krugman concludes by expressing fear of the possible distortion of the U.S. economy through the application of flawed competitiveness policies. He could, of course, be right. But can the United State be confident that an analyst who has such obvious gaps of his own and who has now argued both sides of the competitiveness issue can be relied on as the guide? Perhaps he is wrong, and competitiveness, far from being a dangerous obsession, is an essential concern.

A2 Competitiveness = Zero Sum 1/3

Competitiveness is not zero sum – win-win trades exist

Prestowitz 94

Clyde V. Prestowitz, Jr., President of the Economic Strategy Institute, 7-94 “Playing To Win” (http://www.foreignaffairs.com/articles/50109/clyde-v-prestowitz-jr/playing-to-win)

Krugman contends that concern about competitiveness is silly because as a practical matter the major countries of the world are not in economic competition with each other. He attempts to prove this by making three points. First he argues that trade is not a zero-sum game. Trade between the United States and Japan is not like competition between Coca-Cola and Pepsi because whereas Pepsi's gain is almost always Coke's loss, the United States and its trading partners can both be winners through the dynamics of comparative advantage.

Competitiveness is not zero sum – it’s the result of non-relative productivity

Porter 5

Michael Porter, Jan 2005 Harvard University Professor and Director of the Center for Competitiveness, “What is Competitiveness?” <http://www.iese.edu/en/ad/AnselmoRubiralta/Apuntes/Competitividad_en.html>

Worldwide, the most intuitive definition of competitiveness is a country’s share of world markets for its products. This definition makes competitiveness a zero-sum game, because one country’s gain comes at the expense of others. This view of competitiveness is used to justify intervention to skew market outcomes in a nation’s favor (so-called industrial policy). It also underpins policies intended to provide subsidies, hold down local wages and devalue the nation’s currency, all aimed at expanding exports. In fact, it is still often said that lower wages or devaluation “make a nation more competitive.” Business leaders are drawn to the market-share view because these policies seem to address their immediate competitive concerns. Unfortunately, this intuitive view of competitiveness is deeply flawed, and acting on it works against national economic progress. The need for low wages reveals a lack of competitiveness, and holds down prosperity. Subsidies drain national income and bias choices away from the most productive use of the nation’s resources. Devaluation results in a collective national pay cut by discounting the products and services sold in world markets while raising the cost of the goods and services purchased from abroad. Exports based on low wages or a cheap currency, then, do not support an attractive standard of living. The world economy is not a zero-sum game. Many nations can improve their prosperity if they can improve their productivity. There are unlimited human needs to be met if productivity drives down the cost of products and productive work supports higher wages. Thus, the central challenge in economic development is how to create the conditions for rapid and sustained productivity growth. Microeconomic competitiveness should be the central item on the economic policy agenda of every nation.

A2 Competitiveness = Zero Sum 2/3

More evidence – positive economic developments don’t come at the cost of other nations growth

Schuller & Lidbom 9

Bernd-Joachim Schuller and Marie Lidbom, University of Skövde, Sweden, 2009

“COMPETITIVENESS OF NATIONS IN THE GLOBAL ECONOMY. IS EUROPE INTERNATIONALLY COMPETITIVE?” (<http://www.ktu.lt/lt/mokslas/zurnalai/ekovad/14/1822-6515-2009-934.pdf>)

In many countries, most of what is produced is generally also consumed there, which has been shown in the EU (Boschini & Eriksson, 2005). This makes the economy less susceptible to things happening in other countries. However, discussions on competitiveness often come with expressed concerns that positive economic developments in one part of the world are to a disadvantage for another part. This is not necessarily true. Suppose that the firms of an internationally trading country find ways which make them more competitive on the world market. This enables their products to be sold in larger amounts both on domestic and foreign markets, i.e. both domestic supply and exports grow. The increasing supply and demand of domestically produced goods and services boost the circular flow of income in the economy as productivity is rising. Consequently, both public and private incomes increase. Saving, investment, consumption, export, but even import will rise. Thus, positive economic developments in one part of the world are not automatically a disadvantage for other parts 5 . It should be clear from the discussion that national competitiveness is not a zero-sum game, but rather a plus-sum game – success breeds success. As mentioned before, countries engaging in international trade have the possibility to grow beyong their production potential, and raise average productivity. This gives an opportunity to all participants in international trade to gain. A country should not be seen as a gigantic firm. Running an economy differs obviously a lot from managing a firm. As discussed above, a firm not being able to make profits will soon be forced out of the market, unless it improves its performance. But since trade between countries is not profit driven, nations do not have a distinct bottom line. In a democracy with bad economic outlook, the individuals have the choice to vote and to express their disappointment by not re-electing the ruling government. A nation going bancrupt is virtually unheard of 6.

Competitiveness is not zero sum

Martin 7

James R. Martin, 2007 Ph.D., CMA Professor Emeritus, University of South Florida “World Competitiveness Reports” <http://maaw.info/WorldCompetitivenessReports.htm>, ott

Part of the controversy related to the competitiveness reports is the term "competitiveness". As many economists have pointed out, countries do not compete the way companies compete. Countries trade with each other, but it is not a zero-sum game. All trading parties benefit. However, countries do provide the foundation needed for business organizations to compete in the global economy. Without a well developed infrastructure (e.g., roads, education systems, communication systems etc.), as well as well developed financial markets, technology, government support, and judicial systems, an economic system cannot support the development of competitive business organizations. How much government involvement is needed? This is an ongoing political controversy.

A2 Competitiveness = Zero Sum 3/3

Competitiveness is not zero sum – growth in one nation increases opportunities for another

Reich 8

Robert Reich, Sep 8, 2008, former secretary of Labor under Clinton, now teaches at the University of California, Berkeley. “Why Economics Isn't A Zero-Sum Game: NEWSWEEK's Business Roundtable looks at the two faces of globalization, and whether the U.S. can stay ahead.”, ott ProQuest Search – accessed 7/17/12

If we define the world's economic leader as the country with the biggest gross domestic product, China is on the way to claiming that prize. China has more than a billion people, and its middle class is growing quickly. But we shouldn't see this as a problem. The global economy isn't a zero-sum game where one country gains only if another one loses. As China grows, it will become an even larger market for our goods and services. It's also likely to be a continuing source of capital for us, buying our government bonds and holding reserves of our currency. Over the past decade we've lost the most ground in higher education. State legislatures have cut back funding to public colleges and universities, even though these schools host the lion's share of the nation's basic research and development, and teach 80 percent of American college students. Meanwhile, China and much of Europe are investing massively in higher education. Although we've lost manufacturing jobs, this is partly a result of success. About half of those jobs have been lost to new technology, robots and computer-controlled machine tools, which have replaced old-fashioned assembly lines, dramatically reducing the need for workers. In 1900, more than a third of Americans worked on farms; now, fewer than 5 percent do. The manufacturing sector is following this historical pattern. Meanwhile, we still lead in building intellectual property-products and services connected with the Internet, computer software, biotech, entertainment, marketing and finance. The increasing signs of antiglobalism sentiment are unsurprising given that the typical American got nothing out of the last economic expansion. Adjusted for inflation, the median wage is lower than it was in 2000, and jobs are less secure. Americans want to cast blame, and unfortunately, it's always easiest to blame foreigners-the people who trade with us, and migrate to this country. When isolationism last flourished here in the 1930s, it hurt the economy, and if it comes to dominate our thinking, it will hurt us again.

Countries do not compete – the economy is not a zero sum game

Krugman 94 (Paul Krugman, Professor of Economics at the Massachusetts Institute of Technology, Competitiveness: A Dangerous Obsession, 1994) (34)

How can this be in our interdependent world? Part of the answer is

 that the world is not as interdependent as you might think: countries are

 nothing at all like corporations. Even today, U.S. exports are only 10 per

 cent of the value—added in the economy (which is equal to GNP). That is,

 the United States is still almost 90 percent an economy that produces

 goods and services for its own use. By contrast, even the largest corporation sells hardly any of its output to its own workers; the “exports” of General Motors·-its sales to people who do not work there - are virtually all

 of its sales, which arc more than 2.5 times the corporations value—added.

 Moreover, countries do not compete with each other the way

 Corporations do. Coke and Pepsi are almost purely rivals; only a negligible fraction of Coca—Cola’s sales go to Pepsi workers, only a negligible Fraction of the goods Coca-Cola workers buy are Pepsi products.

 So if Pepsi is successful, it tends to be at Coke’s expense. But the major

 industrial countries, while they sell products that compete with each

 other, are also each other’s main export markets and each other`s main

 suppliers of useful imports. It the European economy does well, it

 need not be at US. expense; indeed, if anything a successful European economy is likely to help the U.S. economy by providing it with

 larger markets and selling it goods of superior quality at lower prices.

 International trade, then, is not a zero—sum game. When productivity rises in japan, the main result is a rise in Japanese real wages;

 American or European wages are in principle at least as likely to rise

 as to fall, and in practice seem to be virtually unaffected.

 It would be possible to belabor the point, but the moral is clear;

 while competitive problems could arise in principle, as a practical,

 empirical matter the major nations of the world are not to any significant degree in economic competition with each other. Of course,

 there is always a rivalry for status and power—countries that grow

 faster will see their political rank rise. So it is always interesting to com

pare countries. But asserting that Japanese growth diminishes U.S. status is very different from saying that it reduces the U.S. standard of living-and it is the latter that the rhetoric of competitiveness asserts.

 One can, of course, take the position that words mean what we want

 them to mean, that all are free, if they wish, to use the term “competitiveness” as a poetic way of saying productivity without actually implying that international competition has anything to do with it. But few

 writers on competitiveness would accept this view. They believe that

 the facts tell a very different story, that we live, as Lester Thurow put

 it in his best-selling book, Heudto Henna in a world of “win—lose” competition between the leading economies. How is this belief possible?

\*Protectionism Turn

Competitiveness → Protectionism

Economic competitiveness spurs protectionism

Stavrou 3/28/12 [Protesilaos Stavrou, economic consultant for EU parliament, contributor to one europe and the daily journalist <http://protesilaos.blogactiv.eu/2012/03/28/national-competitiveness-and-the-protectionist-race-to-the-bottom/>]

National competitiveness¶ Even though protectionism exists in quite an apparent way, over the last few years, we have developed a new “compelling” notion, to conceal the fact: national competitiveness, i.e. the idea that countries can be competitive or uncompetitive. For instance Greece is considered uncompetitive while Germany is thought to be competitive. Though this concept could make sense, if taken light-heartedly, as a loose expression for the level of education, or technological research, or entrepreneurship, or internal market rigidities and malignancies, pointing to the need for structural reforms and so on; it remains nonetheless a rather problematic idea. The reason is that in the economic sense nations do not compete with each other – only businesses do.¶ To illustrate the point, Germany is thought to be a very “competitive” economy, yet the German firm in a given industry, say tourism, might be far less competitive than the equivalent Greek, even if Greece as a nation is not “competitive”. Same applies for virtually every singletradable sector on the planet. Nations can only follow two possible courses of action as far as trade is concerned: either cooperate with each other, like the EU in its internal dimension, or hamper each others efforts by means of protectionism. At any rate nations have no “competitiveness” at all, in the strict sense – this notion is in my view a rather misleading abstraction.¶ The reason such a term has become a standard, especially in post-financial crisis economico-political parlance, **has much to do with politics and the subconscious cultivation of “we-they” mentalities**. It is convenient for national politicians to praise the “competitiveness” of their country, while it also serves as a handy tool to justify the existence of protectionist policies by claiming that these contribute to the overall “competitiveness” of the country. In light of this, we recently heard the French President and presidential candidate Nikolas Sarkozy elaborating on yet another perverse proposal: the “Buy European Act” whose purpose will be to encourage consumers (or practically force them) to purchase European products instead of their equivalent international ones.¶ If we as individual European consumers really feel like helping our fellow European producers we can do it by ourselves without some nomenclature coercing us. After all the best way for producers to help themselves is to stand up to international competition by producing cheaper, better and more innovative products that we will buy because they really are good, not because Sarkozy or whoever else thinks it would be good. What regulators really need to be concerned about, is how to help producers reach that point, by removing many of the obstacles they have erected and instead facilitate **and encourage the reallocation of resources from non-tradable to tradable areas.** Narrow-sighted ideas like those of Sarkozy, if brought into law, will return us back to the times we understood international trade as high politics and used it to grind our “enemies” under our heel, eventually fueling an economic war of attrition. Such nonsense will ultimately do much more harm than good to everyone, including European producers.

Infrastructure Competition → Protectionism 1/

Infrastruture competitiveness uniquely triggers protectionism – industry subsidization proves

Winslow 4/1/12

[Lance Winslow, Director of “the online think tank”, published economic and political author, April 1 2012 [http://ezinearticles.com/?Are-You-Sure-You-Want-100%-Made-In-America-Parts-On-All-US-Infrastructure-Projects?&id=6975227](http://ezinearticles.com/?Are-You-Sure-You-Want-100%25-Made-In-America-Parts-On-All-US-Infrastructure-Projects?&id=6975227)]

Well, the unions want more high-paying jobs, and the politicians have promised the people that they can deliver jobs to America. And now these same politicians want to do what we are complaining that every other countries doing to us. They want to unbalance trade, create tariffs, and increased protectionism. That just doesn't make sense. Okay so, let's talk about this for a moment because there's a good chance you disagree with me here.¶ Industry Week reiterated a story that has been in the news a bit as of late in an article titled; "Alliance for American Manufacturing: Keep China Out of U.S. Infrastructure Projects," by Paul Handley published on March 27, 2012 which state; "AAM launched its 'Should Be Made in America' campaign as Congress considers a $109 billion, two-year transportation spending bill, which the government hopes will give a boost to the economy and generate more jobs."¶ Yes, I can certainly see the frustration of the average worker in the manufacturing sector which has been totally hammered over the last few decades, still, let's not forget that China and India and other massively fast growing economies and emerging markets have a lot more infrastructure to build up than we do, even as we upgrade our own systems here.¶ If we want to sell stuff to China and India, then we have to be willing to buy those parts that they create which meet our specifications - if they can produce them at a lower price and the same quality part. If we determine that we can only buy US-made parts for all of our infrastructure projects then other nations will reciprocate and bar us from selling them what they need for their infrastructure projects. You see, the United States is very good at engineering and building stuff, it behooves them to use our companies, and that also employs lots of US workers.¶ It's okay to make stringent specifications, and demand the highest level of quality. If other nations can't produce parts that can compete, including the cost of shipping, then we shouldn't feel obligated to buy them. Still, we must also remember that it is the US taxpayer which has to pay for these infrastructure projects, and we need to get the best deal and the best price.¶ If American companies can compete for the same price and quality, then we should definitely buy it here, but they can't we should not subsidize industries or engage in protectionism because that makes our companies weak and unable to compete in global markets. It's akin to corporate welfare, and creating unnecessary wage inflation, not to mention a false economy based on inefficiency. I'm just as much for increasing employment as the next guy, but we don't need to cheat to do it. Indeed I hope you will please consider all this and think on.

Infrastructure Competition → Protectionism 1/

Infrastructure spending incentivizes global protectionism – Boxes out developing nations

Khor ’10

[Martin Khor, contributor to the star/asia news network, “watch out for US protectionism abroad” <http://www.chinapost.com.tw/commentary/the-china-post/special-to-the-china-post/2010/09/15/272607/p1/Watch-out.htm>]

KUALA LUMPUR -- With the U.S. economy in bad shape, and a congressional election approaching, various actors in the country seem to be preparing the ground for a bout of protectionism, with developing countries the target.¶ There were two examples of this last week.¶ First, an American trade union filed a legal case with the government accusing China of illegally subsidising exports of clean energy equipment.¶ It wants the U.S. government to take action against China at the World Trade Organisation.¶ Meanwhile, the New York Times published a front page article giving details of how Chinese authorities subsidise producers of solar and wind technology in allegedly unfair ways.¶ This is truly ironic for many reasons.¶ On one hand, developing countries, especially China, are under tremendous pressure to reduce their greenhouse gas emissions. The most important measure advocated is to switch from carbon-intensive coal and oil to renewable clean energy like solar and wind. This pressure is being applied at the global climate negotiations. In addition, the U.S. House of Representatives has passed a Bill that authorizes the President to impose a “border adjustment measure” (with the effect similar to a tariff) on carbon-intensive imports of countries that are deemed not to have taken sufficient action on climate change. Yet, when China takes measures to promote the production of solar panels and wind turbines, it is asked to stop these measures on the ground that they violate WTO rules. The United Steelworkers union has filed a 5,000-page legal case with the U.S. administration accusing China of subsidizing exports of wind turbines, solar panels, nuclear power plants and other clean energy equipment. The union claims that the central and provincial governments have used land grants, low-interest loans and many other measures that allow Chinese companies to gain market share at the expense of jobs in the U.S. The U.S. administration has to decide within 45 days whether to pursue a case against China in the WTO to remove the subsidies. International trade expert Bhagirath Lal Das has pointed out that the WTO's subsidies agreement is biased in favor of developed countries because it allows types of subsidies that they use (especially research and development grants) while forbidding or restricting types of subsidies that developing countries tend to use. Developing countries, because of lack of resources, cannot match the R&D subsidies that the rich countries provide. They can however provide assistance to firms for infrastructure (such as land and utilities) and credit (bank loans at preferential rates) to encourage production. In many developing countries, such subsidized facilities are given, including land and utilities in free trade zones and credit through development banks and to small and medium enterprises. It would be most unfortunate if developed countries, facing high unemployment and other economic woes, were to make scapegoats of developing countries and take them to court in the WTO for using these measures. The New York Times article, while criticizing China's clean-energy subsidies, also reported that the U.S. itself has approved US$10 billion in grants and financing to new companies and another US$10 billion for economic stimulus programs in the clean energy sector, besides investing in infrastructure that benefits industry. Moreover, the U.S. (and European countries) have spent trillions of dollars to rescue their financial institutions and automobile companies. If free enterprise and free trade principles were to apply, these measures should not be allowed. Yet no developing country has taken WTO action against these countries. Another imbalance in the trade rules is that the U.S. and Europe have been allowed to continue their massive agricultural subsidies. These enable their farm products to be sold abroad at artificially low prices, often below production cost, thus displacing the products of local farmers in developing countries. It is thus most unfortunate that some U.S. groups are attacking China's measures promoting clean-energy technology. The developed countries should be encouraging developing countries to develop green technologies instead of placing obstacles. If the WTO rules restrict the measures needed towards climate-friendly technologies, then these rules should be reviewed and reformed to allow developing countries to use them to promote environmental technology. A second case of potential U.S. protection was in last week's economic policy speech by President Barack Obama, that he planned to cut tax incentives given to companies that outsource their work to other countries. “For years, our tax code has actually given billions of dollars in tax breaks that encourage companies to create jobs and profits in other countries,” said Obama. “I want to change that.” “Instead of tax loopholes that incentivise investment in overseas jobs, I'm proposing a more generous, permanent extension of the tax credit that goes to companies for all the research and innovation they do right here in America.” “If we're going to give tax breaks to companies, they should go to companies that create jobs in America — not those that create jobs overseas.” The Indian newspaper The Hindu has voiced concern that this may yet be another protectionist move that will affect the Indian IT industry. Obama's speech follows the recent passing of an executive order by the Ohio state governor to ban outsourcing. Reacting to the order, the Indian IT sector, which gets 60 percent of its export revenue from the U.S., termed the move as discriminatory and said it amounts to a trade barrier. This move in turn follows a controversial legislation that increased fees for visas in the H-1B and L1 categories, which also hit India's IT industry. As politicians court voters in an environment of economic downturn in the U.S., developing countries should be prepared and should try to counter various types of protectionism in trade, investment and fiscal measures.

Infrastructure Unions → Protectionism

Infrastructure is being deregulated now – Union invigoration spurs protectionism

Griswold ‘10

[Daniel Griswold, Director for trade policy studies at the Cato institute, “Unions, Protectionism, and US Competitiveness” Cato Joumal, Vol. 30, No. 1 winter 2010]

Private-sector unionization achieved its greatest success in the¶ middle decades of the previous centuly, in an era when domestic and¶ global product markets were much less open and competitive. U.S. producers faced less competition, allowing unions to extract higher wages from the rents their employers were able, in tum, to extract from a relatively captive consumer base. Unions had originally been established in the late 19th century in part to offset and oppose the market power of protected capital, but by the 1930s unions had collaborated with the govemment and certain businesses to stifle competition. F. A. Hayek, in his classic 1944 book, The Road to Serfdom, noted the tum of organized labor against competitive markets. "The fatal tuming point" occurred, writes Hayek (1944: 199), when the labor movement came under the influence of anti-competition doctrines and became itself entangled in the strife for privilege. The recent growth of monopoly is largely the result of a deliberate collaboration of organized capital and organized labor where the privileged groups of labor share in the monopoly profits at the expense of the community and particular at the expense of the poorest, those employed in the less-well-organized industries and the unemployed. In the decades since Hayek wrote those words, barriers to inter national trade and investment have fallen, and domestic markets, including transportation, energy, and telecommlmications, have been largely deregulated. Meanwhile, new technologies such as the Intemet have helped to lower barriers to entry into existing markets. The result has been a loss of market power for both "organized capital" and "organized labor." U.S. industries, on the whole, have accepted and even embraced the more competitive environment. Sectors such as steel, textiles, and sugar continue to demand protection from foreign competitors, but they are now the exceptions and not the rule. But leaders of organized labor, on the whole, do not accept the new, more competitive environment. They routinely oppose any efforts to further liberalize trade and tend to favor efforts to raise barriers to imports and capital mobility. A retum to the era of more closed and regulated markets should be strongly resisted. Although labor leaders may have seen that period as a golden era, it extracted a heavy price on Americans in the form of lost consumer welfare, product innovation, and freedom. The preferable policy altemative is to allow competition to work in labor markets just as it has been allowed to work more hilly in prod- uct markets.

Air Control Regulation → Protectionism

Increased air control regulation maintains protectionism and blocks foreign investors – that turns the aff

Cleveland and Price ’02

[Paul A Cleveland, associate professor of economics at Birmingham-Southern College and an adjunct scholar for the Center for Economic Personalism at the Acton Institute, Jared Price, Graduate school student in economics Vol. 52 Iss. 10 of the freeman <http://www.thefreemanonline.org/features/airline-protectionism-hurts-travelers/>]

In one form or another the U.S. government has regulated the domestic airline industry since 1930. The imposition of various rules and regulations has kept the industry from becoming as efficient as it might have become had it evolved in a free market. While many controls ended in 1978 and the Civil Aeronautics Board (CAB) was abolished in 1985, the bureaucracy associated with the Federal Aviation Administration (FAA) continues, and the government still thwarts the competitive process. For example, foreign airlines are barred from flying passengers between domestic locations–so-called “cabotage.” By requiring airlines carrying domestic passengers to be American-owned, the government limits competition in a way that resembles how the CAB limited it. During the CAB years, domestic carriers were allowed to serve only routes for which they held licenses. The certification procedure limited competition between carriers. In 1978 that control was abandoned. However, the protectionist policy continues to limit competition in domestic markets. Airline deregulation was wildly successful.1 In the aftermath of decontrol, airfares dropped while the number of passengers increased. Competition forced the airlines to significantly change their business strategies. Among the most prominent changes was the hub-and-spoke networking system now used by almost all major airlines. Only Southwest Airlines uses substantial point-to-point market segments in its system. Yet even Southwest employs hub locations. As expected, those unable to make the changes needed to succeed have been forced out of the industry. The system has thus been greatly improved, and travelers today have far better options than they have ever had before. Despite the success of decontrol, a number of problems remain. Anyone who flies knows that a scheduled arrival time is only a tentative guess made by airlines. It is calculated that more than half the flights in the United States are late. In addition, passengers have leveled many other complaints against the airlines about a host of inefficiencies. Why do such inefficiencies remain? Some suggest that the problem is that there are fewer airlines operating now. However, that is the necessary result of a competitive process. The real answer to why problems persist is that the industry is not entirely free. For example, airports are funded by tax dollars and operated as local government monopolies. In addition, the FAA maintains a monopoly on the air traffic control system, which continues to lag far behind the technology curve. This has resulted in gross inefficiencies in the routing of aircraft that might otherwise have been remedied. Finally, domestic deregulation never resulted in global free-market competition. As a result, the domestic market is not as competitive as it would otherwise be. The federal law that prohibits cabotage also limits foreign investment in domestic airlines. Shareholders from other countries cannot own more than 25 percent of the voting stock of a domestic firm or more than 49 percent of the outstanding equity.2 Given the high fixed costs of entry into the industry, this rule limits competition domestically. In effect, the regulation creates a cartel. Airline Globalization If globalization is understood as the ever-increasing liberalization of international trade and investment, then globalization of the airline industry would greatly benefit travelers. It would do so, first, by increasing their range of choice, putting pressure on airlines to improve quality and lower prices. To the extent that foreign carriers could undercut ticket prices profitably, domestic carriers would be forced to evaluate their use of scarce resources. This would lead to a second benefit: domestic innovations in technology and organization. Airlines that did not improve their operations would risk being forced out of business.3 While no one can know what advancements would be made, the history of the free market teaches us that the gains should be substantial. A third benefit of removing the protectionist restriction is that it would pressure foreign countries to remove their restrictions on American carriers.4 Unilateral decontrol would put the U.S. government in a better position to negotiate the liberalization of rules elsewhere. Maintaining barriers has never been effective in that regard. On the contrary, such policies merely maintain the status quo.5

Jobs Stimulus → Protectionism 1/2

Job stimulus policies bolsters union barriers to free trade and incentivizes protectionism

Welker ’10

[Jason Welker Author of several IB economics text books and teacher of International Baccalaureate Economics at Zurich International School in Switzerland.<http://welkerswikinomics.com/blog/2010/10/07/obamas-bad-decision/>]

US president Barack Obama made a speech directly to Wall Street today. In his speech, Obama reflected on the many lessons America has learned in the last year since the financial crisis began. He urged his audience of investors, bankers and brokers that¶ “Normalcy cannot lead to complacency,” Obama said. “Unfortunately, there are some in the financial industry who are misreading this moment. Instead of learning the lessons of Lehman and the crisis from which we are still recovering, they are choosing to ignore them.”¶ “They do so not just at their own peril, but at our nation’s,” the president added.¶ In addition to his warnings about the threat posed by overly risky financial markets to the US economy, President Obama expressed his commitment to free trade and “the fight against protectionism”.¶ Obama says:¶ …enforcing trade agreements is part and parcel of maintaining an open and free trading system.¶ The enforcement of existing trade agreements Obama refers to is his way of justifying a decision his administration made over the weekend that actually limits free trade between America and one of its largest trading partners, China.¶ Trade relations between two of the world’s biggest economies deteriorated after Barack Obama, US president, signed an order late on Friday to impose a new duty of 35 per cent on Chinese tyre imports on top of an existing 4 per cent tariff.¶ In his first big test on world trade since taking office in January, Mr Obama sided with America’s trade unions, which have complained that a “surge” in imports of Chinese-made tyres had caused 7,000 job losses among US factory workers.¶ So, in his speech today, Obama decries protectionism and calls for expanded trade and free trade agreements which are “absolutely essential to our economic future”. But only three days ago, he supported a blatantly protectionist measure aimed at keeping foreign produced goods out of America in order to save a few thousand American jobs.¶ Obama’s decision is a bad one for several reasons. As an economics teacher, I will turn firstly to a diagram for an illustration of the net loss to the American people of higher tariffs on imported tires:¶ Tire protection¶ The key point to notice in the above graph is that a tariff on imported tires results in a net loss of welfare in America. The blue area represents the increase in the welfare of tire manufactures (this could be interpreted as the jobs saved in the tire industry and the profits earned due to higher prices); the black areas, on the other hand, are welfare loss. Since all tire consumers in America pay more for their tires due to the 35% tariff, real income is affected negatively for the nation as a whole.¶ One effect of the protectionist policy the graph does not illustrate, and perhaps the most serious negative impact of the tariff on America, is the response the Chinese are likely to take to what they interpret as a violation of existing free trade agreements between the US and China.¶ “This is a grave act of trade protectionism,” Mr Chen said in a statement. “Not only does it violate WTO rules, it contravenes commitments the US government made at the [April] G20 financial summit.”¶ Beijing said it had requested WTO-sanctioned consultations with the US over Washington’s new duties on tyres. Yao Jian, a commerce ministry spokesman, said the duties were in ”violation of WTO rules”.¶ China said it would now investigate imports of US poultry and vehicles, responding to complaints from domestic companies.¶ The problems with protectionism are myriad. Clearly American consumers suffer through higher tire prices. In addition, Chinese manufacturers will see sales fall as their product becomes less competitive in the US market. According to the CCTV report below, as many as 9,000 workers in the Chinese tire industry will lose their livelihoods due to declining demand from the US. But the unforseen effects of the US tariff on Chinese tires is the retaliatory measures China will almost certainly take. If China imposes new tariffs on American automobiles and poultry, the scenario in the graph above will be reversed, and Chinese consumers will face higher prices, Chinese car and poultry producers will experience rising sales, while the American auto worker and chicken farmer will suffer.¶ Free trade tends to result in net benefits for economies that choose to participate in it. American tire manufacturers are certainly harmed by cheap Chinese imports; however, America as a whole benefits through cheaper goods, more consumer surplus, higher incomes in China and therefore greater demand for imports of products made in America. The road to protectionism is a dangerous path to take for the Obama administration. Justifying these new tariffs by claiming that they “enforce existing free trade agreements” is a political maneuver aimed at covering up the truth, which is that the Obama administration has sided with a special interest group to save a few thousand jobs and garner political favor at a time when 700,000 American jobs are being lost each month. By doing so, he is calling into question his own commitment to free trade, and harming America’s image as a global proponent of global economic integration.

Jobs Stimulus → Protectionism 2/2

Government job production is inherently protectionist and turns their internal link

Davidson ’10 [Nathaniel Davidson, columnist for the patriot update, 10/11/10 [http://patriotupdate.com/oldsite/exclusives/read/241/Pummeling-protectionism-free-trade-is-good-for-America]\](http://patriotupdate.com/oldsite/exclusives/read/241/Pummeling-protectionism-free-trade-is-good-for-America%5D%5C)

2. Tariffs helped cause the Great Depression The common mythology says that the great stock market crash of 1929 caused the Depression. But the great economist and author Dr Thomas Sowell shows that only 5% of people were unemployed in the month after Black October, and never passed single digits up to June 1930, when it was 6.3%. But then the protectionist Smoot–Hawley tariff bill was signed by the allegedly “do-nothing President” Herbert Hoover. Over a thousand economists signed a petition urging Hoover to veto the bill, yet he cravenly signed it although he had called it “vicious, extortionate, and obnoxious”. As a result, other countries retaliated, chopping American exports and imports by over a half. Five months after the tariffs, unemployment hit double digits for the first time in that decade. Further interventions by Hoover then FDR caused unemployment to rise even higher. 3. So why do people fall for protectionism? For two main “reasons”: Claim (a): Trade barriers save jobs. First, big deal. The objective should not be jobs, but more goods and services for all. We could “create or save” plenty of jobs by giving half our unemployed “jobs” of digging ditches, and the other half “jobs” of filling them in. But this would hardly benefit the country. Sorry to say, manufacturers who can’t provide goods that people would freely pay for are not much different, so they should find a more productive line of work. Second, no it doesn’t! The great French economist Frédéric Bastiat pointed out back in 1850 that this considers only what is seen: jobs saved in the protected industries. But what is not seen are the greater jobs lost in industries using the protected goods. For example, tariffs on imported sugar saved 2,261 jobs during the 1990s. But jobs using sugar outnumber jobs in sugar production 7–1. For example, already Lifesavers moved to Canada in 2003 with the loss of 600 jobs, 4,000 confectionary jobs were lost in Chicago, and overall 6,400 workers in the sugar-processing industries have lost their jobs. But how many of those will blame the sugar tariffs? Furthermore, there are losses to businesses beside those which use the protected product, because consumers have less money to spend. Economist Dr Walter Williams points out, “average household pays $21 more per year for sugar. The total cost, nationally, sums to $826,000 for each job saved.” This is money that can’t be spent buying other goods. Unfortunately, this is hard to change because the costs are diffused while the benefits are concentrated. Although the total costs to consumers, and thus to other businesses that no longer have their custom, is huge, it is widely spread out, to “only” $21 pa each. It doesn’t motivate customers to lobby. But protectionism makes a huge difference to a relatively few sugar barons and their employees, so they have a big incentive to lobby politicians on both sides.

Protectionism S/O

Protectionism spills over – WTO proves

Frashure ’11 [Chris Frashure, contributor to united liberty, Journalist “protectionist tries redfining free trade”

<http://www.unitedliberty.org/articles/8343-protectionist-tries-redefining-free-trade>]

Knowing there is no legitimate case for protectionism, its proponents are now attempting to define free trade as something that it is not. Writing for Salon, David Sirota says:¶ Trade policy, as I’ve previously noted, often has nothing to do with what we conventionally define as “trade” — that is, it has nothing to do with the exchange of goods and services, and everything to do with using state power to solidify corporations’ supremacy over individual citizens. In that sense, the modern era’s ongoing debates over “free trade” are a corporate public relations coup — by tricking the public and the media into believing we’re debating one thing (commerce) when we’re debating something entirely different (power), the “free trade” brand casts those who raise questions about these pacts as know-nothing Luddites (who could be against commerce, right?).¶ Oddly, Sirota offers no further support for his claim that free trade uses “state power to slidify coporations’ suppremacy over individual citizens” nor does he even clarify precisely what it is he means. It appears as though he is content to level that charge and move on to a different subject:¶ …In creating direct unprotected competition between Americans and foreign workers who have no labor, wage or human rights protections, the most celebrated trade pacts of the last two decades have — quite predictably — resulted in widespread layoffs and the hollowing out of America’s middle class job base.¶ Here’s the thing: Free trade doesn’t purport to keep jobs in any one place. Instead, it seeks to open up the market to allow labor and resources to flow where there are best utilized. Instead of decrying the exportation of jobs from the US, perhaps Sirota should study the advantages other nations have over the States. I hold that he would, if he is honestly objective, discover that those “labor, wage or human rights protections” are a large hindrance to American competition. Indeed, they are not part of the free-market canon.¶ He continues:¶ Then came news that multinational firms are using the World Trade Organization to prevent nations from trying to build up their domestic green-energy industries. This follows the Obama administration’s similar — and successful — efforts directed at China.¶ Again, this is not a tenet of free trade. Using the WTO, or any organization, as a bully pulpit to prevent other nations, corporations, or citizens from freely operating is…not free (did I really need to say that?)¶ Similar to redefining free trade in a way that renders it more vulnerable to the protectionist argument, several proponents of broader government intervention blame capitalism and free markets for problems created or exacerbated precisely by government interventions.

Protectionism → N/W 1/2

Trade protectionism destabalizes the globe and escalates to nuclear war

Bernstein ‘10

[William J Bernstein, PHD, principal in the money management firm Efficient Frontier Advisors, and economic contributor to several publications, March 18 2010 http://www.huffingtonpost.com/ian-fletcher/free-trade-vs-protectioni\_b\_504403.html]

When goods are not allowed to cross borders, soldiers will." --Frederic Bastiat How soon we forget. For nearly all of recorded history before 1945, Europe, today a peaceful and prosperous region linked by high-speed trains and ridiculously low airfares, was riven by nearly continuous major conflicts. In the Second World War's aftermath, it was crystal clear to military, political, and diplomatic leaders on both sides of the Atlantic that the trade protectionism of the previous several decades in no small measure contributed to that catastrophe. The U.S. State Department said, in effect, "never again" and drew up a blueprint for the new world trade order, Proposals for the Expansion of World Trade and Employment, which soon gave rise to the GATT and the beginnings of the EU. The arrangement succeeded beyond its wildest expectations and ushered in an era of unparalleled global peace and prosperity. By 1945, the link between trade conflict and armed conflict had become blindingly obvious. This was nothing new, of course. The Peloponnesian War saw its genesis in Athens' dependence on the grain from what is now the Ukraine, which necessitated control of the narrow passages between the Aegean and Black Seas by the Athenian Empire. In the early seventeenth century Holland and Portugal fought a remarkable world-wide conflict over the trade in slaves, spices, and sugar. Later in the seventeenth and eighteenth centuries, Britain and Holland fought no less than four wars, sparked largely by British protectionist legislation--the Navigation Acts. Southern anger over northern protectionism contributed to the outbreak of the Civil War nearly as much as did slavery. Those who doubt this would do well to consider that just thirty years before, the two sides nearly went to war over the Nullification Crisis of 1833, which was itself directly precipitated by the tariff acts of 1828 and 1832. Mr. Fletcher tries his best to ignore this historical inevitability of retaliation to tariff increases; he asserts that since our trading partners, particularly those in Asia, run persistently high trade surpluses vis-a-vis the U.S., they would not dare retaliate. There are at least three things wrong with this argument. First, in the past, it hasn't worked. During the 1930s, for example, all nations, including those running trade surpluses, pushed up their tariff rates. Second, it ignores one of the prime lessons of human history: winners often do not remember, while losers never forget. Centuries of humiliation by the West have scarred the national psyches of both China and India, and serious misunderstandings can easily ensue. Who controls the Strait of Malacca, through which flows China's oil supply and European trade? The U.S. Navy. Last, Mr. Fletcher believes that our politicians can fairly dispense protection broadly across the economy by means of a "flat tariff." Good luck with that: U.S. trade preferences always have, and always will, go disproportionately to the prosperous and well connected. Exhibit A: the obscene sugar subsidies and trade preferences meted out for decades to the wealthy and powerful Fanjul brothers. Do not be misled by those whose naive belief in the rational self-interest of others will prevent any significant protectionist actions by the United States. The events of August 1914 demonstrated just how seriously awry the "rational self-interest" of nations can go, and the Cold War taught us the impossibility of containing even the smallest of nuclear exchanges. So too has history repeatedly shown that even small tariff increases often lead to trade wars, and that trade wars can end in Armageddon.

Protectionism → N/W 2/2

Trade is key to check global nuclear war

Copley News Service 99 (Copley News Service, 12/1/1999) Lexis Nexis

For decades, many children in America and other countries went to bed fearing annihilation by nuclear war. The specter of nuclear winter freezing the life out of planet Earth seemed very real.

 Activists protesting the World Trade Organization's meeting in Seattle

apparently have forgotten that threat. The truth is that nations join together in groups like the WTO not just to further their own prosperity, but also to forestall conflict with other nations. In a way, our planet has traded in the threat of a worldwide nuclear war for the benefit of cooperative global economics.Some Seattle protesters clearly fancy themselves to be in the mold of nuclear disarmament or anti-Vietnam War protesters of decades past. But they're not. They're special-interest activists, whether the cause is environmental, labor or paranoia about global government.

 Actually, most of the demonstrators in Seattle are very much unlike

yesterday's peace activists, such as Beatle John Lennon or philosopher Bertrand Russell, the father of the nuclear disarmament movement, both of whom urged people and nations to work together rather than strive against each other. These and other war protesters would probably approve of 135 WTO nations sitting down peacefully to discuss economic issues that in the past might have been settled by bullets and bombs.

 As long as nations are trading peacefully, and their economies are built on exports to other

countries, they have a major disincentive to wage war. That's why bringing China, a budding superpower, into the WTO is so important. As exports to the United States and the rest of the world feed Chinese prosperity, and that prosperity increases demand for the goods we produce, the threat of hostility diminishes.

 Many anti-trade protesters in Seattle claim that only multinational

corporations benefit from global trade, and that it's the everyday wage earners who get hurt. That's just plain wrong.

 First of all, it's

not the military-industrial complex benefiting. It's U.S. companies that make high-tech goods. And those companies provide a growing number of jobs for Americans. In San Diego, many people have good jobs at Qualcomm, Solar Turbines and other companies for whom overseas markets are essential. In Seattle, many of the 100,000 people who work at Boeing would lose their livelihoods without world trade.

 Foreign trade today accounts for 30 percent of our gross domestic product. That's a lot of jobs for

everyday workers.

 Growing global prosperity has helped counter the specter of nuclear winter. Nations of the world are learning to

live and work together, like the singers of anti-war songs once imagined. Those who care about world peace shouldn't be protesting world trade. They should be celebrating it.

Protectionism × Small Business

Protectionist policies break local economies and small businesses – that turns the advantage

Stavrou 3/28/12 [Protesilaos Stavrou, economic consultant for EU parliament, contributor to one europe and the daily journalist <http://protesilaos.blogactiv.eu/2012/03/28/national-competitiveness-and-the-protectionist-race-to-the-bottom/>]

On their internal dimension, they protect local producers from international competition, by either subsiding their products to make them artificially less expensive, and/or by increasing the costs on imports, so that the two can compete. Protecting local producers from international competition, means that the explicit and implicit costs will ultimately fall on local taxpayers and consumers. Taxpayers are the ones who ultimately finance the subsidies and the necessary bureaus and mechanisms that keep the trade barriers in place; while consumers are faced with limited options in terms of quality and quantity and/or with higher prices, than what would have been the optimal level of choice, quality and price, should no barriers exist. Local producers gain an advantage over local consumers and taxpayers, eventually strengthening their bargaining power, i.e. political influence, that is ultimately exerted on decision-makers to extract even more benefits. And though protectionist measures might seem beneficial at first sight, in the sense that local businesses and employment positions remain in place, “saved” from the “destructive” forces of international competition, in truth they are harmful for the local economy as the disposable income of consumers diminishes. Had it existed it could otherwise be channeled into savings or investments or even additional consumption. Meanwhile the privileged producers become complacent, by the artificial lack of international competition, making them less productive, innovative and robust. In a nutshell the local economy is denied much of its potential. The measures that are implemented to protect local production and jobs, actually succeed in destroying jobs and weakening production. On their external dimension, protectionist measures make the entire population of international competitors worse off (especially of emerging economies). The foreign producers are faced with higher export costs, which means that much of their potential income is lost. If they were not faced with trade barriers they could use that additional profit to save more or invest in modernizing their facilities or in adding it to aggregate savings that could then be used for investments in infrastructure or to boost consumption or in any other productive activity that would eventually raise their standard of living. In short much of the potential income of the exporting economy is lost in efforts to comply with “standards” and red tape. Meanwhile foreign consumers also lose out, since the increased costs for producers of exported goods can be rolled over to them, dir**e**ctly or indirectly, by means of higher prices or fewer employment opportunities, or lower wages and other social benefits. Ultimately this is a replication of the negative effects of protectionism on local consumers and taxpayers. The moral is that over the longer term everyone is worse off wherever protectionism exists.

Protectionism × Econ Recovery

Now is uniquely key – recovery means global integration is vulnerable in the status quo

Wharton ’09

[Knowledge@Wharton Law and Public Policy Research, “Trade Wars: Will Protectionism Win out over Recovery?” <http://knowledge.wharton.upenn.edu/article.cfm?articleid=2165>]

The $787 billion stimulus plan that U.S. President Barack Obama signed on February 17 contained a provision that was hardly unexpected but nevertheless worrisome to proponents of global free trade. It was a requirement that projects funded by the bill buy American-made goods whenever possible. When governments around the world spend vast sums to stimulate their economies, it seems only reasonable for each to invest at home. After all -- or so the argument goes -- why should American taxpayers pay for steel from Canada when U.S. steelmakers are struggling?¶ Economists and political leaders in the U.S., Europe and elsewhere worry that this simple logic is spurring protectionist sentiment around the world, threatening free-trade principles that are crucial to any global economic recovery. This comes on top of concerns about the decline in trade from shrinking consumer demand and credit problems caused by the financial crisis.¶ For the moment, protectionism is less a reality than a threat -- but it is a growing threat to be taken seriously. "Actually, I've been very pleased that there has so far been less protectionist sentiment than one might have expected," says Wharton finance professor Jeremy J. Siegel. "Everyone has the Great Depression in mind -- the big tariffs."¶ The World Trade Organization is so concerned about what it sees as a rising tide of protectionist impulses that in a February 3 speech, Director-General Pascal Lamy invoked the infamous 1930 Smoot-Hawley Act, which boosted tariffs on more than 20,000 products imported to the U.S. The act sparked a trade war that aggravated the Depression, according to many economists. "Whether it is with tariffs or with new, more sophisticated faces of Smoot and Hawley, today we run the risk of sliding down a slippery slope of tit-for-tat measures," Lamy warned.¶ In the U.S., Democrats in the House wrote strong "Buy American" provisions into their economic stimulus bill, though the terms were eased in the Senate at the urging of the Obama administration. The final bill requires use of U.S. iron, steel and manufactured goods in projects funded by the stimulus plan. Exceptions are allowed in the "public interest," or if using U.S materials would increase project costs by 25% or more.¶ Most importantly, the final bill, unlike the House version, requires that the U.S. continue to abide by its international trade agreements. That calmed many free-trade groups, such as the U.S. Chamber of Commerce, which had lobbied hard against the House measure.¶ But the issue is not dead. While Canada, Mexico and many European countries have trade agreements with the U.S., trade experts note that China, India and many other developing nations are not as well protected. These countries could thus be shut out of some bidding on stimulus-funded projects, giving them an incentive to retaliate.¶ Also, many experts think additional stimulus will be required and worry that protectionist sentiment will grow, even though the Obama administration has taken strong free-trade positions. Meanwhile, there have been protectionist stirrings around the world. France and Italy, like the U.S., have instituted measures to aid car makers. Some British job-protection measures are seen as potentially protectionist, and a number of countries have criticized China for keeping its currency artificially weak to bolster exports.¶ Russia recently raised tariffs or provided subsidies for dozens of goods. Egypt imposed duties on sugar and the U.S. has put new tariffs on some Chinese goods, including mattresses. The European Union has imposed tariffs on Chinese screws and bolts. India has imposed restrictions on the import of Chinese steel and textiles.¶ On February 14, members of the G7 -- the U.S., Japan, Germany, Britain, France, Italy and Canada -- concluded an emergency meeting in Rome with a statement pledging not to undermine free trade while dealing with the recession. At the start of the two-day meeting, Britain and France issued statements warning that the world should not repeat the Depression-era trade wars. Clearly, worry about protectionism is widespread.¶ If the world is to recover from the recession, it must avoid trade wars, especially given the growing interdependence of nations' economic interests, says Wharton management professor Stephen J. Kobrin. "It's critical. It's pretty clear that protectionism exacerbated the Depression last time, and [economies] are more integrated now."

A2 Free Trade × Growth

Free Trade is vital to economic growth – prefer our evidence its predictive of long term growth

Harberger ’06 [Arnold C. Harberger, <http://www.ncpa.org/pub/ba552/>

International trade - the essence of globalization - benefits the world economy as a whole. It allows people, regions and nations to specialize in the production of what they do best, to enjoy the economies of large-scale production and to buy more cheaply those things that others do best. Impediments to trade limit the benefits of trade.¶ Freer trade - from reduced tariffs, regulations and restrictions - permits an economy to make better use of its resources but does not automatically give a country a new and much higher growth rate. Its main benefit is its effect on the level of output rather than on the long-term rate of growth. Trade liberalization stimulates growth and efficiency by allowing producers to exploit areas in which they have a comparative advantage over foreign producers and by reducing their real costs.¶ Comparative Advantage. One way that trade contributes to an increase in economic output is through comparative advantage, which creates more value with the same resources.¶ For example, in 1983 almost all cars in China were versions of the 1942 Pontiac sedan, for which the dies and machinery had been shipped to China decades earlier. These cars weighed about two tons and had a voracious appetite for fuel. Sprinkled in among these behemoths, however, were a few contemporary Toyotas. The Chinese realized that if they took the same value of resources used to make one of these big old cars, shifted those resources to produce textiles and shoes and then exported them, they could use the proceeds to buy two brand-new Toyotas for the same amount of resources it took to produce one gas guzzler.¶ Trade Liberalization. Countries can also become more efficient by reducing tariffs. For example, consider a hypothetical country with a 50 percent import tariff. Because of the tariff, a dollar's worth of import substitutes uses resources up to $1.50, while it takes only a dollar's worth of resources (devoted to exports) to buy an equivalent imported product. Lowering the tariff to 10 percent would reduce this inefficiency in resource use. The 40 cents of resources saved could be used to buy more imports or invested to produce more exports. With liberalization, the tariff-inclusive price of imports falls, and resources shift to export production.¶ The tariff reduction's net benefit is the gain to trade minus the cost. For the first incremental increase in trade (at the initial tariff rate), the benefit exceeds the cost by 50 percent. For the final incremental increase in trade (after the tariff reduction), the excess benefit is 10 percent. The "average" net benefit is thus 30 percent [(50 percent + 10 percent) ÷ 2].¶ Let us assume that as a result of the tariff reduction, there is a spectacular increase in trade, with exports rising from 10 percent to 30 percent of gross domestic product (GDP). (Although this is a hypothetical case, such a large increase in trade is not unrealistic - see "Trade and Growth, Part II.") Applying the average net benefit (30 percent) to the incremental increase in exports (20 percent of GDP), we obtain 6 percent of GDP as the overall benefit of the liberalization (30 percent x 20 percent = 6 percent).¶ Many people are shocked that such generous assumptions from major trade liberalization produce so small a net increase in GDP; but this benefit will continue indefinitely into the future as long as the liberalized policies remain in place. Consider:¶ Transition to a Higher Level of Gross Domestic product Due to a Tariff Cut¶ If the economy is not growing, the present value of all future years' gains from the tariff reduction would be 120 percent of the first year's GDP at a 5 percent discount rate. (Present value = annual increase in GDP ÷ discount rate.)¶ If GDP is growing at 3 percent a year, the 6 percent benefit from the tariff reduction is bigger; at a 5 percent discount rate it rises to 300 percent of the first year's GDP. [Present value = first year's increase in GDP ÷ (discount rate - rate of growth of GDP).] ¶ So the benefits are not as small as they may appear at first glance.¶ The important message in this analysis is that the liberalization has an impact on the level of GDP, or economic welfare, not on the rate of growth. The example assumes an instantaneous jump of 6 percent in GDP once the liberalization is instituted. More likely there would be a protracted transition period where the 3 percent growth rate would move to, say, 4 percent for 6 years, then revert to the 3 percent growth rate. So the rate of growth is not totally unaffected, but it changes only as a result of the transition from one level to another. [See the figure.] Thus, liberalization produces a modest spurt of growth as the economy goes from a lower to higher level of efficiency.¶ Real Cost Reduction via Free Trade. One of the most important sources of economic growth is the reduction of firms' real costs through increases in the productivity of labor and capital used to produce goods. Real cost reduction is a constant, never-ending objective of business people. Examples of real cost reduction include mechanizing loading, computerizing payrolls, downsizing operations or outsourcing goods and services.¶ Free trade can be a major catalyst for real cost reduction. Consider, for example, American investment in a manufacturing operation in China. Rather than further lowering China 's already-low manufacturing costs, the investment allows the American firm to take advantage of those low costs. This represents a great cost saving for the American firm, compared to its alternative costs in the United States, and will be reflected partly in a high rate of return on the investment and partly in a significantly lower price for the product in the world market.

\*Aff A2 Protectionism Turn

Protectionism Inevitable

Prioritize US economic growth first – EU protectionism is inevitable

Stares ’12 [Justin Stares, contributor to Public Service Europe, <http://yaleglobal.yale.edu/content/has-european-protectionism-finally-triumphed-over-free-trade>]

Protectionist nations such as France are gaining the upper hand over supporters of free trade, including the United Kingdom, and the new battleground is the European Commission's proposal on public procurement¶ British students of European affairs are taught that the French have protectionism in their blood. From a British perspective, the Common Agricultural Policy is merely a slush fund for French farmers who do not want to consolidate. Seen through British eyes, French demands for quotas and subsidies for the arts serve little purpose other than to boost the album sales of Johnny Hallyday, France's answer to Elvis Presley. In British textbooks, there are many examples of devious French attempts to circumvent the common market. Preventing an influx of Japanese consumer durables might no longer be possible via tariffs, but that did not stop the French from forcing all imports through a small regional port where there was only one customs officer to process the shipments.¶ The French believe they are under no obligation to trade freely with countries that are themselves not believers in free trade. "What we want is reciprocity," says Gael Veyssiere, spokesman for the French permanent representation to the European Union. "We believe in fair free trade. Why should we be the only ones to be completely open when others are not?" he tells PublicServiceEurope.com. French ministers take this protectionist reflex to Brussels, where they find support from similar-minded nations such as Italy. They attempt to block takeovers on the grounds that certain French companies are strategic assets; they talk up "Buy European" campaigns such as the one now promoted by French President Nicolas Sarkozy, who is seeking re-election. "Europe has for too long been the idiot of the global village," former French foreign affairs minister Hubert Vedrine told Belgian newspaper Le Soir. "This has to stop," he said earlier this month. "Open your eyes: lots of countries that were yesterday aid recipients have today become dragons and huge competitors. We have to re-establish more balance between countries in the west and the emerging countries. Tensions will be inevitable. So what? We mustn't be afraid."¶ For several decades now, overtures such as these have fallen on deaf ears in the European Union capital. Protectionists have been beaten back by free-traders, led by the UK and Germany and supported by smaller nations such as the Netherlands and Denmark. Free-traders believe all restrictions are bad because they result in higher prices for consumers. Under a protectionist regime, cosy incumbents have no incentive to become more efficient. For free-traders, domestic markets must remain open even if trade partners' markets are not. They believe Europe must set an example, in the hope that one day its partners will see that their polices are misguided. This attitude has, by and large, also been adopted by the European Commission itself.¶ But with the advent of record European unemployment, the free-traders are losing ground across the EU. One of the defining moments came last week, when the commission said it was in favour of discriminating against firms based in countries where European companies are excluded from the public procurement market. In cases where the carrot of free trade is not working, the commission wants to wield the stick. "I want to underline that this is in no way a protectionist measure," European Trade Commissioner Karel De Gucht told La Libre Belgique, another Belgian newspaper. This obvious untruth was soon laid bare by the reaction in the France, which was jubilant. "Brussels makes a small step towards a Buy European Act," ran the headline in the French newspaper Le Figaro. At the other end of the spectrum, the British were none too pleased.

Free Market Turn

Free Trade turns their trade war and economy impacts – market stimulus is vital to growth

Tanjung and Zaman ’10

[Hendri Tanjung is a PhD economics scholar, International Islamic University Islamabad, Pakistan. Asad Zaman is a professor of economics, International Islamic University Islamabad, Pakistan.<http://www.thejakartapost.com/news/2010/05/03/between-free-trade-and-protectionism.html>]

Many other countries have taken action to protect their market. President Sarkozy offered a $5 billion bailout to French automakers but they can use only French made parts and are supposed to shift their factories located in Eastern Europe back to France. In Britain, nationalized banks are being told to offer loans to Britons first.¶ Responding to the situation, Simon Johnson, an MIT economic professor and former chief economist at the IMF stated that what we were seeing today was "an undoing of a lot of drivers of growth that we relied on for the last 20 years".¶ The reason is clear. What has been believed by the IMF and World Bank that "export led growth strategy" is a tool to achieve prosperity is now vindicated to fail.¶ Healthy competition among equals in stable times is beneficial. Inefficient businesses close down and are replaced by better ones.¶ To survive, a business must be intelligent and energetic, follow market trends, keep prices low, produce quality goods, etc. All the Asian Tigers - Japan, South Korea and China - benefited by opening their markets to healthy doses of competition in an intelligent and planned fashion.¶ History teaches us that free trade is not a good policy in times of crisis, or when there is substantial inequality between trading partners. England, the first country to industrialize, preached Ricardian Theory of free trade to the rest of the world, but protected its weaker industries from competition at the same time.¶ Adoption of these free trade policies led to a recession in Europe. German economist Georg Friedrich List put forth the infant industry argument, and industry grew up in Europe after it was protected by competition from the more advanced British industries.¶ Similarly, the US developed industrial strength by protecting itself from British competition via a 40 percent manufacturing tariff in its period of rapid expansion at the end of 19th century.¶ Once fully industrialized, it began advocating free trade to poor countries as a panacea of their economic ills. During the same period countries, which could not protect their industries from foreign competition, did not developed industries.¶ In The Shock Doctrine: The Rise of Disaster Capitalism, Naomi Klein has brilliantly documented how free markets have been imposed by force, threats and wars, and have created wealth for multinationals at the expense of the working classes of poorer countries.¶ It is increasing recognition of this free trade weapon by the LDC's, which led to the collapse of the Doha round. The US and other developed countries introduced liberalization in agriculture and the service sector in the Doha Round in early 2000.¶ It is ironic that the talks collapsed after seven years of negotiations because the US refused to allow the same protection of jobs to other countries. which it had implemented in its own country.¶ India and other developing nations proposed to protect sensitive agricultural products from competition in the event of a surge of imports that would make their own farmers less competitive.¶ The US argued that such protection, which is not permitted now, would mean moving backward on current world trade commitments.¶ Free market forces wreak havoc on lives of people in times of crisis. While a financial crisis hit Asia in 1997, Indonesia called the IMF for help.¶ Then the IMF applied their five formulas: privatized basic services, an independent central bank, "flexible" workforces, low social spending, and total free trade.¶ Instead of getting a better result, Indonesia's unemployment rate increased from 4 to 12 percent in 1999. A similar experience occurred in all crisis situations. The IMF advised Russia to use "shock therapy" of the free market to improve its economy.¶ There was a 50 percent productivity loss, and hunger and starvation on a large scale occurred in an economy previously able to feed its members. The promised benefits of free markets never materialized, leaving embarrassed IMF economists looking for excuses for their failure in Russia.¶ Similarly, free market forces could not eliminate huge unemployment in the world economy for more than 20 years following the Great Depression.¶ Nearly all advanced economies have learned this lesson and are taking steps to protect their people from the shock of the current economic crisis.¶ ¶ We should follow suit and not let industries collapse and throw large amounts of people out of work in the vain hope that the market will automatically provide new opportunities.¶ ¶ Australia and China chose to use economy stimulus for building infrastructure to create employment. Taiwan distributed vouchers for shopping to its people.¶ ¶ Based on Reuters' compilation, the total stimulus package will be prepared in 2009 by 23 developed countries in North America, Europe and Asia reaches $4 billion or ninefold the Indonesian GDP.¶ ¶ The US is spending trillions to protect its industries and bailout failures, in direct violation of free market principles.¶ ¶ What Indonesia should do to use the stimulus package? There are at least three issues to address: stimulating the real sector, eradicating poverty and building economic infrastructure.¶ ¶ Stimulating the real sector could be focused into activities that can absorb employment, boost exports and stabilize the price of food. It includes tax facilities, food security, export promotion, capital incentives for financial institution, interest free banking, and a profit sharing system for financial institutions and export assurance.¶ ¶ Poverty eradication comprises a national program for society empowerment, distributing zakat (alms) for low-income people, credit for small enterprise and providing energy for villagers.¶ ¶ Economic infrastructure embraces building infrastructure post natural disaster, railway, drinking water, housing, electrical generator for villagers, port and stores.¶ ¶ The most important thing is to allocate government spending directly to low-income people and small and medium enterprises.

Free Trade Theory False

Free Trade theory fails – international markets and economic decline

Fletcher ‘10

[Ian Fletcher, Adjunct Fellow at the San Francisco office of the U.S. Business and Industry Council, March 18 2010 <http://www.huffingtonpost.com/ian-fletcher/free-trade-vs-protectioni_b_504403.html>]

Let's crack open the intimidating "black box" of free trade's supposedly irrefutable economics.¶ The first problem with free trade is that conventional arguments for it are about GDP. But GDP is not identical with material well-being. Whenever someone breaks a window or gets a divorce, GDP goes up. So even if free trade economics were 100% valid (it isn't), free trade would still not necessarily be best.¶ The second problem is externalities, or when economic value is created or destroyed without a price tag. Negative externalities like environmental damage are well known. Less well-appreciated in the U.S. are positive externalities, like the way some industries open up paths of growth for the entire economy. Free trade can wipe out these industries because it ignores this hidden value.¶ The third problem is the assumption trade is sustainable. A nation exporting non-renewable resources may discover that its best move (in the short run) is to export until it runs out. The flip side is overconsumption, in which a nation (like the present-day U.S.) borrows from abroad and sells off assets in order to finance a short-term binge of imports that lowers its long-term living standard. Free trade economics defines both these problems out of existence by conceiving economic efficiency as merely the optimal satisfaction of consumer preferences, so if consumers want a short-term binge, then free trade is "efficient."¶ The fourth problem is the assumption that free trade does not increase income inequality. If it does, free trade may benefit the economy as a whole yet harm most people in it. Free trade tends to raise return to the abundant input to production (in America, capital) and lower returns to the scarce input (in America, labor), so it benefits capital at labor's expense.¶ The fifth problem is the assumption, in the all-important theory of comparative advantage, that factors of production (especially capital) are not mobile between nations. This theory says free trade will reshuffle a nation's factors of production to their most productive uses. But if factors of production are internationally mobile, and their most-productive use is in another country, then free trade will cause them to migrate there--which is not necessarily best for the nation they depart.¶ The sixth problem is that this theory assumes factors of production are mobile within nations. Unemployed autoworkers become aircraft workers, and abandoned automobile plants turn into aircraft factories.¶ The seventh problem is that this theory assumes the economy is always operating at full output, or at least that trade has no effect on its output level.¶ The eighth problem is that this theory assumes short-term efficiency is the origin of long-term growth. But economic growth is about turning from Burkina Faso into South Korea, not about being the most-efficient possible Burkina Faso forever. History has shown that the short-term inefficiencies of a prudent tariff are more than compensated for by the long-term spur to industry growth it can provide, largely because growth has more to do with the industry externalities mentioned above than short-term efficiency per se.¶ The ninth problem is that this theory merely guarantees (if true) there will be gains from trade. It does not guarantee that changes induced by free trade, like rising productivity abroad, will cause these gains to grow rather than shrink. So free trade can strengthen our rivals.¶ The tenth problem is that, in the presence of scale economies, the perfectly-competitive international markets assumed by the theory of comparative advantage do not exist. Instead, outsize returns accrue to nations that host global oligopoly industries. And free trade will not necessarily assign any given nation these industries.

Free Trade Theory False

Trade does not solve war—there’s no correlation between trade and peace

Martin et al 8(Phillipe, University of Paris 1 Pantheon—Sorbonne, Paris School of Economics, and Centre for Economic Policy Research; Thierry MAYER, University of Paris 1 Pantheon—Sorbonne, Paris School of Economics, CEPII, and Centre for Economic Policy Research, Mathias THOENIG, University of Geneva and Paris School of Economics, The Review of Economic Studies 75)

Does globalization pacify international relations? The “liberal” view in political science argues that increasing trade flows and the spread of free markets and democracy should limit the incentive to use military force in interstate relations. This vision, which can partly be traced back to Kant’s Essay on Perpetual Peace (1795), has been very influential: The main objective of the European trade integration process was to prevent the killing and destruction of the two World Wars from ever happening again.1 Figure 1 suggests2 however, that during the 1870–2001 period, the correlation between trade openness and military conflicts is not a clear cut one. The first era of globalization, at the end of the 19th century, was a period of rising trade openness and multiple military conflicts, culminating with World War I. Then, the interwar period was characterized by a simultaneous collapse of world trade and conflicts. After World War II, world trade increased rapidly, while the number of conflicts decreased (although the risk of a global conflict was obviously high). There is no clear evidence that the 1990s, during which trade flows increased dramatically, was a period of lower prevalence of military conflicts, even taking into account the increase in the number of sovereign states.

Economics cannot explain the absence of war

Jervis 02 (Robert, Adlai E. Stevenson Professor of International Politics, Columbia University, 2002, “Theories of War in an Era of Leading Power Peace”. American Political Science Review , http://www.apsanet.org/media/PDFs/PresidentialAddresses/2001AddrJERVIS.pdf)

There are four general arguments against the pacific influence of interdependence. First, it is hard to go from the magnitude of economic flows to the costs that would be incurred if they were disrupted, and even more difficult to estimate how much political impact these costs will have, which depends on the other considerations at play and the political context. This means that we do not have a theory that tells us the magnitude of the effect. Second, even the sign of the effect can be disputed: interdependence can increase conflict as states gain bar- gaining leverage over each other, fear that others will exploit them, and face additional sources of disputes (Barbieri 1996; Keohane 2000, 2001; Waltz 1970, 1979, Chap. 7). These effects might not arise if states expect to remain at peace with each other, however. Third, it is clear that interdependence does not guarantee peace. High levels of economic integration did not prevent World War I, and nations that were much more unified than any security community have peacefully dissolved or fought civil wars. But this does not mean that inter- dependence is not conducive to peace. Fourth, interdependence may be more an effect than a cause, more the product than a generator of expectations of peace and cooperation. Russett and Oneal (2001, 136) try to meet this objection by correlating the level of trade in one year, not with peace in that year, but with peace in the following one. But this does not get to the heart of the matter since trade the year be- fore could be a product of expectations of future good relations.

 Alt Cause – Trade Wars

No impact and alt causes to trade wars – immigration, capital, and tech transfer

Freeman ’03 [Richard B. Freeman, Herbert Ascherman Professor of Economics at Harvard University, Co-Director of the Labor and Worklife Program at Harvard Law School, Senior Research Fellow on Labour Markets at the Centre for Economic Performance “Trade Wars: The exaggerated impact of trade in economic debate” Nationial Bureau of Economic Research working paper 10,000]

3. An Alternative View¶ At the heart of the trade wars is the belief that changes in trade arrangements have huge impacts on economies and on labor markets and worker Well-being. Adherents to WC style¶ globalization believe that developing countries can only grow through exports and openness.¶ They fear that LDC trade with advanced countries is so fragile that it must be protected from¶ global labor standards. Opponents believe that good labor standards are so fragile that they must¶ be protected from a race to the bottom. in which bad standards drive out good standards.¶ While complete autarky or imposition of advanced country standards on LDCs would¶ have huge effects on economies around the world. the actual policies around which debate has¶ focused and observed changes in trade patterns have not come close to having their ballyhooed¶ or feared effects on labor markets or on economies writ large. Both the proponents and¶ opponents of globalization WC style have exaggerated the importance of trade. Instead of¶ dominating economic outcomes. changes in trade policy and trade have had modest impacts on¶ labour market and economic outcomes beyond trade flows. Other aspects of globalization -¶ immigration. capital flows. and technology transfer - have greater impacts on the labour market.¶ with volatile capital flows creating great risk for the Well-being of workers. As for labour¶ standards. global standards do not threaten the comparative advantage of developing countries¶ nor do poor labour standards create a "race to the bottom". Globalization and standards are¶ complementary rather than competing activities.

Protectionism Good

Protectionism is vital to the economy – Free Trade is inherently unstable

Bihari ’09

[Pranav Bihari, graduate in Political Sociology from the London School of Economics and a PhD student at the University of Kent, http://www.opendemocracy.net/article/email/protectionism-is-it-so-bad]

The more an economy adds value to the raw materials, the more prosperous it is in the long run. This is a tried and tested recipe for economic development. Hence, economies engaged in processing and manufacturing industries, like Japan and Germany, mostly fare far better than those that depend on exporting raw materials, like the oil rich Nigeria or the coffee rich Ethiopia. The notion, or more correctly the dogma, that simply practicing free trade would lead developing countries to prosperity has been denounced by economists (such as Ha-Joon Chang, University of Cambridge) who have cared to base their analysis on historical evidence rather than armchair models. A recent interview with Ha-Joon Chang by Democracy Now is worth watching.¶ In fact there is evidence to prove that free trade has not served the richest economy in the world well. The US showed remarkable growth together with a rise in real wages for a majority of its population up until the late 1960s. This was a period when the US manufacturing industries were in good health and were still protected from foreign competition by tariffs (taxes on foreign imports). Since 1973, however, when it turned to quasi free trade, the country has seen declining levels of real wage for around 80 percent of its workforce as high wage manufacturing sector jobs have been replaced by low wage service sector jobs. The benefits of free trade have only accrued to the owners and CEOs of large multinational corporations which have been able to outsource production to low wage countries. Of course there has been overall GDP growth but that says nothing about how the benefits of this growth were distributed. Besides, the current financial crisis lays bare for all to see how consumer demand during the recent years was built upon the foundations of unsustainable debt.¶ Many free trade economists argue that the consumers benefit the most from free trade since it lowers the costs of goods and services. These economists forget that the same consumers are also workers and wage earners. If they lose jobs due to decline in manufacturing and increased outsourcing or are forced into low wage sectors of the economy due to free trade, their purchasing power is reduced. For one who suffers wage loss in tandem with falling prices there are hardly any benefits from free trade to brag about.¶ Free traders have also pointed to the gains in efficiency achieved by introducing foreign competition. It is true that corrupt local governments have often colluded with domestic oligopolistic interests (markets dominated by very few players) against the interests of the consumers. But given a corrupt political system, efficiency is not served by replacing local oligopolies with international oligopolies. There is no reason that domestic competition with tough laws against monopolies and cartels could not produce adequate gains in efficiency. The real driver of efficiency here is free and fair anti-monopolistic competition and not foreign competition. This is especially true when access to technology is not a limiting factor, as is the case in the UK and many other developed economies.¶ This is not to say that free trade is bad in all contexts, but only to point out that there are strong arguments based on rich historical evidence against blindly accepting the free trade dogma. Trade is usually beneficial if locales with equivalent wage rates engage in exchange, locales are not dependent on trade for essential commodities, the economies engaged in trade do not incur huge trade deficits and the trade takes place mostly in the realm of manufactured and value added products rather than raw materials. There are environmental aspects and longer term development of economic potential to be considered as well, among other factors. In certain cases, like that of Singapore where the economy is small and lacks sufficient natural resources, there may perhaps be little scope for economic development, at least in the short or medium term, without adopting a free trade policy.¶ But there is no reason not to follow policies of protectionism if in the given circumstances of an economy such a policy will save jobs as well as develop much needed industry for economic diversity, growth and security. In terms of using trade barriers as part of economic policy, both micro-trade barriers (within a particular state or county) and national or regional level trade barriers can make sense. The scale at which trade protection should be exercised is a question that can be answered only after taking into account locale specific variables. However, if full employment and long term economic viability of the locale are to be made the guiding goals of a trade policy, be it at the county, national or regional level, local governments must be given more freedom to shape their trade policies. As an example, even counties within Britain could be allowed to use restrictive trade tariffs to develop their economies. A county like Kent could preferentially tax local produce less than that from other British counties and put still higher tariffs on international produce. But care must be taken to encourage strong domestic competition with sufficient scope for many domestic players to access local markets rather than protect a few big local businesses. This will help not only in creating local jobs but also in driving efficiency and innovation by creating a level plane for competition.¶ Instead of focusing on tackling growing unemployment and poverty in the wake of an extraordinary economic crisis, Gordon Brown seems to be more concerned about pandering to the neo-liberal creed of free trade so that party funders and friends in large multinational corporations may continue to reap the profits provided by squeezing low wage economies. This may not be in the long term interests of the larger population in both developed and developing economies.¶ What the G20 should agree upon is to allow every economy to shape its policies for tackling the crisis in a way that best addresses its specific economic problems. Many economies may indeed choose to co-operate and trade for mutual benefit. Nevertheless, the free trade pill must not be forced down every economy's throat. Political leaders should become more responsible to the needs and demands of their people instead of hiding behind the 'forces of globalization'. Global solutions for a global financial crisis may sound good in theory but may not work in the reality of disparate economies with different problems and varying economic potentials. In fact, one needs to entertain the possibility that centralization tendencies in the global financial system may be at the very root of the global financial malaise.¶ Diverse, self-reliant and resilient local economies are better suited to withstand crisis and are more responsive to the needs of local communities. Such economies will materialize the benefits of trade from a position of strength. They will not be in the vulnerable position that Britain now finds itself in - a specialist in the much disgraced financial services sector who is hoping, begging, cajoling, and even threatening others to trade their food, clothing, energy and other essential goods in return for its financial services.