# Inherency

## PPPs

### PPPs =/= Privatization

#### Privatization is Not the Same As Public-Private Partnership

E. S. Savas, 1997

(E. S. Savas, 1997, former Assistant Secretary of U.S. Department of Housing and Urban Development, “PRIVATIZATION AND PUBLIC-PRIVATE PARTNERSHIPS” p.2) ABS

We attempt here to clarify the confusing picture and offer a general definition that captures the broad essence of the practice and leads to various implementation techniques. Fundamentally, privatization is much more than a financial or managerial action; it is a philosophical position concerning the roles and the relationships of society’s private institutions and government. Society’s principal private institutions are the market, voluntary nonprofit associations of all kinds (civil society), and the family. Privatization is the act of reducing the role of government or increasing the role of the private institutions of society in satisfying people’s needs; it means relying more on the private sector and less on government. Both the public and private sectors play important roles in privatization, and it is increasingly common to refer to “public-private partnerships,” a less contentious term⎯despite its indistinct boundaries⎯than “privatization,” as noted above. The fundamental, philosophical view of privatization noted above brings forth strong ideological opposition and distracts from privatization as a pragmatic tool to improve government performance and societal functioning.

# Neolib Good / At: Harms

## Democracy and Freedom

### Neoliberalism = Freedom

#### Neoliberalism is ultimately unavoidable- it allows for global democracy to flourish and provides individuals with freedom and flexibility to pursue capital

**Gills,** Chair of the World Historical Systems theory group of the International Studies Association, **2002** (Barry K., May, “Democratizing Globalization and Globalizing Democracy,” Annals of the American Academy of Political and Social Science, Volume: 581, no. 1, pages 165 and 166, JS)

There is therefore a particular importance in addressing the emphasis given to the idea of freedom in the past twenty years of discourse on economic liberalization and globalization. This neoliberal discourse has emphasized a Hayekian understanding of freedom as freedom above all for capital, for the movement of commodities, and for markets, that is, a freedom for the holders of property to pursue maximum flexibility and profit. In contrast, freedom as a popular concept is aligned with the protection of popular rights and the extension of popular participation, and thus with democracy. Freedom for the common man and woman is only possible when equality, justice, solidarity, citizenship, and finally democracy itself, are all fully integrated aspects of both theory and practice. Indeed, "the price of freedom is redistribution" is one way of formulating democratic theory (Sartori 1987). As Galbraith has pointed out, nothing so constrains the freedom of the individual as a complete absence of money. It bears repeating that economic globalization, and indeed the entire range of processes we are currently referring to as globalization, does not bring convergence to one narrowly constructed set of choices. Globalization actually opens up a wider range of choices to a wider range of social actors than any previous social system in world history. That is, globalization adds immense complexity to our global social order, not simplicity. This provides social forces today with an unprecedented scope for action, within which they may define new sites of action and new forms of social power, form new coalitions and solidarities (including transnational), find new institutional forms, and explore new ways of practicing governance in world order. By linking together directly the many diverse forms being experimented with in so many manifestations of social action, the potential resistance to globalization becomes the locus and medium of the transformation of globalization into global democracy. Therefore, analytically speaking, we should not understand resistance as being something external to globalization but rather as intrinsic or internal to the process of opening and to the greater complexity that globalization brings about. Globalization is characterized not by a uniformity but rather by a historical dialectic between homogenization and heterogenization, both processes occurring simultaneously and throughout the globe. Thus, there is likewise a historical dialectic between globalization and democratization, a process that is unavoidable. I firmly believe, on both historical and moral grounds, that this historical dialectic leads strongly, even inexorably, toward the practices and theory of global democracy, that is, to the globalization of democracy and the democratization of globalization. Insofar as neoliberal economic globalization has succeeded, it creates the conditions for further critical social responses that lead to renewed struggles for democratic freedoms and participation by the ordinary people affected by these changes. In these processes of renewed democratic struggles, we may expect to see continued efforts at self-government by many peoples and also expanded representation. Globalization allows the transcending of old established and fixed territorial units and borders of political representation, thus allowing a more territorially diffuse pattern of political community to emerge, and to do so globally. This process deepens democracy by extending it to the global arena but moreover by also devolving power to self-constituting communities seeking self-government and representation in the political order, whether this be on a local, national, regional, or global level.

## Environment

### Mass Transit =/= Environmentally Friendly

#### Mass transit turns the environment – buses are inefficient vehicles, lack innovation

O’Toole 10 (Randal, 7-19-10, CATO at Liberty, “Public Transit: A Classic Example of Government in Action,” <http://www.cato-at-liberty.org/public-transit-a-classic-example-of-government-in-action/>, accessed 7-12-12, EBB)

The American Public Transportation Association (APTA), a lobby group whose budget is several times larger than all of the highway lobby groups in DC combined, promotes increased subsidies for transit by claiming transit is better for the environment than automobiles — a claim the Cato Institute has refuted. Per passenger mile, transit and cars actually use about the same amount of energy and emit the same amount of pollution. In fact, all but a handful of transit system are far worse for the environment than cars. Moreover, cars are rapidly becoming more energy efficient, while transit has grown less energy efficient as agencies run more and more empty buses and trains into remote suburbs. Urban transit buses are some of the most energy-intensive vehicles around because they are mostly empty. Yet private, intercity buses are some of the most energy-efficient vehicles in the country because the private operators know to run them where people want to go, and thus they average half to two-thirds full.

### Neoliberalism = Green Policy

#### Neoliberalism creates policies that are good for the environment

Chen 2K(Jim, professor of law at University of Minnesota, dean of Louis D. Brandeis School of Law, “Pax Mercatoria: Globalization as a Second Chance at “Peace for Our Time””, *Fordham International Law Journal*, Volume 24, Issue 1, 2000, Article 11, ISSUE 1 & 2, <http://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=1736&context=ilj>)

Freedom to travel also has an environmental dimension. Aggressive environmental protection safeguards the freedom of movement by severing decisions to travel or to move from variations in environmental quality.' 0 5 The same Commerce Clause that protects trade among the states enables Congress to address environmental problems that affect multiple states or otherwise impair the movement of goods and persons in interstate commerce. This connection becomes all the more critical in an era of unprecedented constitutional pressure on federal environmental law.' 6 Civil liberties of the first order wither when the ordinary citizen "must be afraid to drink freely from his [or her] country's rivers and streams."' 1 7 In this sense, official complicity in environmental degradation violates the international human rights norm against "arbitrary ... exile."' 8 "[A] cross-the-board globalism" °9 is the best way of coordinating free trade and environmental protection as "complementary" policies. 110 Admittedly, simultaneously advocating free trade and environmental integrity typically earns a deluxe suite at the "very small hotel" that will be hosting the next "global convention of rabid free trade environmentalists." ' ' Yet this jarring juxtaposition is unavoidable in a world of falling frontiers. The creation of "transboundary communities" causes "environmental interconnection" and in turn the "inevitabl[e]" abandonment of "localism in all spheres."' 1 2 Strictly localist solutions will not suffice; "haphazard local encouragement" cannot replace coordinated responses to "diffuse, cross-jurisdictional" problems such as mobile source emissions and nonpoint-source runoff." 3

#### The competitive nature of neoliberalism nurtures good environmental stuff

Haufler 01 (Virginia, Specializes in International Political Economy and the Private Sector, Professor in the Department of Government and Politics at University of Maryland, College Park A Public Role for the Private Sector: Industry Self-Regulation in a Global Economy, p. 42-46)

One of the striking feature of environmental issues it that economic risk is, in many cases, less of a problem for the private sector here than it is in other issue areas. Functioning environmental markets have emerged in the last decade that can make industry efforts to adopt sustainable practices profitable. They were constructed in part as a result of international and national regulatory changes, such as the creation of markets in pollution permits (Haas 1999). Both government regulation and popular concern for green products and processes made it easier for companies to see a competitive advantage in pursuing higher standards in environmental protection. They are most advanced in the United States, Germany, and Japan but growing elsewhere (Moore and Miller 1994; Haas 1999). These markets for products and technology that are green are only one aspect of environmental profitability. The other is changes in production processes that increase efficiency by reducing waste and pollution (Hawken et al. 2000). Because environmental problems touch on such a wide range of producers, each segment of the market has different economic dynamics. Voluntary initiatives that commit a company, for instance, to reduce greenhouse gas emissions will face very different competitive dynamics than similar programs to reduce logging in rainforests. In each case, industry players have to make different calculations of the trade-offs between competitive and political pressures, both of which can affect market share and revenue streams. Oil and mining firms tend to be largte, with relatively few competitors, but with intense competition among them. The petroleum sector in particular has responded to economic competition with a series of large mergers and acquisitions, as BP swallowed up Amoco and then Arco, and Exxon combined with Mobil. Within this relatively small group, BP Amoco views itself as an industry leader both in terms of size and more importantly in terms of business practices. John Browne, chief executive of BP Amoco, explicitly points to his corportation’s environmental practices as a model for other to follow. He literally shocked the other oil companies by coming out in support of early action against global warming. Other industries view demands that they become more green with varying degrees of concern about competitiveness. Most businesses today are more dependent on knowledge and communication, and less dependent on natural resources. Corporate executives of Shell, for instance, refer to the firms not only as a supplier of petroleum products but of transportation and information services also. Other more consumer-oriented companies are subject to a great deal ofcompetition, and entry by competitors into particular markets can be easy. In highly competitive markets, firms are pushed in two directions, often simultaneiously – to cut costs or to improve quality. Many have begun to enter green markets, becoming niche producers in a growing area of consumer interest. The companies must be able to show a demonstrable commitment to high environmental standards. High visibility campaigns against poor environmental practices have been heightened by three intertwined factors: the growing importance of global brand name as an element of corporate competitiveness; the increasing transparency of corporate activities, whether deliberate or not; and the process of persuasion and learning among business interests themselves. It is clear that a good reputation only matters if it is possible that a bad reputation will affect relations with customers and business partners. Information about violations of acceptable environmental behavior must be widely available. Information transparency and reputation are linked. For instance, the Environmental Defense Fund (EDF) launched a campaign in 1998 to test common chemicals for health effects, asking major corporations to dothe testing. The EDF published a list of those thatsaid yes and those that said no. Shortly afterwards, in January 1999, the Chemical Manufacturers Association (CMA) in the United States announced it would spend $1 billion to gather toxicity and other data on 3,000 chemicals, and another 15,000 will be tested for their effects on the human endocrine system.The results will be posted on the CMA web site (Business Ethics 1999). In other words, simply the fact that the company name would be posted in the “negative” column of the EDF web site was enough to move the industry association to shore up its reputation and that of its members. A further step would be if these companies also sommitted to restrict their use of toxic chemicals. When the U. S. Environmental Protection Agency began requiring factories to report on their use of certain toxic substances and those data were publicized in the Toxis Release Inventory, many firms immediately began reducing their use of these chemicals. Activist campaigns are not always directed to closed ears within the business community. Over the past few decades, there has been a learning process among certain managers that makes them more receptive to the idea of voluntary action to self-regulate at home and abroad (Prakash 2000). Many business schools now require students to take courses in business ethics and environmentalism. Scholars have persuasively demonstrated with empirical data that caring for the environment can be a profitable strategy. Leading businessmen and corporations have stepped forward to demonstrate the cutting edge in good company practice on the environment. Business leaders have created organizations to promote both individual and collective action on environmental issues. Many of these have an explicitly educational and persuasive mission to convince other businesses to join. CERES, the WBCSD, the Prince of Wales Business Leaders Forum, Business for Social Responsibility, the Global Environmental Management Initiative (GEMI), and other nonprofit organizations made up of member companies who agree to promote a better understanding of environmental issues and to convince other firms to agree to meeting higher standards. Probably the most persuasive aspects of the new corporate environmentalism is the “eco-efficiency paradigm.” Many analysts point out that pollution as a by-productof industrial production is waste – pure and simple. Improving environmental performace can improve efficiency by reducing inputs into production and thus limiting waste by-products. In other words, environmental practices are not by definition a cost center for the firm, but they can also be a source of profit. Numerous examples now exist of practices that reduce consumption and pollution in ways that are financially sound. For instance, when semiconductor manufacturers sought a less toxic cleaner to use in the production process, they found that water-based products not only met higher environmental standards, but they worked better and more cheaply. Managers had simply been using old mental habits, automatically using traditional chemical cleaners without really thinking seriously about alternatives until pressured to do so (Hawken 1993). Environmentally sound products and production processes can provide an edge in highly competitive markets, as market leaders in resource-intensive industries are discovering. Green businesses have made environmental stewardship a core value of their business because, in many cases, it really works. Outside consultants, writers, and activists have been producing a proliferating number of persuasive guides about the benefits of pursuing sustainable industry. In the intriguingly titled *Cannibals with Forks,* John Elkington, a British management consultant, argues that firms should re-orient themselves to the “triple bottom line.” Elkington, like many other authors and experts today, is trying to persuade business managers that they should be profitable in more than the financial dimension, taking into account social and environmental bottom lines (Elkington 1998). An increasing number of firms, especially in Europe, are adopting triple-bottom-line practices under The Natural Step program. Business schools now incorporate environmental issues into the curriculum and trade magazines – even the most conservative – now devote space to best environmental practice. The dialogue in the business world today includes discussion, debate, and evolving accpetsance of the role of good envirtonmentqal practices in business decision making. This makes business leaders more receptive to public pressure to self-regulate.

### Neoliberalism =/= Neglect Environmental Standards

#### Neoliberalism encourages firms to surpass local environmental standards

Christmann and Taylor ‘01 (Petra, Rutgers and global economy research specialist, and Glen, University of Hawaii at Manoa, “Globalization and the Environment: Determinants of Firm Self-Regulation in China” Darden Business School Working Paper No. 01-15, 439-458, <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=277452>)

In contrast, globalization proponents contend that lower barriers to trade and foreign investment encourage firms to transfer environmental technologies and management systems from countries with stricter environmental standards to developing countries, which lack access to environmental technologies and capabilities (Drezner, 2000). Governmental failure to protect the environment, it is suggested in this line of argument, might also be ameliorated through self-regulation of environmental performance by firms in developing countries. Self-regulation refers to a firm’s adoption of environmental performance standards or environmental management systems (EMS ) beyond the requirements of governmental regulations . Globalization can increase self-regulation pressures in several ways. First, globalization increases MNEs’ investment in developing countries where their subsidiaries can be expected to self-regulate their environmental performance more than domestic firms do. MNEs can transfer the more advanced environmental technologies and management systems developed in response to more stringent regulations in developed countries to their subsidiaries. MNEs also face pressures from interest groups to improve their worldwide environmental performance. Second, globalization might contribute to environmental performance as a supplier-selection criterion, which also pressures domestic firms in developing countries to self-regulate environmental performance… Globalization does not necessarily have negative effects on the environment in developing countries to the extend suggested by the pollution-haven and industrial-flight hypotheses. Our study suggests that globalization increases institutional and consumer pressures on firms to surpass local requirements, even when they may be tempted by lax regulations and enforcement in countries offering themselves as pollution havens (Hoffman, 1999; Rugman and Verbeke, 1998)

## Economy

### Neoliberalism = Economic Freedom

#### Capitalism is the only one with economic freedoms

Phelpsam 07

(Prof. Dr. Edmund S. Phelpsam. 17 October 2007, Economic Dynamism and the “Social Market Economy”: Are they Reconcilable? Pg 3 CW)

As I see it, two ways of justifying capitalism have been attempted in political economy. Friedrich Hayek contributed to both of them, which has caused some confusion. In his book The Road to Serfdom (and later in The Constitution of Liberty) Hayek ́s premise was that people ought to have economic freedoms as well as political freedoms – freedoms to start a firm and to close one, to introduce a new product or method, and so forth. Since a socialist system and a corporatist system deny people some of these individual freedoms, they are unjust. Hayek appears to assume that a country ́s people, when allowed these individual freedoms by the government, will evolve the institutions of the system called capitalism. But what if instead people in some countries evolved the institutions of a system of cooperatives – such as monasteries or kubbutzes – simply because that was familiar to them from their ancestral past, not because they had tried capitalism and liked it less. Would that system of cooperatives also be considered a good economy? In The Road to Serfdom there is nothing about entrepreneurial activity and innovation – as if the consequences of capitalism were immaterial to its justification. I would note that Ludwig Erhard did not advocate the social market economy on an argument that the Social Market Economy is the only system that offered people economic freedoms.

### Neoliberalism Best for Economy

#### Capitalism is best for economy

Phelpsam 07

(Prof. Dr. Edmund S. Phelpsam. 17 October 2007, Economic Dynamism and the “Social Market Economy”: Are they Reconcilable? Pg 3 CW)

Empirically, it is clear that where a well-functioning capitalism is feasible, or supportable, a well-functioning capitalism is better for the stimulation of new innovative ideas, their development and evaluation than either eastern Euro- pean socialism or the western continental European system, whatever we call it. We mustn’t repeat that debate for another century.

The remaining questions are two: Is capitalism just after all? And if so, how exactly might a country such as Germany move in that direction – what would be the best operational steps?

I argue that high dynamism is essential for the good life. It is paramount that our lives, much of which must be spent doing something, present us with mental stimulation, problem-solving, exploration and thus the means to our intellectual development and personal growth. The other considerations can- not have an equal priority. This line of thinking is in a line that starts with A- ristotle and runs through the vitalists such as Cellini, Cervantes, William Ja- mes and Henri Bergson and runs also through the pragmatists such as Virgil, John Dewey and Amartya Sen.

### Infrastructure =/= Economic Growth

#### Transportation infrastructure has no link to increased economic growth

O’Fallon 04 (Dr.Carolyn, Director, Pinnacle Research, 2004, “LINKAGES BETWEEN TRANSPORT

INFRASTRUCTURE AND ECONOMIC GROWTH” <http://www.pinnacleresearch.co.nz/research/SLTC2004.pdf> TM)

After rejecting the 1989 findings of Aschauer, who used an analysis of production functions to “prove” a positive and significant relationship between transport infrastructure investment and economic growth, the SACTRA considered what mechanisms might deliver growth. “Transport improvements” were defined as any intervention, such as infrastructure provision or travel demand management or otherwise, that produced sustained reductions in transport costs or “equivalent improvement in service delivered.” Based on this definition, SACTRA identified 6 hypothetical mechanisms by which transport improvements could improve economic productivity: • Stimulating “inward” investment • “Unlocking” inaccessible regions / areas • Inspiring growth which, in turn, motivates further growth • Impacting on labour market catchment areas, and subsequently, labour costs • Greater output as a result of decreased production costs • Restructuring or rationalisation of production, land use and distribution. They also identified four mechanisms affecting innovation and, potentially, economic growth: • Increasing the rate of technology transfer by helping to attract foreign investment • Encouraging clustering of firms “whose specialist knowledge has synergetic effects” • Enhancing competition and improving integration of markets • Increasing market size. Following their analysis of these mechanisms, SACTRA concluded that the theoretical impacts identified above can exist “in reality” but that specific local conditions and circumstances strongly influence the effect of transport improvements, such that no particular outcome can be guaranteed. While they thought the supposition was plausible, SACTRA found that there was insufficient evidence to support the claim that improved transport networks have a positive impact on labour productivity and, subsequently, on economic growth.5 De la Fuente (2000), based on the output of his cross-regional study comparing infrastructure provision in Spain and the US, likewise maintained that, as a “saturation point” is reached (e.g. as the basic network is largely completed), the returns on such investment declines. He observed that: “Appropriate infrastructure investment provision is probably a key input for development policy, even if it does not hold the key to rapid productivity growth in advanced countries where transportation and communication needs are already adequately served.” (p.41) SACTRA (and ECMT, 2002) determined that it is reasonable to treat transport improvements as being comparable to “reductions to trade barriers”, particularly when considering very large investments or where an area has been particularly inaccessible prior to the improvement. In such cases, transport improvements may result in micro-effects, e.g. improved efficiencies in specific firms where transport is a large cost component of the business; improved labour markets and increased ability for specialisation; and improved housing values, etc. At the same time, SACTRA observed that, when transport improvements result in better linkages between two locations, at least some of the effects were likely to be redistribution benefits to a local area rather than an increase in national economic growth. SACTRA noted that the tendency will be for economic activity to concentrate in central “core” regions (until they become crowded) if there are potential efficiency gains in large scale production, while in a situation where the costs of inputs (such as labour or property rents) are lower, economic activity may be more dispersed. McQuaid and Greig (2002) similarly advised that investment in infrastructure is more likely to promote centralisation and concentration than “dispersal” of economic activity – and may, as a result, benefit the areas least in need of economic expansion. They observed that careful analysis of the growth “claims” attributed to transport infrastructure investment is required to ensure that development is “additional” rather than “displacement” (re-located from elsewhere) or “deadweight” (would have happened anyway). SACTRA (1999) found other factors influencing which area will benefit include: • The comparative configuration of scale economies • The nature and scale of forward and backward linkages in the local sectors Whether one region has a “unique” asset to capitalise on • The size of local markets • Local labour and land market conditions.

### Government Spending = Bad Economically

#### Government Spending Hurts the Economy and Blocks Out the Private Sector

J. D. Foster, Ph.D. July 27, 2009

(J. D. Foster, Ph.D. Keynesian Fiscal Stimulus Policies Stimulate Debt—Not the Economy No. 2302 July 27, 2009, Backgrounder Published by the Heritage Foundation p.3-4) ABS

Simple observation has its place, but how does the Keynesian stimulus approach break down in theory? Keynesian stimulus theory ignores the second half of the story: Deficit spending must still be financed, and financing carries budgetary consequences and economic costs. Proponents generally acknowledge the long-term budgetary costs, but ignore the offsetting near-term consequences that render Keynesian stimulus useless. In a closed economy, government borrowing reduces the pool of saving available for private spending, either investment or consumption. Government lacks a wand to create real purchasing power out of thin air (with the fleeting exception of monetary expansions, discussed below). Government spending or deficit-increasing tax cuts increase demand as advertised; and government borrowing reduces demand by the same amount, for no net change. The dynamics in an open economy are slightly more complicated, but the final outcome for output is unchanged. An open economy permits a government to finance its deficits by importing savings from abroad as the United States has done for years, rather than by tapping domestic sources. However, an increase in deficit spending met by an increase in net imports of foreign savings must, in turn, be matched by an increase in net imports of goods and services to preserve the balance of payments. Thus, the increase in domestic demand due to deficit spending is fully offset by a reduction in demand arising from an increase in net exports. Once again, Keynesian stimulus has no effect. What if the extra government borrowing soaks up “idle savings” in an underperforming economy, proponents may ask. In troubled economic times those who can save more often do so, directing their savings toward safe investments like Treasury Bonds and bank deposits. However, these cautious savers almost never withdraw their savings from the financial system entirely by stuffing cash into mattresses. Aside from the occasional mattress stuffer, even savings held in the safest of instruments are not idle but remain part of the financial system, working to find their most productive uses through the available channels. Borrowing to finance Keynesian stimulus, then, remains a subtraction from the funds available to the private sector. Suppose widespread fear spurred savers to engage in rampant mattress stuffing, withdrawing purchasing power from the economy and creating large amounts of truly idle savings. This has happened before, and could be happening now to some extent. Surely, Keynesian stimulus works in such cases. Highly unlikely. Nothing about a flood of government bonds engulfing capital markets to finance a surge in wasteful government spending is likely to convince nervous mattress stuffers that their concerns are misplaced. Idle savings, then, remain idle, making deficit spending a competitor for an even smaller pool of available private savings. Worse, mattress stuffers are likely to increase their mattress-based, economically idle saving in the face of a surge of profligate, irresponsible government spending. Keynesian “stimulus” would then be an economic depressant.

#### **Government spending is bad- hurts the economy**

Powell 11 (October 13 2011 Why Government Spending Is Bad for Our Economy. Jim Powell a senior fellow at the Cato Institute is the author of FDR's Folly, Wilson's War, Bully Boy, The Triumph of Liberty and other books. <http://www.cato.org/publications/commentary/why-government-spending-is-bad-our-economy>) ALG

Though President Barack Obama has spent trillions of dollars, the U.S. economy is stagnant, fewer people are employed than when he became president, the percentage of people unemployed for over a year has doubled since then, the poverty rate is the worst in two decades, and more than 40 million Americans — a record — are on food stamps. More government spending has been widely-touted as a cure for unemployment, but support for that view seems to be eroding — not least because Obama has little to show for his spending spree except about $4 trillion of additional debt. America needed more than 200 years to hit that number, but Obama did it in only three years. The experience offers a reminder that there isn't any net gain from government spending since it's offset by the taxes needed to pay for it, taxes that reduce private sector spending. When Obama was sworn in, his top priority ought to have been reviving the private sector, since the private sector pays all the bills. Government basically doesn't have any money other than what it extracts from the private sector. Yet Obama decided to indulge his progressive whims and make government bigger. [G]overnment spending often makes things more expensive, causes chronic inefficiencies, leads to more debt and disruptive financial bubbles. His administration drained resources out of the private sector via taxes, then he signed his $825 billion "stimulus" bill, the American Recovery and Reinvestment Act of 2009 (ARRA), so that money could be redistributed among government bureaucracies. For instance, Obama authorized spending money to repair U.S. Department of Agriculture buildings, maintain the Farm Service Agency's computers and inform the electronically disadvantaged about digital TV. Obama essentially acknowledged that he didn't know or care about how to stimulate the private sector, since he provided hardly any specific guidance for spending the money. For instance, ARRA awarded $600 million to the National Oceanic and Atmospheric Administration, saying only that the money was "for procurement, acquisition and construction" — which could have meant almost anything. If the aim was really to stimulate recovery of the private sector, the most effective way of doing that would have been to leave the money in the private sector. After all, people tend to be more careful with their own money than they are with other people's money. Undoubtedly people would have spent their money on all sorts of things to help themselves, things worth stimulating like food, clothing, gasoline, downloads, cell phones and household repairs. Because of the federal government's taxing power, it commands vast resources, and politicians can be counted on to start new spending programs they can brag about during re-election campaigns. Unfortunately, spending programs often have unintended consequences that can make it harder for the private sector to grow and create productive jobs. Nonetheless, interest groups that benefit from the spending lobby aggressively to keep the money flowing, which is why, since the modern era of big government began in 1930, spending has gone up 88% of the time. If we exclude the demobilization periods following the end of World War II (three years) and the Korean War (two years) when spending declined, it has gone up 95% of the time. Economists James Gwartney, Randall Holcombe and Robert Lawson reported: "Evidence illustrates that there is a persistent robust negative relationship between the level (and expansion of) government expenditures and the growth of GDP. Our findings indicate that a 10% increase in government expenditures as a percent of GDP results in approximately a 1 percentage point reduction in GDP growth." Similarly, Harvard economist Robert J. Barro found that "growth and the size of government are negatively related when the government is already very large." For example, every year the federal government funds tens of billions of dollars worth of student loans for college. Altogether, the federal government has provided money for some 60 million students. In 2010, for the first time, student-loan debt surpassed credit card debt. There are about a trillion dollars of student loans outstanding. By enabling more and more people to bid for a college education, the government has promoted inflation of college costs — some 440% during the past quarter-century, quadruple the overall rate of inflation. Vance H. Fried, author of Better/Cheaper College, reported that nonprofit colleges make huge profits on undergraduate education, and they're spent on "some combination of research, graduate education, low-demand majors, low faculty teaching loads, excess compensation, and featherbedding." Meanwhile, an increasing number of families have difficulty paying for college without financial aid. Federal farm subsidies range between $10 billion and $30 billion annually. Subsidies are paid on the basis of output or acreage, which means big farmers get more money than small farmers. Subsidies are limited to the "program" crops like corn, cotton, rice, soybeans and wheat, that account for about a third of farm production. Aside from enriching big farmers, the main impact of the subsidies is to encourage over-production and inflate the value of land suitable for program crops. One study, by economists at North Carolina State University, analyzed the different types of subsidies and concluded that each $1 of farm subsidies per acre inflates the value of an acre of farmland between $6.38 and $27.37, depending on applicable subsidies. Since the mid-1960s, federal, state and local governments have spent hundreds of billions of dollars subsidizing government-run urban transit systems. Economist Randal O'Toole explained, "The number of transit trips per operating employee have fallen more than 50%, and the inflation-adjusted cost per trip has nearly tripled during the past four decades. Today urban transit is the most expensive way of moving people in the United States, and it's no better than cars in terms of energy consumption or pollution." Despite the endless subsidies, urban transit systems tend to be inadequately maintained, and they're loaded with debt. New York City's transit system alone has $30 billion of debt plus $15 billion of unfunded pension liabilities for its unionized employees. The federal government gathers tax revenue from the general population and then channels about $2 trillion each year into the health care sector. The big entitlements Medicare and Medicaid account for 46% of health care spending, according to the Kaiser Family Foundation. Moreover, by establishing government as a third party payer for health care services, the entitlements eliminate incentives for individuals to be concerned about health care costs. Employer-provided health insurance has a similar effect. No surprise, then, that health care inflation is currently going up 9% a year, more than double the Consumer Price Index. In the name of "affordable housing," Congress passed the Community Reinvestment Act (1977) that required bankers to provide more sub-prime mortgages for people who would have difficulty making the payments. Moreover, the government-sponsored enterprises Fannie Mae and Freddie Mac spent several trillion dollars buying securities that were bundles of sub-prime mortgages. This spurred Wall Street firms to churn out those securities. Result: more and more people put all their money into a single asset — their house. They bid up housing prices until there weren't any more buyers, and the housing market collapsed in 2008. As we know, the federal government subsequently spent trillions of dollars on housing-related bailouts. The Pew Research Center reported that black households lost more than half of their money. Hispanic households lost two-thirds. These were people supposedly helped by government spending. Ever higher taxes are required to pay for all this and other government spending, which means draining more resources out of the private sector — making it harder to create growth and jobs. As these examples suggest, government spending often makes things more expensive, causes chronic inefficiencies, leads to more debt and disruptive financial bubbles. Far from being an economic stimulus and a cure for unemployment, government spending increasingly turns out to be bad for our economy.

#### **Government spending is the economies worst enemy**

Cox 12 (Economy's Biggest Drag Right Now Is Government. Jeff Cox CNBC.com Senior Writer April 27, 2012. <http://www.cnbc.com/id/47205997/Economy_s_Biggest_Drag_Right_Now_Is_Government>) ALG

Government has become its own worst enemy when it comes to the economy, with public spending putting a damper on growth that otherwise continues at a steady if unspectacular pace. Friday's gross domestic product report confirmed what a drag government can be: While consumer spending grew at a 2.9 percent clip, state and local governments cut back spending by 1.2 percent on an annualized basis and the federal government pulled back by 5.6 percent. As a result, the GDP number showed just a 2.2 percent improvement. The report disappointed economists, some of whom had the number as high as 3 percent and beyond, and cast an uncertain future on a stock market dependent on Federal Reserve stimulus for growth. "None of this is all that surprising, so where is the miss?" wondered Brown Brothers Harriman global currency strategist Marc Chandler, after noting some fairly pedestrian and in-line quarterly growth results. "Contrary to what passes as conventional wisdom, the main drag is coming from the government itself." Before anyone starts thinking that Washington suddenly has gotten religion on spending, the bulk of the federal government cuts came from defense spending, which plunged 8.1 percent. State and local governments, facing the necessity to balance their budgets against declining revenue (not to mention the specter of Meredith Whitney's muni bond default forecast) likely will continue to cut, though that's not as certain with their federal counterpart. Washington's drop in spending came after a 19.1 percent decrease in the fourth quarter of 2011."The government spending plunge is unlikely to repeat for a third quarter (in 2012 at least) and an inventory drag in 2Q only masks moderate demand gains," Citigroup economist Steven C. Wieting said. "But the 1Q GDP data should limit remaining optimism that U.S. economic growth will accelerate significantly this year. So what does this all mean? Investors are watching the Federal Reserve closely for signs that the U.S. central bank might step in and provide more stimulus once Operation Twist ends in June. The Fed currently is buying long-dated bonds and selling shorter-dated notes in an effort to stimulate risk and drive down lending costs. At the same time, it is rolling over the $2.8 trillion already on its balance sheet in the form of Treasury’s as well as mortgage and other debt. Some are hoping that Chairman Ben Bernanke and Co. will be willing to step in with a third round of balance sheet expansion — quantitative easing — to keep goosing the market through the economic trudge. But the GDP progress, halting as it is, likely will forestall if not completely derail QE3 prospects. It's all part of "Bad Goldilocks" phenomenon, in which the economy doesn't grow quickly enough to inspire confidence but moves just enough to keep the Fed at bay. Central bank critics worry that all the liquidity efforts will spur inflation, not to mention uncertainty over what happens once the Fed has to start unwinding all that debt it is holding. Also remember: Out there not so far in the future is the "fiscal cliff" of which Bernanke has warned will appear if Congress cannot agree on deficit reduction and thus face an automatic round of steep spending cuts and tax increases at the end of 2012.

#### Government subsidies create huge inefficiencies – massive decline in productivity

O’Toole 10 (Randal, 7-19-10, CATO at Liberty, “Public Transit: A Classic Example of Government in Action,” <http://www.cato-at-liberty.org/public-transit-a-classic-example-of-government-in-action/>, accessed 7-12-12, EBB)

Each transit worker produced 53,115 transit trips in 1970, but only 26,314 trips by all modes in 2008. The real cost per rider grew by 124 percent, while subsidies (fares minus operating costs) grew by more than 8 times. Though capital cost data prior to 1992 are sketchy, capital costs also grew tremendously, almost certainly by more than operating costs. By any measure, then, transit productivity has declined more than 50 percent. “It’s uncommon to find such a rapid productivity decline in any industry,” noted the late University of California economist Charles Lave. What accounts for this huge decline in productivity? Simple: government ownership. Prior to 1965, most transit systems were private and the industry as a whole was declining but profitable. In 1964, Congress passed the Urban Mass Transit Act, which promised federal capital grants to any government-owned transit systems. Cities and states quickly took over private transit systems, and transit agencies soon discovered that the federal government was just as willing to fund expensive transit systems as inexpensive ones, so they overbought, purchasing giant buses where small ones would do and building expensive rail lines where buses would do. To cover their operating losses, transit agencies taxed as large an area as they could, but were then politically obligated to provide transit service to the entire taxed area. While transit’s main market is in the dense inner cities, agencies began running buses and, in many cases, building rail lines to relatively wealthy low-density suburbs that have three cars in every garage. The result of overbuying and extended service was lots of nearly empty buses and railcars: the average transit vehicle load is only about one-sixth of capacity, so if you are the sole occupant of a five-passenger SUV, you can be smugly proud that the car you are driving has a higher occupancy rate than public transit.

## Freedom

#### Capitalism provides the conditions for humans to realize their potential to succeed and to enhance their capacity to interact freely

**Saunders,** professor emeritus at the Centre for Independent Studies and Adjunct Professor at the Australian Graduate School of Management, **2007**(Peter, 12-07-07, “Why Capitalism is Good for the Soul,” POLICY Magazine, Volume: 23, No. 4, pg. 7 and 8, JS)

No socioeconomic system can guarantee people a good life. All we can reasonably ask of any society is the conditions that will enable us to construct happy and worthwhile lives for ourselves. On this test, capitalism passes with flying colours. A modern capitalist country like Australia guarantees necessities like food and shelter. By enforcing a clear system of private property rights, it offers individuals security. It allows people to interact freely, forming family ties, friendship groups, and communities of common interest; and it maximises opportunities for people to realise their potential through hard work and innovation. These are the conditions that Abraham Maslow identified as essential for humans to satisfy their core needs. If these conditions are in place, as they are in modern, capitalist countries, no individual can reasonably claim that external conditions have prevented them from pursuing happiness.(20)Traditional critics of capitalism, like Marx, argued that these preconditions of human happiness could not be satisfied in a capitalist society. Marx’s theory of the ‘immiseration of the proletariat’ held that capitalism couldn’t even guarantee provision of food and shelter, for mass poverty, misery, ignorance, and squalor were the inevitable consequence of the accumulation of wealth by a tiny capitalist class.(21) We now know that Marx was spectacularly wrong. Working people today do not just earn a good wage; they own comfortable homes, have shares in the companies that employ them, go to university, win entry to the professions, set up businesses, and run for high office. The western ‘working class’ (to the extent that such a thing still exists) has been so busy expanding its horizons that it has quite forgotten about its historic mission of overthrowing capitalism.

## Laundry List

### Quality of Life, Environment, Disease, Poverty and Hunger

#### Neoliberalism improves quality of life- checks environmental destruction, disease, poverty, and hunger.

Goklany, Science and technology policy analyst for the United States Department of the Interior, where he holds the position of Assistant Director of Programs, Science and Technology Policy, 2007 (03-23-07, Indur M, Reason.com, “Mankind has never been healthier, wealthier or freer. Surprised?,” <http://www.reason.com/news/show/119252.html>, AD: 07-11-12, JS)

Environmentalists and globalization foes are united in their fear that greater population and consumption of energy, materials, and chemicals accompanying economic growth, technological change and free trade—the mainstays of globalization—degrade human and environmental well-being. Indeed, the 20th century saw the United States’ population multiply by four, income by seven, carbon dioxide emissions by nine, use of materials by 27, and use of chemicals by more than 100. Yet life expectancy increased from 47 years to 77 years. Onset of major disease such as cancer, heart, and respiratory disease has been postponed between eight and eleven years in the past century. Heart disease and cancer rates have been in rapid decline over the last two decades, and total cancer deaths have actually declined the last two years, despite increases in population. Among the very young, infant mortality has declined from 100 deaths per 1,000 births in 1913 to just seven per 1,000 today. These improvements haven’t been restricted to the United States. It’s a global phenomenon. Worldwide, life expectancy has more than doubled, from 31 years in 1900 to 67 years today. India’s and China’s infant mortalities exceeded 190 per 1,000 births in the early 1950s; today they are 62 and 26, respectively. In the developing world, the proportion of the population suffering from chronic hunger declined from 37 percent to 17 percent between 1970 and 2001 despite a 83 percent increase in population. Globally average annual incomes in real dollars have tripled since 1950. Consequently, the proportion of the planet's developing-world population living in absolute poverty has halved since 1981, from 40 percent to 20 percent. Child labor in low income countries declined from 30 percent to 18 percent between 1960 and 2003. Equally important, the world is more literate and better educated than ever. People are freer politically, economically, and socially to pursue their well-being as they see fit. More people choose their own rulers, and have freedom of expression. They are more likely to live under rule of law, and less likely to be arbitrarily deprived of life, limb, and property. Social and professional mobility have also never been greater. It’s easier than ever for people across the world to transcend the bonds of caste, place, gender, and other accidents of birth. People today work fewer hours and have more money and better health to enjoy their leisure time than their ancestors. Man’s environmental record is more complex. The early stages of development can indeed cause some environmental deterioration as societies pursue first-order problems affecting human well-being. These include hunger, malnutrition, illiteracy, and lack of education, basic public health services, safe water, sanitation, mobility, and ready sources of energy. Because greater wealth alleviates these problems while providing basic creature comforts, individuals and societies initially focus on economic development, often neglecting other aspects of environmental quality. In time, however, they recognize that environmental deterioration reduces their quality of life. Accordingly, they put more of their recently acquired wealth and human capital into developing and implementing cleaner technologies. This brings about an environmental transition via the twin forces of economic development and technological progress, which begin to provide solutions to environmental problems instead of creating those problems. All of which is why we today find that the richest countries are also the cleanest. And while many developing countries have yet to get past the “green ceiling,” they are nevertheless ahead of where today’s developed countries used to be when they were equally wealthy. The point of transition from "industrial period" to "environmental conscious" continues to fall. For example, the US introduced unleaded gasoline only after its GDP per capita exceeded $16,000. India and China did the same before they reached $3,000 per capita. This progress is a testament to the power of globalization and the transfer of ideas and knowledge (that lead is harmful, for example).

## Neoliberalism

### Neoliberalism Sustainable – Renewables

#### Neoliberalism is sustainable- renewable resources

Cleaver 97 (April 1997 Nature, Neoliberalism and Sustainable Development: Between Charybdis & Scylla. Harry Cleaver is Associate Professor in the Department of Economics at the University of Texas at Austin. <https://webspace.utexas.edu/hcleaver/www/port.html>) ALG

As an ideology, sustainable development originally appealed most to those preoccupied with the tendencies of capitalist development to lay waste to the world in its haste to convert anything and everything into commodities which could be sold for a profit. Many advocates of sustainable development have seemed to reason within Western traditions that see humans as stewards of Nature, with responsibility for its care. Against the destruction of forest clear cutting, for example, has been posed the selective extraction of well chosen trees.5 Against the exhaustion of non-renewable resources was posed the conservative tapping of renewable ones. And so on. In general, the idea is to so manage the extraction and tapping so that it can go on endlessly. The perspective cuts transversally across the Neoliberal preoccupation with markets versus other institutions of development to emphasize a desirable framework rather than a particular technique. All methods which are "sustainable" are open for discussion. Unfortunately, by focusing on the adjective (sustainable) instead of the noun (development) well-intentioned proponents of sustainable development have left themselves open to instrumentalization. Although discussions started much earlier, the official embrace of sustainable development dates from approximately the same moment as the onset of the debt crisis which provided the occasion for the Neoliberal policy offensive. The Brundtland Commission was launched in 1983 about a year after Mexico declared bankruptcy.6 Its deliberations and final report Our Common Future (1987) gave sustainable development the stamp of high level approval in the world of development managers.7 Sustainable development - a term which implicitly critiques "unsustainable" approaches to development - has proved susceptible to such a diversity of interpretations as to be integrable even within the policy orientations of the most notable proponents of Neoliberalism, e.g., the World Bank.8 In the wake of the Brundtland report, sustainable development spread rapidly as a new and appealing framework for doing business. There was some resistance from free market ideologues who incanted Hayek's name, denounced the report's failure to insist on private property rights and went so far as to call the concept of sustainable development "a euphemism for environmental socialism."9 But on the whole the concept was received positively. In the period around the Rio Earth Summit in 1992, discussion of sustainable development evolved along a trajectory which soon brought it into alignment with market capitalism. The year before the Summit, the International Chamber of Commerce's creation of The Business Charter for Sustainable Development demonstrated clearly which way the wind was blowing. Jim MacNeill, who had been secretary general of the Brundtland Commission and primary author of its report went over to the Trilateral Commission and co-authored Beyond Interdependence: The Meshing of the World's Economy and the Earth's Ecology which was published in advance of the Summit.10 The Worldwatch Institute's pre-conference book Saving the Planet was subtitled "How to Shape an Environmentally Sustainable Global Economy".11 Later, one of its authors, Christopher Flavin would write: "The challenge is to adopt policies that make economic and ecological imperatives converge, redirecting market forces to achieve the environmental goals."12 Instead of juxtaposing the economy and the environment, instead of critiquing the economy per se, these authors seek "convergence" assuming that there is no alternative to working within the system. When the UN established its Commission on Sustainable Development in the wake of the Summit, and then the US President created a Council on Sustainable Development, their constitution also assumed from the beginning that solutions to sustainability could be found within the context of multinational business and markets. The economy and ecology, in the words of the Trilateral Commission, could be "meshed." In good Neoliberal style the role of the government is generally portrayed in the sustainable development literature as subsidiary and complementary to the central role of business - a position quite satisfactory to such entirely corporate groups as the Business Council for Sustainable Development set up by an industrialist who was advisor to the UN Secretary General at the Earth Summit. "Governments," the Council's major report enjoins, must "create the frameworks in which business can produce the technology, the innovations, and the processes for sustainable development. Business leaders are looking forward to improved conditions as governments begin to deregulate markets, privatize enterprises, and stabilize basic economic conditions."13

### Neoliberalism Sustainable – Innovation

#### Capitalism is sustainable – innovation allows resources to be accessible and reusable

**Norberg**, Senior Fellow at Cato Institute, **2003** (Johan, “In Defense of Global Capitalism”, p. 223, JS)

It is a mistake, then, to believe that growth automatically ruins the environment. And claims that we would need this or that number of planets for the whole world to attain a Western standard of consumption—those “ecological footprint” calculations—are equally untruthful. Such a claim is usually made by environmentalists, and it is concerned, not so much with emissions and pollution, as with resources running out if everyone were to live as we do in the affluent world. Clearly, certain of the raw materials we use today, in present day quantities, would not suffice for the whole world if everyone consumed the same things. But that information is just about as interesting as if a prosperous Stone Age man were to say that, if everyone attained his level of consumption, there would not be enough stone, salt, and furs to go around. Raw material consumption is not static. With more and more people achieving a high level of prosperity, we start looking for ways of using other raw materials. Humanity is constantly improving technology so as to get at raw materials that were previously inaccessible, and we are attaining a level of prosperity that makes this possible. New innovations make it possible for old raw materials to be put to better use and for garbage to be turned into new raw materials. A century and a half ago, oil was just something black and sticky that people preferred not to step in and definitely did not want to find beneath their land. But our interest in finding better energy sources led to methods being devised for using oil, and today it is one of our prime resources. Sand has never been all that exciting or precious, but today it is a vital raw material in the most powerful technology of our age, the computer. In the form of silicon—which makes up a quarter of the earth's crust— it is a key component in computer chips. There is a simple market mechanism that averts shortages. If a certain raw material comes to be in short supply, its price goes up. This makes everyone more interested in economizing on that resource, in finding more of it, in reusing it, and in trying to find substitutes for it.

## Poverty

### Neoliberalism =/= Poverty

#### Neoliberalism eliminates poverty

Bandow ‘01(Doug, specialist in foreign policy and civil liberties, special assistant to President Reagan, “Globalization Serves the World's Poor,” http://www.cato.org/publications/commentary/globalization-serves-worlds-poor)

Indeed, the problems of globalization must always be "compared to what?" Yes, factories pay low wages in Third World countries. But workers in them have neither the education nor the skills to be paid at First World levels. Their alternative is not a Western university education or Silicon Valley computer job, but an even lower-paying job with a local firm or unemployment. The choice is clear: according to Edward Graham of the Institute of International Economics, in poor countries, American multinationals pay foreign citizens an average of 8.5 times the per capita GDP. Overall, the process of globalization has been good for the poor. During the 1980s, advanced industrialized countries grew faster than developing states. In the 1990s, as globalization accelerated, poor nations grew at 3.6 percent annually, twice that of their richer neighbors. Despite the illusion of left-wing activists that money falls from the sky, poverty has been the normal condition of humankind throughout most of history. As even Marx acknowledged, capitalism is what eliminated the overwhelming poverty of the pre- industrial world. That remains the case today. Resource endowment, population level and density, foreign aid transfers, past colonial status none of these correlate with economic wealth. Only economic openness does. The latest volume of the Economic Freedom in the World Report, published by the Cato Institute and think tanks in 50 other countries, finds that economic liberty strongly correlates with economic achievement. Policies that open economies strongly correlate with economic growth. By pulling countries into the international marketplace, globalization encourages market reforms. With them comes increased wealth. Concern over the distribution of income understandably remains, but if nothing is produced, there is nothing to distribute. And, in fact, globalization has shared its benefits widely. In a recent World Bank report, economists David Dollar and Aart Kraay conclude that the "income of the poor rises one-for-one with overall growth."

#### Neoliberalism solves for poverty everywhere

Rockwell, chairman and CEO of the Ludwig von Mises Institute in Auburn, Alabama

(Llewellyn H. Rockwell, Jr., October 2002, “Why They Attack Capitalism,” Ludwig von Mises Institute, Volume: 20, <http://www.mises.org/freemarket_detail.aspx?control=418>, EP)

If you think about it, this hysteria is astonishing, even terrifying. The market economy has created unfathomable prosperity and, decade by decade, for centuries and centuries, miraculous feats of innovation, production, distribution, and social coordination. To the free market, we owe all material prosperity, all our leisure time, our health and longevity, our huge and growing population, nearly everything we call life itself. Capitalism and capitalism alone has rescued the human race from degrading poverty, rampant sickness, and early death. In the absence of the capitalist economy, and all its underlying institutions, the world’s population would, over time, shrink to a fraction of its current size, in a holocaust of unimaginable scale, and whatever remained of the human race would be systematically reduced to subsistence, eating only what can be hunted or gathered. And this is only to mention its economic benefits. Capitalism is also an expression of freedom. It is not so much a social system but the de facto result in a society where individual rights are respected, where businesses, families, and every form of association are permitted to flourish in the absence of coercion, theft, war, and aggression. Capitalism protects the weak against the strong, granting choice and opportunity to the masses who once had no choice but to live in a state of dependency on the politically connected and their enforcers. The high value placed on women, children, the disabled, and the aged— unknown in the ancient world—owes so much to capitalism’s productivity and distribution of power. Must we compare the record of capitalism with that of the state, which, looking at the sweep of this past century alone, has killed hundreds of millions of people in wars, famines, camps, and deliberate starvation campaigns? And the record of central planning of the type now being urged on American enterprise is perfectly abysmal. Let the state attempt to eradicate anything—unemployment, poverty, drugs, business cycles, illiteracy, crime, terrorism—and it ends up creating more of it than would have been the case if the state had done nothing at all. As James Sheehan writes in this issue, a war on corporate fraud will have the same result.

## War

### Neoliberalism = Peace

#### Neoliberal economics promotes peace within the international community

Weede 04

(Erich, Fall 2004, The Independent Review, “The Diffusion of Prosperity and Peace by Globalization”, <http://www.independent.org/publications/tir/article.asp?a=457>, 7-11-12, SD)

Capitalism and economic freedom promote peace. Globalization can be understood as a process of market expansion and market integration, as the universalization of capitalism. After a short discussion of the political economy of globalization, I turn to the frequently overlooked security benefits of globalization. The diffusion of prosperity, free trade, and democratization is part of the story. Quantitative studies provide a great deal of evidence for a causal chain running from free trade via prosperity and democracy to the avoidance of military conflict, as well as for another causal relationship between trade or economic openness and conflict avoidance. After a review of the quantitative literature and a discussion of some methodological issues, I illustrate the capitalist peace by historical examples and contemporary applications. At the end, I consider how the capitalist peace may be “exported” from Western societies to poor and conflict-prone nations and regions.

### Trade > Democracy

#### Trade, not democracy, is the largest pacifier

Weede 04

(Erich, Fall 2004, The Independent Review, “The Diffusion of Prosperity and Peace by Globalization”, http://www.independent.org/publications/tir/article.asp?a=457, 7-11-12, SD)

Actually, the pacifying effect of trade might be even stronger than the pacifying effect of democracy (Oneal and Russett 1999, 29, and 2003a, 160; Gartzke 2000, 209), especially among contiguous pairs of nations, where conflict-proneness is greater than elsewhere. Moreover, trade seems to play a pivotal role in the prevention of war because it exerts direct and indirect pacifying effects. In addition to the direct effect, there is the indirect effect of free trade as the consequent growth, prosperity, and democracy reduce the risk of militarized disputes and war. Because the exploitation of gains from trade is the essence or purpose of capitalism and free markets, I label the sum of the direct and indirect international security benefits “the capitalist peace,” of which “the democratic peace” is merely a component. Even if the direct “peace by trade” effect were discredited by future research, economic freedom and globalization would still retain their crucial role in overcoming mass poverty and in establishing the prerequisites of the democratic peace. For that reason, I (Weede 1996, chap. 8) advocated a capitalist-peace strategy even before Oneal and Russett (1997, 1999) convinced me of the existence of a directly pacifying effect of trade. An Asian statesman understood the capitalist peace intuitively even before it was scientifically documented and established. According to Lee Kuan Yew, “The most enduring lesson of history is that ambitious growing countries can expand either by grabbing territory, people or resources, or by trading with other countries. The alternative to free trade is not just poverty, it is war” (qtd. in “Survey: Asia” 1993, 24).

### Capitalism = Peace

#### Promote Capitalism, Promote Peace

Weede 04

(Erich, Fall 2004, The Independent Review, “The Diffusion of Prosperity and Peace by Globalization”, http://www.independent.org/publications/tir/article.asp?a=457, 7-11-12, SD)

On the one hand, globalization promises to enlarge the market and therefore to increase the division of labor and to speed productivity gains and economic growth. On the other hand, it remains under attack from special-interest groups and misguided political activists. Critics of globalization not only forget both the benefits of free trade and globalization for developing countries and for their poor and underemployed workers and the benefits of free trade to consumers everywhere, but they know almost nothing about the international-security benefits of free trade. Quantitative research has established the viability and prospect of a capitalist peace based on the following causal links between free trade and the avoidance of war: first, there is an indirect link running from free trade or economic openness to prosperity and democracy and ultimately to the democratic peace; second, trade and economic interdependence by themselves reduce the risk of military conflict. By promoting capitalism, economic freedom, trade, and prosperity, we simultaneously promote peace.

### Free Market =/= War

#### Free markets make it unprofitable for countries to start a war

Bandow, Senior Fellow at the Cato Inst., 5

(Doug, November 10, Cato Institute, “Spreading Capitalism Is Good for Peace”, <http://www.cato.org/publications/commentary/spreading-capitalism-is-good-peace>, 7-11-2012, SD)

Today's corollary is that creating democracies out of dictatorships will reduce conflict. This contention animated some support outside as well as inside the United States for the invasion of Iraq. But Gartzke argues that "the 'democratic peace' is a mirage created by the overlap between economic and political freedom." That is, democracies typically have freer economies than do authoritarian states. Thus, while "democracy is desirable for many reasons," he notes in a chapter in the latest volume of Economic Freedom in the World, created by the Fraser Institute, "representative governments are unlikely to contribute directly to international peace." Capitalism is by far the more important factor. The shift from statist mercantilism to high-tech capitalism has transformed the economics behind war. Markets generate economic opportunities that make war less desirable. Territorial aggrandizement no longer provides the best path to riches. Free-flowing capital markets and other aspects of globalization simultaneously draw nations together and raise the economic price of military conflict. Moreover, sanctions, which interfere with economic prosperity, provides a coercive step short of war to achieve foreign policy ends.

## Racism

### Economic Systems =/= Racism

#### Economic systems won’t cause racism - equality is good for growth

Tilly 4 (Wealth Inequality Reader, 2004 Chris Tilly, an economist teaching at the University of Massachusetts-Lowell, is a member of the Dollars & Sense collective. <http://www.uml.edu/centers/cic/Research/Tilly_Research/tilly-Geese,%20golden%20eggs,%20traps-6.04.pdf>) ALG

But before conceding this point to the conservatives, let’s look at the evidence about the connection between equality and growth. Economists William Easterly of New York University and Gary Fields of Cornell University have recently summarized this evidence: • Countries, and regions within countries, with more equal incomes grow faster. (These growth figures do not include environmental destruction or improvement. If they knocked off points for environmental destruction and added points for environmental improvement, the correlation between equality and growth would be even stronger, since desperation drives poor people to adopt environmentally destructive practices such as rapid deforestation.) • Countries with more equally distributed land grow faster. • Somewhat disturbingly, more ethnically homogeneous countries and regions grow faster—presumably because there are fewer ethnically based inequalities. In addition, more worker rights are associated with higher rates of economic growth, according to Josh Bivens and Christian Weller, economists at Washington think tanks the Economic Policy Institute and the Center for American Progress. These patterns recommend a second look at the incentive question. In fact, more equality can actually strengthen incentives and opportunities to produce. Equality as the Goose Equality can boost growth in several ways. Perhaps the simplest is that study after study has shown that farmland is more productive when cultivated in small plots. So organizations promoting more equal distribution of land, like Brazil’s Landless Workers’ Movement, are not just helping the landless poor—they’re contributing to agricultural productivity! 2Another reason for the link between equality and growth is what Easterly calls “match effects,” [< IS THIS EASTERLY’S TERM OR DOES EVERYONE USE IT? I’ve just seen Easterly use it] which have been highlighted in research by Stanford’s Paul Roemer and others in recent years. [IS THIS ACCURATE? Yes>] One example of a match effect is the fact that well educated people are most productive when working with others who have lots of schooling. Likewise, people working with computers are more productive when many others have computers (so that, for example, e-mail communication is widespread, and know-how about computer repair and software choices is easy to come by). In very unequal societies, highly educated, computer-using elites are surrounded by majorities with little education and no computer access, dragging down their productivity. This decreases young people’s incentive to get more education and businesses’ incentive to invest in computers, since the payoff will be smaller.

## A2: Privatization Bad

### Privates = Good

#### PPPs Key to Low Risk for Both Public and Private Sector

Patrick DeCorla-Souza, Federal Highway Administration William G. Barker, Urban Transportation Consultant 2005

(Patrick DeCorla-Souza, Federal Highway Administration William G. Barker, Urban Transportation Consultant, Journal of Public Transportation, Vol. 8, No. 1, 2005 “Innovative Public-Private Partnership Models for Road Pricing/BRT Initiatives” p. 64) ABS

Public risk will be greatly reduced with regard to uncertainty of costs for the innovative technology and operations approaches that will be needed. The public sector would know in advance its maximum cost liability, calculated as the maximum possible vehicle throughput per hour, times the number of peak hours of pricing operations, times the shadow toll per vehicle negotiated with the private partner. The public sector could prepare a financial plan that allocates future receipts from its normal federal, state, and local funding sources to pay for contractual obligations to the private partner. Thus, risks associated with reliance on difficult-to-predict revenues would be minimized. Private sector risk would also be reduced, reducing financing costs. The private partner would be assured of an almost guaranteed stream of revenue based on the negotiated shadow roll rate. This would reduce risk-related costs for financing in the capital markets. For example, risks to bond holders would be reduced, lowering the interest rate demanded. Risk with regard to revenue receipts from user-paid tolls will be borne by the public sector. Therefore, the private partner would not need to be too concerned about the accuracy of Innovative Public-Private Partnership Models travel growth forecasts, since priced lanes can be guaranteed to be filled to critical density threshold levels simply by lowering the user-paid toll rate.

#### The Result of PPPs Would Be Maximized Efficiency and Quality

Patrick DeCorla-Souza, Federal Highway Administration William G. Barker, Urban Transportation Consultant 2005

(Patrick DeCorla-Souza, Federal Highway Administration William G. Barker, Urban Transportation Consultant, Journal of Public Transportation, Vol. 8, No. 1, 2005 “Innovative Public-Private Partnership Models for Road Pricing/BRT Initiatives” p. 67-68) ABS

Services would be more efficiently delivered. To maximize its profit, the private partner would strive to keep costs down through innovation, and would use efficient procurement and management practices. Services would be more effective. The private partner would have an incentive to maximize peak-period vehicle throughput, while ensuring that all traffic moves at free-flow speeds. Since the private partner would only be paid for vehicles that are provided with free-flowing premium service, there would be an incentive to ensure that traffic flow does not break down. Should traffic flow disruptions occur (due to accidents, incidents, or repairs), the private partner would be at risk of losing shadow toll revenue and would be likely to clear them as soon as possible. To reduce traffic flow disruptions, the private partner would also be likely to produce innovative solutions to reduce the risk of accidents and the frequency of maintenance operations during rush hours. As on the SR 91 express lanes, a private operator could be required to refund tolls charged to toll-paying motorists who did not get congestion-free service. Mobility Mobility benefits would be maximized, rather than revenue. There would be no incentive for a private operator to keep the charges per vehicle high, simply in order to maximize revenue. Higher charges than needed to manage traffic result in mobility losses, as motorists are unnecessarily dissuaded from traveling or are unnecessarily shifted to alternative routes. This is the case with a typical toll road franchise. Tolls are charged during off-peak periods to maximize revenue, even though plenty of capacity may be available on the facility. With the new PPP model, charges would only be as high as needed to ensure efficient free-flowing freeway operation with maximum vehicle throughput. Also, tolls would be unnecessary in the off-peak periods if spare capacity were available, and would not be charged.

#### Privatized Transport Would Be More Quick and High Quality Because Companies Need Quick Revenue

Dr. Yin Wang No Date

( Dr. Yin Wang, Ph.D: Policy, Planning, & Development University of Southern California, “Responsibility Shifts in Infrastructure Development in the Developing World” p. 2-3) ABS

Proponents believe that there are many advantages of private participation in infrastructure development over the traditionally public-dominated approach. The following will discuss the major benefits in detail. First of all, private participation in infrastructure development, just like other public-private partnerships, has good opportunities for cost savings and efficiency gains. The greatest potential source of cost savings is that private developers are exempt from traditional public procurement rules, such as prevailing wage scales and union work rules (Kopp, 1997). Another potential efficiency gain is that the private developers may enjoy significant economies of scale, scope and experience in infrastructure development and management, which is usually not found in the public sector operating within limited jurisdictions (Seader, 1991; Gomez-Ibanez et al.; 1991). This brings macro-level efficiency gains to the entire society. Secondly, private participation can reduce capital demands on the public sector for infrastructure investment. It may permit infrastructure projects to proceed when there are no enough public finances available. Or with private capital coming in, government can devote its finite finances to other high-priority areas of expenditure (Allen, 1999). Furthermore, privately developed projects are usually planned and constructed more quickly than publicly developed projects because private developers have strong incentives to recover investment and generate revenue as soon as possible (Loveday and Morris, 1988). Even though the negotiation process before getting the contract from government might be complex and time-consuming, private sector’s construction efficiencies and rush for revenue can shorten the time period between project initiation and completion (Allport, 1992). Also, the private sector can gain a better insight into the market through private collection of user fees, and further implement innovative price structures to meet the market needs and serve the public with high flexibility (DRI/McGraw-Hill, 1994). Since government does not have as much pressure to collect revenue as the private sector, the traditional public-developed infrastructures are usually insensitive to the market, which set a fixed fee once for all or change it once a while. But private developers have pressures and incentives to make return as quickly as possible, so they are very sensitive to the market and tend to maintain high flexibility of the charging level (Kopp, 1997). Additionally, in most cases, privately developed infrastructure pays taxes to government like any other business. As a result, government is not only relieved from the fiscal burden of infrastructure investment but also entitled to collect revenue from private infrastructure.

#### Private Companies Help to Stimulate the Economy and Research Development

Gordon Rausser 1999

(Gordon Rausser, G. (1999). Public / private alliances. AgBioForum, 2(1), 5-10. Available on the World Wide Web: <http://www.agbioforum.org>.) ABS

Close working relationships with the private sector have been the norm throughout the last century for any American research university that wanted to avoid "institutional Darwinism". Indeed, these collaborative efforts are the envy of most other democratically based market economies. The Bayh-Dole Act recognized that the lines between pure and applied research had long ago faded and that universities must help spawn commercial applications that stimulate the economy and generate other public benefits. Recognizing that financial ownership incentives are key to stimulating useful research, U.C. Berkeley and other research universities grant their faculty a percentage interest in any royalties flowing from the licensing of their patents and discoveries. The California Legislature went a step further and in 1996 increased from 12% to 24% the tax credit for business investments in university research. The success of these incentives is demonstrated by the fact that the University of California has over 700 patents in active development and more than 500 patents pending. It received a gross licensing revenue of $88.5 million last year alone.

#### Privatized mass transit makes for efficient, high-quality service

Lafleur, policy analyst and political advisor, M.A., 11 (Steve, 11-24-11, New Geography, “Mass Transit: Could Raising Fares Increase Ridership?” <http://www.newgeography.com/content/002535-mass-transit-could-raising-fares-increase-ridership>, accessed 7-11-12, EBB)

Here's the controversial aspect of the solution: Transit should operate on a for profit basis and its prices should closely reflect market forces — even if it means that transit fares increase. Mass transit has one major advantage: where there is sufficient demand, transit is inherently cheaper than private automobile usage because the costs are spread over many people, making the per person cost lower. That's why most people fly with commercial airlines instead of chartering private jets, for example. But keeping the price too low reduces the ability of transit service to provide more routes. And this is important. While there is a segment of the population who are stuck with public transit no matter how inconvenient it is, most people won't ditch their cars unless they can get to their destinations relatively quickly. And it may not be economical for a transit system to get them to many of those places for $2.25. A flat price structure subsidizes inefficient routes with efficient ones. But what if transit services charged the full cost for less efficient routes? While charging more for less popular routes may seem like it would reduce ridership, it wouldn't. If people knew that there were many additional routes going to out-of-the-way locations that they don't ordinarily frequent, they would still positively factor it into their calculation of whether or not they need a car. After all, paying $5 to get to an out of the way destination occasionally is still cheaper than getting a cab, and can often be cheaper than the cost of driving. Transit systems have higher ridership in major centres than in small centres, even when the fares are high. Transit is not only cheaper than driving in dense cities, it's also equally or more convenient. But just allowing prices to fluctuate isn't enough. For a price system to function properly there needs to be an incentive to keep prices as low as possible. Public monopolies don't have this incentive. Furthermore, there needs to be competition to ensure high levels of service. The reason that air travel service is so high quality and cheap is because it is private, not public.

### Privates =/= Driven by Profit Only

#### Public-Private Corporations Are Necessary – Private Companies Put in the Money and the Government Regulates the Project

E. S. Savas, 1997

(E. S. Savas, 1997, former Assistant Secretary of U.S. Department of Housing and Urban Development, “PRIVATIZATION AND PUBLIC-PRIVATE PARTNERSHIPS” p.2) ABS

Both the public and private sectors play important roles in privatization, and it is increasingly common to refer to “public-private partnerships,” a less contentious term⎯despite its indistinct boundaries⎯than “privatization,” as noted above. The fundamental, philosophical view of privatization noted above brings forth strong ideological opposition and distracts from privatization as a pragmatic tool to improve government performance and societal functioning. Some opponents still regard privatization as a simplistic call to cut back government and regress to a Darwinian state where only the fittest survive and the poor and sick are left to cope as best they can. This is a serious misunderstanding of the concept. Privatization can be at least as compassionate as the welfare state; properly implemented, it offers even more for the less fortunate among us. Advocates of privatization do not deny the need for government, preferably an effective one; they are not anarchists. Government intervention in society and the economy in various forms and to varying degrees is necessary. The classical reasons are to supply risk capital when massive investments are needed in uncharted areas; to establish rules for an increasingly interactive, urbanized nation where people get in each other's way; to plan for and provide, directly or indirectly, services deemed necessary and to subsidize them if unaided market forces cannot satisfy society’s need; to handle external costs that otherwise desirable activities impose on others; and to regulate natural monopolies.

#### PPPs Use DDD – Delegation, Divestment, Displacement

E. S. Savas, 1997

(E. S. Savas, 1997, former Assistant Secretary of U.S. Department of Housing and Urban Development, “PRIVATIZATION AND PUBLIC-PRIVATE PARTNERSHIPS” p.2) ABS

The remainder of this paper presents a dynamic analysis, describing how to change from an arrangement that relies heavily on government to one that relies relatively more on the private sector. Drawing on earlier work, this section presents a simple classification taxonomy that encompasses three broad methods that result in privatizing government-run services and functions and government-owned enterprises and assets2: (1) delegation, where government retains responsibility and oversight but uses the private sector for service delivery, for example, by contracting for services, or outsourcing; (2) divestment, where government relinquishes responsibility; and (3) displacement, where the private sector grows and displaces a government activity.3 Each of these incorporates several specific approaches that are identified in Table 1 and discussed in turn.

## Private>Public

### Efficiency

#### Private Mass Transit is more cost effective and efficient than Public Transport

O’Leary, Policy Analyst at Reason Foundation, in 93

(John, July 1993, “Comparing Public and Private Bus Transit Services: A Study of the Los Angeles Foothill Transit Zone”, Public Study, No. 163, Pg. 12, SD)

According to two separate estimates, the Foothill Transit's long-term costs are somewhere between 24 percent and 43 percent less than the those of the SCRTD. Discounting the SCRTD's first year appraisal (which is based on the marginal cost approach), there are two existing analyses of Foothill's relative operating efficiency in its first year: the Ernst & Young analysis for the LACTC and Jonathan Richmond's review for the LACTC. In addition to his current-performance analysis, Richmond develops an estimate for future performance of the Foothill Transit Zone that accounts for expected operational improvements (see Table 2). Was Richmond correct to anticipate performance improvement for the Foothill Transit Zone? Based on the three-year economic analysis released by the LACTC late in 1992, the answer is “Yes.” Ernst & Young's third-year evaluation on the Foothill Transit Zone shows a trend toward improving operating efficiency for the Foothill Transit. In the original zone guidelines, the Foothill Transit Zone was required to demonstrate a minimum of 15 to 25 percent increase in operating efficiency (excluding capital costs) when compared to SCRTD according to at least one of four cost measures: Total Cost, Cost/Vehicle Service Hour, Cost/Passenger, Commission, and Subsidy/Passenger.

#### Private Companies Run Mass Transit More Efficiently Than the Government

Brenner and Theodore 2005

Neil, Professor of Urban Theory at the Harvard Graduate School of Design and Nik, Director of the Center for Urban Economic Development and an Associate Professor in the Department of Urban Planning and Policy, “Neoliberalism and the Urban Condition” CITY, VOL. 9, NO. 1, APRIL 2005 p. 104) ABS

Meanwhile, in his study of mass transit infrastructure investment in Vancouver, Matti Siemiatycki examines the character of public planning processes in a political setting that has embraced an enhanced role for private sector actors in (formally) public-sector mega projects. Grounded in claims of private-sector efficiency and enforced through national, provincial, and local fiscal policies, the promotion of private-sector initiative has led to a loss of transparency within the policymaking process. The prioritization of private sector involvement has become entrenched institutionally as public-private partnerships have been elevated in local political discourse to a type of “best practice” in urban governance. Yet, as Siemiatycki demonstrates, the shifting spending priorities associated with these newly consolidated public-private partnerships are likely to result in chronic underinvestment in the services upon which most low-income commuters are dependent. Relatedly, Joe Grengs studies the evolution of mass transit policy in the United States, focusing specifically on policy change and social struggle in the Los Angeles metropolitan area. Grengs argues that mass transit policy in Los Angeles is abdicating its traditional role as a redistributive mechanism due to at least two trends—first, a shrinking public sector under conditions of national and state-level neoliberalism; and second, a shift in policy priorities that systematically neglects the needs of lowincome, transit-dependent residents. Within this neoliberalizing policy landscape, Grengs argues, funding for public services needed by poor, central-city residents is being reduced in favor of transit spending intended to ameliorate the traffic congestion and air pollution generated by affluent suburban commuters. In this sense, as both Siemiatycki and Grengs indicate, neoliberalism is generating new forms of empowerment and disempowerment within a key sphere of urban governance.

### Expenses

#### Publicly owned transport requires high expenses and inefficiencies – private ownership solves

Rodrigue, Ph.D. in Transport Geography from the Université de Montréa, 9 (Jean-Paul, 2009, Hofstra University, “The Financing of Transportation Infrastructure,” [http://people.hofstra.edu/geotrans/e ng/ch7en/appl7en/ch7a2en.html](http://people.hofstra.edu/geotrans/e%20ng/ch7en/appl7en/ch7a2en.html), accessed 7-12-12, EBB)

Facing the growing inability of governments to manage and fund transport infrastructure, the last decades has seen deregulation and more active private participation. Many factors have placed pressures on public officials to consider the privatization of transport infrastructure, including terminals: Fiscal problems. The level of government expenses in a variety of social welfare practices is a growing burden on public finances, leaving limited options but divesture. Current fiscal trends clearly underline that all levels of governments have limited if any margin and that accumulated deficits have led to unsustainable debt levels. The matter becomes how public entities default on their commitments. Since transport infrastructures are assets of substantial value, they are commonly a target for privatization. This is also known as “monetization” where a government seeks a large lump sum by selling or leasing an infrastructure for budgetary relief. High operating costs. Mainly due to managerial and labor costs issues, the operating costs of public transport infrastructure, including maintenance, tend to be higher than their private counterparts. Private interests tend to have a better control of technical and financial risks, are able to meet construction and operational guidelines as well as providing a higher quality of services to users. If publicly owned, any operating deficits must be covered by public funds, namely through cross-subsidies. Otherwise, users would be paying a higher cost than a privately managed system. This does not provide much incentives for publicly operated transport systems to improve their operating costs as inefficiencies are essentially subsidized by public funds. High operating costs are thus a significant incentive to privatize.

### Increased Money and Ridership

#### Privatization of Mass Transit saves money and increases ridership

O’Leary, Policy Analyst at Reason Foundation, in 93

(John, July 1993, “Comparing Public and Private Bus Transit Services: A Study of the Los Angeles Foothill Transit Zone”, Public Study, No. 163, Pg. 1, SD)

In theory, competitive contracting for bus service should lead to lower costs. But in practice, can privatization of mass transit actually save communities money?

This case study presents one example in which substantial cost savings were achieved. In the San Gabriel Valley of Los Angeles County, the use of competitively contracted bus service resulted in long-term savings of between 24 and 43 percent based on fully allocated cost comparisons, with no evidence of a deterioration of service. Ridership is 14 percent higher than had been projected for the public operator. Due to a combination of private-sector operating efficiencies and market- wage packages, Foothill Transit Zone provided an area formerly served by municipal operators with more cost-effective bus service. This result is consistent with a growing body of evidence that competitively contracting for bus service is significantly less costly than monopolistic public provision. Experience in San Diego, Denver, and Los Angeles—among others—shows the potential of competitive contracting. In light of the advantages of competitive contracting, it is surprising that more municipalities have not embraced privatization. This case study highlights the legal and political obstacles that impede public officials from making use of private contractors. Opposition by organized labor and federal legislation such as UMTA 13(c) can make privatization of transit difficult. Foothill Transit Zone endured extensive legal challenges brought by the unions of the public transit operator. But the ultimate success of the Foothill Transit Zone demonstrates that competitive contracting for mass transit services can be introduced and can result in savings to taxpayers.

### Random

#### Privatization improves driver’s performance and customer satisfaction

O’Leary, Policy Analyst at Reason Foundation, in 93

(John, July 1993, “Comparing Public and Private Bus Transit Services: A Study of the Los Angeles Foothill Transit Zone”, Public Study, No. 163, Pg. 12, SD)

There is more to a transit operator's performance than simply cost: ridership levels, customer satisfaction, on-time performance, and safety are also important considerations. However, the LACTC zone guidelines did not require a comprehensive evaluation of these factors. Available data, however, indicate that Foothill Transit Zone has performed as well or better than SCRTD in satisfying customers. The Ernst & Young Phase III evaluation included data that compare actual Foothill Transit ridership against a projection of ridership if the SCRTD had operated the same lines over the same time period. (Table 4 on the next page presents this data.) Public satisfaction with the performance of the privately operated zone is evidenced by community input presented at public hearings. According to the Ernst & Young report, customer correspondence was seven to one in favor of the Foothill Transit Zone.

### PPPs Good – Laundry List

#### Public-Private Partnerships good- laundry list

U.S. Department of Transportation, Federal Highway Administration, 2007

(U.S. Department of Transportation, 7/7/7, Case Studies of Transportation Public-Private Partnerships in the United States, pg. 2-17, <http://www.fhwa.dot.gov/ipd/pdfs/us_ppp_case_studies_final_report_7-7-07.pdf>, EP)

In comparison to shorter-term procurements methods, PPPs provide the opportunity for public sector agencies and private sector providers to develop long-term, high trust relationships. With the need to concentrate on long-term objectives, there is greater incentive for public sponsors and private providers to understand goals and share information to develop better long-term solutions. Further, the opportunity to develop strong long-term relationships provides a better forum in which to resolve problems and issues. With transportation assets typically having long effective lives, a need exists for the public sector to develop a long term relationship with a provider to assist the development of transportation infrastructure, guide capital expenditure decisions and ensure that assets are maintained, safe and are of high quality upon transfer. However, the development of a long-term relationship will need to account for the possibility that there may be a reduced desire on a provider¶s part to seek the best solution due to the security of the relationship. Public sponsors will also need to be mindful of the partnership proposing and selecting options that minimize damage to the relationship, but may not maximize community benefits. Many projects proposed by public entities are postponed or do not proceed due to limited financial resources, and in particular, the provision of upfront capital. PPPs provide an advantage with respect to financing by allowing the private sector to finance projects using private funds, in effect providing a form of off-balance sheet financing for public agencies. In turn, financing commitments from the private sector often bring forward the development of projects that may otherwise not proceed due to a lack of capital. PPPs can expedite the financing and delivery of transportation projects through the involvement of the private sector in these phases of a project, that lower project costs by avoiding inflationary cost increases, applying best practices and new technology, and transferring more technical and other risks to the private sector which is often better able to manage these risks. The private sector has an incentive to minimize construction delays in order to minimize costs and bring forward their revenue stream. Contract conditions including early completion bonus payments and the inclusion of the construction period within the concession period can provide further incentives to bring forward delivery.

### PPPs Good – Low Cost and Innovation

#### Public-private partnerships lower costs and spur innovation in mass transit

Brouillette, CEO of the Commonwealth Foundation, a public policy research and educational institute located in Harrisburg, 7 (Matthew J., 10-18-07, Commonwealth Foundation, “The Benefits of Public-Private Partnerships in Transportation,” <http://www.commonwealthfoundation.org/research/detail> /the-benefits-o f-publicprivate-partnerships-in, accessed 7-12-12, EBB)

At the same time, the traditional means of funding our transportation infrastructure—taxes, fees, and bonded debt—are insufficient and politically unattainable. In other words, the demands on our roads, highways, bridges, and mass transit systems are exceeding the supply of taxes and fees that citizens and commuters can afford to pay. Fortunately, alternatives exist. Policymakers in Harrisburg don’t have to merely choose between higher taxes or bad roads. Indeed, an even better means of financing and managing our transportation infrastructure and systems could be placed at your fingertips. This tool—known as Public-Private Partnerships—will enable policymakers to leverage private capital and expertise to help pay for and operate our transportation infrastructure and mass transit systems. This new paradigm is one that many cities and states across the nation are employing to meet their transportation needs. By partnering with the private sector, policymakers can better provide public services. I would to highlight a number of benefits of Public-Private Partnerships. Costs Savings The first is reduced costs to taxpayers and commuters—a leading driver behind Public-Private Partnerships in transportation. There is a long history of achieving significant savings in operational functions. For example, Florida’s Public-Private Partnership initiatives for highway maintenance have generated cost savings between 15% and 20%. Additionally, some of the largest opportunities for savings occur in transit operations. Greater Efficiency Closely related to saving money, Public-Private Partnerships can produce greater efficiencies through competition and specialization. Study after study shows that a competitive system is more efficient and effective than traditional single provider systems. For example when Massachusetts turned to competition for its highway maintenance, nearly half of the contracts were won by employee groups who competed. For the first time, efficiency and effectiveness were introduced system wide producing tremendous improvements. Massachusetts was able to lower labor input costs and receive greater productivity in return. Furthermore, the introduction of competition freed up resources that could be allocated to other, higher priority needs.

### PPPs Solve – Empirics

#### Public-private solves is key – joint ventures in Charlotte have fixed mass transit

Flowers, CEO of Charlotte Area Transit Systems, 6/1 (Carolyn, 06-01-12, Mass Transit Magazine “Industry Forum – Public-Private Partnerships,” http://www.masstransitmag.com/article/10715342/industry-forum-public-private-partnerships, accessed 07-12-12, EBB)

Public-private partnerships (P3s) are necessary today to navigate through the challenging effects of the economy and maintain momentum in the industry that is moving transit forward. CATS views public-private partnerships as a means to leverage and maximize our assets and resources so we can continue to provide high-quality transit in the Charlotte region now and into the future. Each P3 is unique and requires a clear vision, stakeholder support and frequent coordination between the public entity and the industry partner. Potential partners need to see how a joint venture not only will benefit the community, but also how joining forces on a project with the transit agency will enhance their organization. A transit agency must be transparent and clearly show they are maximizing resources to gain the trust and buy-in from potential partners and community stakeholders. CATS has been successful in collaborating on several projects. In 1995 transit formed a partnership with Bank of America to build the Charlotte Transportation Center, CATS main transfer terminal. Bank of America constructed the building on city-owned property and the facility is jointly managed. Most recently CATS received land donations from two educational institutions for our LYNX Blue Line light rail projects. During the design of the LYNX Blue Line, CATS, Mecklenburg County and Charlotte-Mecklenburg Schools agreed on a land swap deal. CATS transformed an unusable ravine by an elementary school at the end of the line into a three-level parking deck topped by a two-acre playing field for the children at the school and in the adjacent neighborhood. Local merchants provided financial support for the Blue Line’s signature station in Center City Charlotte and we worked closely with private developers for mixed-use, transit-oriented development surrounding several light rail stations. CATS strategy of developing defined projects with specific needs, goals and benefits, and addressing any potential challenge early in the planning process has proven successful on several occasions. We also realize effective P3s can deliver a better project than either entity could provide alone. Currently CATS is looking at a P3 design build for the proposed commuter rail line from Center City Charlotte to 25 miles north of the city.

### Privatization = Motivation

#### Government involvement undermines the industry – no motive to innovate

Rodrigue, Ph.D. in Transport Geography from the Université de Montréa, 9 (Jean-Paul, 2009, Hofstra University, “The Financing of Transportation Infrastructure,” [http://people.hofstra.edu/geotrans/e ng/ch7en/appl7en/ch7a2en.html](http://people.hofstra.edu/geotrans/e%20ng/ch7en/appl7en/ch7a2en.html), accessed 7-12-12, EBB)

However, like most initiatives where governments are involved, there are unintended consequences, implying a difference between the expected and the real outcomes. The two most prominent unintended consequences of a PPP involve undermining innovation and risk: Innovations. Since a PPP results in less competition as the private company is securing an intrinsic monopoly, there are limited incentives to innovate, particularly for the purpose of reducing operating costs. Innovations, such as new management methods and new infrastructures, may also be impaired by regulations and conditions related to the contract. Therefore, as long as the contract remain effective, inertia (status quo) will endure, which means that long term contracts can become factors delaying innovation. It can also be expected that investment capital commonly the outcome of the accumulation of profits would come from the public sector. Since governments often put maximum profits clauses in contracts (windfall profits), there are limited incentives to use innovations to increase productivity and profits above the arbitrary threshold. Risk. Strategies involved in the exploration of new market opportunities, such as new services for customers, are common business practices and always involve a level of risk. While a PPP may reduce several risk factors because of the implicit public support, both from a financial and regulatory perspective (the government retains its potential to tax and coerce to achieve its goals), the abatement of risks also has unintended consequences. The goal becomes compliance to government policies at the expense of focusing on new opportunities and mitigating the associated risk. Thus, the rewards of risk taking are essentially removed. This can be seen as a reverse form of moral hazard where a government guarantee undermines the risk taking behavior of private enterprises.

# Solvency

## Fare Free Fails

### Increases Cost and Decreases Passengers

#### Empirics prove fare-free mass transit fails and results in escalated maintenance and security costs, vandalism, increased operating costs, and a decrease of long-term passengers.

Volinski and Perrone, Center for Urban Transportation Research at the University of South Florida, 2002 (Joel, Jennifer, October, “AVANTAGES AND DISADVANTAGES OF FARE-FREE TRANSIT POLICY,” National Center for Transportation Research, <http://www.dot.state.fl.us/research-center/Completed_Proj/Summary_PTO/FDOT_BC137_38_FF.pdf>, JS)

The suggestion to offer transit on a fare-free basis is almost always well-intended. However, while fare-free policy might be successful for small transit systems in fairly homogenous communities, it is nearly certain that fare-free implementation would not be appropriate for larger transit systems. Two well-documented fare-free demonstrations in larger systems in Denver, Colorado and Trenton, New Jersey, conducted during the late 1970s, were limited to off-peak hours and were both discontinued after approximately one year in spite of increased ridership. Since that time, there has been only one other fare-free system-wide experiment in a large transit system, which was conducted in Austin, Texas from October 1989 until December 1990. While several large transit agencies (i.e., Seattle Metro; Denver, Colorado; Houston, Texas; Baltimore, Maryland; Pittsburgh, Summary of Final Report, BC-137-38 October 2002 Pennsylvania; St. Louis, Missouri; and Tri-Met in Portland, Oregon) offer fare-free service on a small portion of their systems, there has not been a full fare-free policy instituted on a system-wide basis since the experiment in Austin. The negative consequences of these experiments, the Austin experiment in particular, have left lasting impressions on transit operators throughout the country. A fare-free policy will increase ridership; however, the type of ridership demographic generated is another issue. In the fare-free demonstrations in larger systems reviewed in this study, most of the new riders generated were not the choice riders the transit systems were seeking to lure out of automobiles in order to decrease traffic congestion and air pollution. The larger transit systems that offered free fares suffered dramatic rates of vandalism, graffiti, and rowdiness as a result of the younger passengers who could ride the system for free and who caused. Vehicle maintenance and security costs escalated due to the need for repairs associated with abuse from passengers. The greater presence of vagrants on board buses also discouraged choice riders and caused increased complaints from long-time passengers. Furthermore, inadequate planning and scheduling for the additional ridership resulted in overcrowded and uncomfortable conditions for riders. Additional buses needed to be placed in service to carry the heavier loads that occurred on a number of routes, which added to the agencies’ operating costs. Nevertheless, the crowded and rowdy conditions on too many of the buses discouraged many long-time riders from using the system as frequently as they did prior to the implementation of free-fares. Researchers thus conclude that a fare-free policy might be appropriate for smaller transit systems in certain communities, but it is ill advised for larger transit systems in major urban areas. The findings demonstrate that a more effective way to increase choice ridership in larger systems would be to offer incentives such as reduced fares to students and to the elderly, all-day passes, and pre-paid employer-provided passes to workers in areas served by transit. All well-informed transit professionals that were surveyed spoke strongly against the concept of free fares for large systems, suggesting some minimal fare needs to be in place to discourage vagrancy, rowdiness, and a degradation of service. Ultimately, people are more concerned about issues such as safety, travel time, frequency and reliability of service, availability and ease of schedule and route information, infrastructure at stops, and driver courtesy than about the cost of fares. When fares are eliminated, substantial revenues that help to pay for such service characteristics are lost.

### Revenue Loss and Decrease Passengers

#### Elimination of fares only results in revenue loss- transit ridership increases when fares are in place

Studenmund, Department of Economics, Occidental College, 1982 (A.H., July, “The free-fare transit experiments,” Transportation Research Part A: General, Volume: 16, No. 4, abstract, JS)

This paper summarizes and evaluates the results of experiments which consisted of the elimination of bus fares in off-peak in the cities of Trenton, New Jersey and Denver, Colorado. Because the data in Denver had significant weaknesses, the specific figures cited herein are for Trenton (more accurately, Mercer County, New Jersey); the results of the two experiments were essentially identical, however, so the conclusions drawn are made in a more general context. The evaluation found that the net ridership increase during the demonstration was on the order of 15% (about 45% during the off-peak periods). This included the combined effects of an increase in trip frequency by prior users and an increase in the number of off-peak bus riders. Most new bus trips were diverted from other modes; very few were newly generated. The observed effects on the operator were minimal, with the exception of the associated revenue loss. The effects on bus drivers included schedule adherence problems because of increased passenger boardings and problems with on-board security because of increased rowdyism among younger passengers. The findings indicate that the fare-free (off-peak) transit experiments did not significantly achieve most pre-conceived goals. The amount of regional auto travel was essentially unaffected; the mobility of people who were transportation disadvantaged was only slightly increased; the program did not noticeably affect the area's commercial, employment, etc. activities. On the other hand, the program did generate an immediate and sustained ridership increase, much of which was apparently retained when fares were reinstated despite a large interim fare hike. This is an indication that free-fare may be useful as a promotion technique, whereby short-term, selective fare elimination can be used to increase transit ridership.

## Neoliberalism Inevitable

### Global Pressure

#### Neoliberalism is inevitable through global pressure

Weede, Professor of Sociology at the University of Bonn, 04 (Erich, “The Diffusion of Prosperity and Peace by Globalization,” The Independent Review, Vol. 9, No. 2, Fall, http://www.independent.org /pdf/tir/tir\_09\_2\_1\_weede.pdf)

First, prosperous countries influence the legal foundations for capitalism or economic policies elsewhere. How much this influence matters was demonstrated during the Cold War by the divided nations, where one part was influenced by the Soviet Union and the other part by the United States. Economies benefiting from U.S. influence, such as West Germany, South Korea, and Taiwan, did much better than East Germany, North Korea, or mainland China, which were inspired by the Soviet model. After China began to abandon socialist practices and converted to creeping capitalism in the late 1970s, it quadrupled its income per capita in two decades and almost closed a sixteen-to-one gap in income per capita with Russia (Weede 2002). The idea of advice should not be conceived too narrowly. By providing a model for emulation, successful countries implicitly provide advice to others. In general terms, the best institutional and policy advice may be summarized as “promote economic freedom” (Berggren 2003; Kasper 2004). Cross-national studies (Dollar 1992; Edwards 1998; Haan and Sierman 1998; Haan and Sturm 2002; Weede and Kämpf 2002) demonstrate that economic freedom or improvements in economic freedom increase growth rates.4 Economic openness or export orientation is part of the package of economic freedom.

### Human Nature

#### Humans Are Naturally Materialistic

Pirson, & Von Kimakowitz 10

(Michael, PhD Organizational Behavior, University of St. Gallen, Switzerland M.B.A University Erlangen-Nuernberg Germany, Indiana University, US M.P.A (Diplome de Sciences Po), Institute of Political Sciences Strasbourg, France B.A. Economics University Erlangen-Nuernberg, Germany, and Ernst, Ph.D. from the University’s Institute for Business Ethics, 2010 “Towards a Human Centered Theory and Practice of the Firm” FORDHAM UNIVERSITY SCHOOLS OF BUSINESS p. 1-2) ABS

Management theory and practice are facing unprecedented challenges. The lack of sustainability, the increasing inequity and the continuous decline in societal trust pose a threat to ‘business as usual’ (Jackson & Nelson, 2004, p. 214 ). Capitalism is at a crossroad and scholars, practitioners and policy makers are called to rethink business strategy in light of major external changes (Arena, 2004; Hart, 2005). As current management theory is largely informed by economics, it draws substantively from neoclassical theories of human beings (Ghoshal, 2005). Accordingly, humans are materialistic utility maximizers that value individual benefit over group and societal benefit. A ‘homo economicus’ engages with others only in a transactional manner to fulfill his or her interests. He/she is amoral, values short term gratification and often acts opportunistically to further personal gain. Theories of the firm and ensuing business strategies as well as organizational designs have been largely based on the economic assumptions, and, in turn, are blamed by others for creating negative externalities (Ghoshal, 2005; Ghoshal & Moran, 1996). Argyris (1973) for example claims that organizational mechanisms based on principal-agent theory create opportunistic and short-term gain oriented actors in a self-fulfilling prophecy (see also Davis, Schoorman, & Donaldson, 1997). Other critical scholars argue that management theory needs to be rethought based on psychological insights rather than theoretical assumptions (Ghoshal 2005; Tyler 2006). Tyler (2006) finds overwhelming evidence that people look for respect, acceptance, communion and shared values instead of short sighted personal utility increases. Seligman and Diener (2004b) find that ‘Leading a meaningful life’ is more important to most people than money, power, and status. De Cremer and Blader (2005) underline the importance of a sense of belongingness, which is contradictory to the individualization aspects of economic theory. We hence suggest that we need a broader way of understanding human beings on which we can prescribe a renewed theory of the firm, better understand leadership and management, design our organizations and formulate business strategy.

#### Humans Are Naturally Self-Centered

Sanderson 08

(Stephen K., Chapter 1, pp. 9-25, in Heinz-Juergen Niedenzu, Tamas Meleghy, and Peter Meyer, eds., The New Evolutionary Social Science: Human Nature, Social Behavior, and Social Change. Boulder, CO: Paradigm Publishers, 2008. “THE IMPACT OF DARWINISM ON SOCIOLOGY An Historical and Critical Overview” ABS

Humans have evolved strong behavioral predispositions that facilitate their success in the struggle for survival and reproduction, the most important of which are: Humans are highly sexed and are oriented mostly toward heterosexual sex. This predisposition has evolved because it is necessary for the promotion of humans’ reproductive interests, i.e., The Impact of Darwinism on Sociology 19 their inclusive fitness. Males compete for females and for sex, and females compete for males as resource providers. Humans are highly predisposed to perform effective parental behavior, which is behavior that will optimize the number of surviving offspring. Mating and marriage serve the function of reproductive success, and marriage is primarily a reproductive contract. Thus the family as a social institution rests on a natural foundation. The female desire to nurture offspring is stronger than the male desire, and the mother-child bond is the most basic familial unit. Such differences in parental solicitude have arisen as a result of the natural and sexual selection of different reproductive strategies for each of the sexes. Mating effort is greater in human males, parental effort in females. These differences in reproductive strategies have consequences for gender arrangements. Humans are naturally competitive and highly predisposed toward status competition. Status competition is ultimately oriented toward the securing of resources, which promotes reproductive success. Because of the natural and sexual selection of different reproductive strategies, the predisposition toward status competition is greater in males than in females. Because of the natural competition for resources, humans are economic animals. They are strongly oriented toward achieving economic satisfaction and well-being, an achievement that promotes reproductive success. In their pursuit of resources and closely related activities, humans, like other species, have evolved to maximize efficiency. Other things equal, they prefer to carry out activities by minimizing the amount of time and energy they devote to these activities. A Law of Least Effort governs human behavior, especially those forms of behavior that individuals find burdensome or at least not intrinsically rewarding. The Law of Least Effort is a major constraint on the behavior of humans everywhere; much behavior can only be explained satisfactorily by taking it into account.

#### Humans Are Ontologically Greedy, Possessive, and Individualistic

Cunningham Professor Emeritus of Philosophy and of Political Science 2000

(FRANK, University of Toronto, Professor Emeritus of Philosophy and of Political Science Social Identities, Volume 6, Number 4, 2000 “Democratic Theory and Racist Ontology” pp. 463-482 p. 465) ABS

Possessive individualism and developmental individualism are described by Macpherson as ‘ontologies’, where this means that they are at the core of a social or political world view with both explanatory and normative dimensions. An ontology is a feature of common sense typically presupposing a theory about human nature from which norms of proper or acceptable behavior flow. In the ontologies of popular culture the naturalistic fallacy is thereby commonly committed. Possessive-individualist culture supposes that humans are self-interested individuals bent on owning consumer goods in an exclusionary way. This conception makes competitive, market behaviour understandable as an expression of basic human nature, and it renders acceptable exclusionary possession, consumerism, and (since among the things people privately possess are their own powers, which they therefore have the right to dispose of as they wish) even auto-alienation (Macpherson, 1973, Essay 1, and see the comparable treatment of ‘models’, by Macpherson, 1977, pp. 1–6).

#### Human Nature Is Naturally Possessive and Individualistic in Modern and Post-Modern Societies

Cunningham Professor Emeritus of Philosophy and of Political Science 2005

(Frank, University of Toronto, Professor Emeritus of Philosophy and of Political Science “Market Economies and Market Societies”, JOURNAL of SOCIAL PHILOSOPHY, Vol. 36 No. 2, Summer 2005, pp. 129–142. p. 133)

On the philosophical-anthropological view earlier set aside, it is not hard to explain why market economies lead to dominant possessive individualist values, as these are expressions of human nature; rather, appeal to the values explains why there are market economies. The problematic task for theorists in this camp is to account for apparently non-possessive-individualist behavior, as in people’s family and social lives or in premodern societies. Those who think this problem surmountable then argue that only a dream of indefinite riches can motivate entrepreneurship, and that any constraints on a free labor market will engender laziness. Such arguments need to be refuted and, despite confident assertions by those of a neo-liberal persuasion, I think it not difficult to do so, but this is not the task of the current exercise. Instead, I shall focus on the two features of a market economy that markets provide information and that they breed insecurity.

### Influence

#### Neoliberalism is inevitable – its influence reigns over politics, corporations, and the media.

**Hudson,** member of the Progressive Librarians Guild and the American Library Association’s Social Responsibilities Round Table, **1999** (Mark, Fall, “Understanding Information Media in the Age of Neoliberalism: The Contributions of Herbert Schiller,”The Progressive Librarian, Issue: 16, JS)

Neoliberal ideas are as old as capitalism itself, but in recent decades they have seen a tremendous resurgence and have displaced the state-interventionist economic theories of the interwar and post-World War II periods to become the reigning ideology of our time. Neoliberalism emerged full force in the 1980s with the right-wing Reagan and Thatcher regimes, but its influence has since spread across the political spectrum to encompass not only centrist political parties but even much of the traditional social-democratic left. In the 1990s, neoliberal hegemony over our politics and culture has become so overwhelming that it is becoming difficult to even rationally discuss what neoliberalism is; indeed, as Robert McChesney notes, the term "neoliberalism" is hardly known to the U.S. public outside of academia and the business community (McChesney). The corporate stranglehold on our information and communications media gives neoliberal ideologues a virtually unchallenged platform from which to blast their pro-market messages into every corner of our common culture. At the same time, neoliberalism provides the ideological cover for deregulatory legislation (most recently the 1996 Telecommunications Act) that enables corporations to extend their monopoly over these media even more. For the past three decades, one of the fiercest and most coherent critics of corporate control over the information/communications sphere has been the social scientist Herbert Schiller. Although Schiller began his career before neoliberalism's ascendance, and he does not even today use the term in his writings, his work provides essential insights into the roots of neoliberal/corporate hegemony over our information media and the adverse consequences of that hegemony for our politics, economy and culture.

# Off-Case

## Elections Disadvantage

### Plan Popular

#### Transit is popular in cities – cheaper and more convenient than cars

Marx 12 (Michael, 06-21-12, The Huffington Post, “To Drive or Not to Drive, That is the Question: June 21 is Dump the Pump Day 2012,” <http://www.huffingtonpost.com/michael-marx/dump-the-pump-day-2012_b_1612581.html?utm_hp_ref=impact&ir=Impact>, 07-08-12, EBB)

In Washington, D.C., too many leaders haven't gotten the word that our nation's love affair with oil is on the rocks. But across the nation, Americans who have access to public transportation aren't waiting -- they're making the break from oil and voting with their feet by "dumping the pump" in favor of solutions like public transit. On June 21, the American Public Transportation Association (APTA) and the Sierra Club are proud to once again cosponsor the seventh annual National Dump the Pump Day, an opportunity for millions of Americans across the country to celebrate smart public transportation choices. Public transportation ridership is surging nationwide -- whether it's bus, light-rail or train, Americans are using transit. Not just in big cities but all over America, transit use was up by five percent in the first quarter of 2012 -- that's 125.7 million more trips than in 2011. Public transit ridership is on the upswing for several reasons. The most obvious is financial: A family that downsizes by one car and switches to public transit can save nearly $10,000 a year. The cost of driving has become significant enough that more Americans are asking themselves each time they leave the house whether they should grab the car keys or opt for a more cost-effective way to get where they need to go. But while volatile gas prices may have inspired more people to try transit, what's convincing them to stick with transit is its convenience. When you can leave the driving to someone else, it frees up valuable time for reading, working, surfing the web, or safely making a phone call. What's more, technology is creating a higher-quality product and service. Technologies like smartphones and Google Maps make it easy to plan transit trips even in unfamiliar areas. Buses powered by cleaner fuels, real-time information on bus and train arrivals, and the availability of Wi-Fi on vehicles have all transformed the transit rider's experience.

#### Strong support for free public transportation – urban and rural

Transportation for America 10 (2010, “Future of Transportation National Survey (2010),” <http://t4america.org/resources/2010survey/>, 7-08-12, EBB)

American voters overwhelmingly support broader access to public transportation and safe walking and biking, according to this new national poll conducted for Transportation for America. Expand and improve public transportation More than four-in-five voters (82 percent) say that “the United States would benefit from an expanded and improved transportation system, such as rail and buses” and a solid majority (56 percent) “strongly agree” with that statement. This is a widely held view with overwhelming majorities of voters in every region of the country and in every type of community. Fully 79 percent of rural voters agreed with the statement, despite much lower use of public transportation compared to Americans in urban areas. When asked about reducing traffic congestion, three-in-five voters choose improving public transportation and making it easier to walk and bike over building more roads and expanding existing roads (59% to 38%).

#### Public transit is increasingly popular in cities – cheaper, faster, and greener

Powell and Barker 7/8 (Cedric Merlin and J. Barry, 07-08-12, Courier Journal, “Cedric Merlin Powell and J. Barry Barker – Public transit at a crossroads,” <http://www.courier-journal.com/article/20120708/OPINION04/307080031/Cedric-Merlin-Powell-J-Barry-Barker-Public-transit-crossroads?odyssey=mod%7Cnewswell%7Ctext%7CHome%7Cs>, 07-08-12, EBB)

With the help of designated federal funds, TARC increased service last year on routes covering Preston and Dixie highways and Broadway and Bardstown Road. Buses arrive at stops every 15 minutes from 6 a.m. to 9 p.m. on weekdays. Since the service began nearly 18 months ago, boardings have increased 20 percent. About 30 percent of TARC’s nearly 50,000 weekday trips are now on these two routes. Buses are sometimes standing-room-only. We need more of this kind of public transportation in Louisville. In cities across the country — including Louisville, where ridership is up 10 percent overall compared to last year — public transportation is growing in popularity. People want to avoid traffic and save money on gasoline and parking. Some ride as a way to help the environment. For many riders, public transportation is a lifeline and the only option to access a job, other necessities and what life has to offer. With 70 percent of TARC passengers taking trips for work or school, public transportation has a significant impact on the Louisville region’s economy and quality of life — now and in the future.

#### Plan Popular with the public – gas prices and increased ridership prove

APTA 12 (American Public Transportation Association, Nonprofit International Association of Public and Private Transportation Organizations, *Save Money. Take Transit.*, <http://www.apta.com/mediacenter/pressreleases/2012/Pages/120620_DumpthePump.aspx>, June 20th 2012, JKE)

With high gas prices, increasing numbers of people are turning to public transportation to save money. Public transportation ridership surged in the first quarter of 2012, as Americans took nearly 2.7 billion trips, an increase of 5.0 percent, as 125.7 million more trips were taken than the first quarter of last year. Some public transit systems saw record ridership including the transit systems in the following cities: Ann Arbor, MI; Boston, MA; Charlotte, NC; Fort Myers, FL; Indianapolis, IN; Ithaca, NY; New York, NY; Oakland, CA; Olympia, WA; San Diego, CA; and Tampa, FL.¶ “Not surprisingly, public transit ridership hit record highs across the nation this spring,” said Michael Brune, executive director of the Sierra Club. “Gas prices go up and down - mostly up - but Americans who try transit tend to stick with it. Instead of being stuck in traffic, they enjoy a book or a quick cat nap on their commute, while saving their families thousands of dollars at the pump, creating jobs, and doing their part to save 37 million metric tons of carbon pollution and 4.2 billion gallons of oil every year.” “Public transportation is popular, with ridership on buses and trains on the rise. Congress should provide consumers what they want by investing more in public transit. More transportation choices mean less pain at the pump," said Deron Lovaas, NRDC Federal Transportation Policy Director.

### Plan Unpopular

#### There is opposition to funding transportation bills, even if they support the economy

Pye 7-12 (Jason, Legislative Director for the Libertarian Party of Georgia, "An Open Letter to Georgia Voters: Vote “NO” on July 31st," http://www.unitedliberty.org/articles/10476-an-open-letter-to-georgia-voters-vote-no-on-july-31st)

Assuming all 12 regions pass the referendum later this month, the TSPLOST is projected to bring some $19 billion in new tax revenues to the state. In most regions, the split between regional and local projects will be 75-25. However, in the Metro Atlanta region, 85% of the $7.2 billion in expected revenues will go to regional projects. Fifteen percent will go for local projects. If passed in every region, this would be the largest tax hike in Georgia history. Advocates of the TSPLOST have spent a substantial sum of money trying to convince Metro Atlanta residents that the tax hike is needed in order to “untie” the region. That may sound like music to the ears of many Metro Atlanta drivers, but this tax hike is still struggling to gain steam despite a bipartisan push from many of Georgia’s most prominent elected officials, including Gov. Nathan Deal and Atlanta Mayor Kasim Reed. Interestingly, the opposition is equally diverse, with the Sierra Club, NAACP, and various Tea Party groups all pushing a “no” vote. Supporters of the tax hike are trying to paint its opponents out to be ideologues who are opposed to any tax increase. There is some truth that in some cases, but there is also a practical case to be made against the TSPLOST. There is no denying that Atlanta has one of the worst traffic commute times in the country. Anyone that has had to drive across town during morning or afternoon traffic knows this. TSPLOST supporters tell us that the 1-cent tax hike will ease congestion, get people to work quicker and reduce losses in productivity. They also say says that the measure will also create jobs, improve public safety, and promote economic development. Of course, what Georgians don’t hear from groups promoting the TSPLOST is, as the Georgia Public Policy Foundation (GPPF) noted in its study on the referendum (p.16), a little more than half of money would be doled out for mass transit. Expanding mass transit in Metro Atlanta has long been a goal of many of the groups pushing the tax hike. However, it’s difficult to explain why this particular mode of transportation will receive a majority of the funding — approximately $3.2 billion — when, according to Census statistics, only 3.36% of commuters in the region use mass transit. Some may say that Atlanta is simply “behind the times” in “investment” and more money will bring more ridership. But only a handful of metropolitan areas manage to break the 10% threshold, and those tend to have a higher population density than Metro Atlanta. By placing such a heavy emphasis on mass transit, TSPLOST advocates are ignoring the primary method of transportation used in the region and largely dismissing other innovative ideas that could be used to move commuters around Metro Atlanta. That’s both a detriment to the region and, frankly, very poor public policy.

### Urban vote key- Colorado

#### Urban Colorado will decide the election – key to Obama win

Sale 7/8 (Anna, 07-07-12, WNYC, “Anna in the Swing States: Colorado’s Swinging Suburbs and Untapped Latino Voters,” <http://www.wnyc.org/articles/its-free-country/2012/jul/08/colorados-swinging-suburbs-and-untapped-latino-voters/>, 07-10-12, EBB)

Colorado’s swelling suburbs and the growing numbers of Latino voters are most often cited as the drivers behind recent Democratic gains in the western state. Latino voters made up just 13 percent of the electorate in 2008, but they proved decisive by overwhelming favoring Obama while white voters almost evenly split. Suburban voters were pivotal for another reason: their massive share of the vote in Colorado. They cast more than half of all votes here four years ago, and after supporting George W. Bush in 2004, they swung ten points to give Obama a slight edge over John McCain. Obama won Colorado by nine points in 2008, the first time a Democrat had a presidential race won here since 1992. This year, Colorado is in many ways the lynchpin in the Obama campaign’s strategy to remake the electoral map. As Obama campaign manager Jim Messina laid out last year, if the president repeats that win in Colorado, and captures Iowa, Nevada, New Mexico and the states John Kerry won in 2004, Obama wins another term. This western strategy diminishes the importance of Ohio and Florida, even though those perennial battlegrounds are much bigger electoral prizes compared to Colorado’s relatively modest nine electoral votes. The Colorado electorate is largely broken up in thirds among Democrats, Republicans, and independents. Since 2008, the ranks of the unaffiliated, independent voters have grown in Colorado, and Democrats and Republicans now make up a slightly smaller percentage of registered voters in Colorado than they did four years ago. Much of the registration gains for Democrats and independents has happened in congressional districts with urban areas, contributing to the Democrats' recent success there.

## Politics Disadvantage

### Plan Popular

#### Subsidizing mass transit fares has had bipartisan support in Congress

Juva-Brown 7/5 (Theresa, Poughkeepsie Journal, “Rep. Nan Hayworth urges commuter tax relief on public transit use,” <http://www.poughkeepsiejournal.com/article//NEWS03/120705002/Rep-Nan-Hayworth-urges-commuter-tax-relief-public-transit-use?odyssey=mod%7Cnewswell%7Ctext%7C%7Cs>, 07-10-12, EBB)

Public transit riders could wind up with more money in their pockets if federal lawmakers approve new legislation to revive a tax break on their commuting expenses. Federal law used to allow mass transit commuters to have $230 deducted pre-tax from their pay each month and set aside for commuting expenses, assuming their companies have tax benefit programs. But when that tax code provision expired in January, the maximum amount was nearly cut in half to $125 a month. Meanwhile, those who drive to work and pay for parking can put away up to $240 a month before taxes. To close that gap, Republican Rep. Nan Hayworth, of Bedford, has introduced the Commuter Savings Act, which would allow mass transit riders to also earmark up to $240 for their travel costs before taxes. How much public transit commuters would save depends on their income and tax rate and commuting expenses. “Why shouldn’t those folks have the same kind of tax break as those who drive?” she said. “Our mass transit commuters are helping to save our environment and wear and tear on the roads” by reducing congestion. Her bill is the latest in a string of efforts to equalize commuter tax benefits. Last year, Democratic lawmakers unsuccessfully pushed several pieces of similar legislation, including New York Sen. Charles Schumer’s Commuter Benefits Equity Act of 2011. Correcting the disparity was also part of the federal transportation bill, but was dropped in the final version that Congress approved last week.

### Plan Unpopular

#### Congress won’t spend on mass transit – intentionally excluded from transportation funding

Geisel 7/5 (Jerry, 07-05-12, Business Insurance, “Lawmakers drop provision that would have boosted mass transit tax break,” <http://www.busissinsurance.com/article/20120705/NEWS03/120709950-?tags=%7C62%7C307%7C77%7C91>, 07-10-12, EBB)

WASHINGTON—What was probably the last legislative vehicle during the current congressional session for federal lawmakers to retroactively restore a temporary boost in the maximum pretax monthly contribution employees can make to pay for mass transit expenses is now gone. Earlier this year, the Senate passed a highway funding bill with a provision under which employees would be able to reduce their taxable salaries by up to $240 a month to pay for mass transit expenses. The higher limit would be retroactive to Jan. 1, 2012, and expire at the end of 2012. Since Jan. 1, the maximum contribution limit has been $125 a month. A comparable provision was not included in a House-passed transportation bill. Congressional conferees, who met last month to iron out differences in the two bills, dropped without comment the Senate provision that would have boosted the mass transit contribution limit to $240. The congressional Joint Committee on Taxation estimated the Senate provision would cost the federal government $139 million in lost tax revenue.

#### Their arguments for infrastructure, including mass transit, being popular are passed on a flawed model – GOP hate magnifies the unpopularity

Baltimore Sun 12 (Editorial, *Transportation Bill: Do Republicans Want to Sabotage the Economy*, <http://articles.baltimoresun.com/2012-06-10/news/bs-ed-transportation-20120610_1_transportation-bill-transportation-projects-transportation-spending>, June 10th 2012, JKE)

Senate Majority Leader Harry Reid recently said aloud what many Americans must be thinking these days -- that at least some Republicans in Congress would like to see the U.S. economy worsen in order to boost their chances of success in the November election. The evidence? The GOP's continued resistance to approving a multiyear transportation authorization bill. Senator Reid told The Hill that he's heard House Majority Leader Eric Cantor is leading the charge to delay the Senate bill -- and the tens of thousands of jobs it would create. House Speaker John Boehner denies the allegation, but he has also announced that he's ready to pull the plug on negotiations over the measure until after the election if the two sides fail to work out an agreement before June 30. That gives negotiators less than three weeks to shake hands on something that's had them at odds for years. What's frustrating is that the bill -- which has been whittled down to a mere 15-month extension (and might even be trimmed to six months, according to Mr. Boehner) -- should be a fairly routine matter. That has been the case in years past, when preserving and expanding U.S. transportation infrastructure, including roads, bridges, mass transit, ports and airports was seen as too important to the national interest to be derailed by partisan bickering. But that was then. The problem now is that too many extraneous issues have been tied to the measure, including various "offsets" and "pay-fors" to finance the bill instead of merely updating the federal gasoline tax to allow for inflation over the last two decades. In reality, there's a lot of accounting gimmickry involved.

## Privatization Counterplan

### A2: Permutation

#### Government Spending Crowds Out Private Companies

Stephen Bell June 6, 2000

(Stephen Bell June 6, 2000 “The Unemployment Crisis in Australia: Which Way Out?” Cambridge University Press p. 159) ABS

The four major arguments against the effectiveness of Keynesian policies go back at least 20 years. Perhaps the most important argument is that expansionary policy, operating through increased government expenditure, will not work because any increased government expenditures will ‘crowd out’ private investment expenditure, so that there will be no net increase in aggregate demand and no stimulus to output and employment. An increase in government expenditure can be financed by increased taxation or increasing in both government expenditure and revenue will provide a stimulus to the economy. This proposition is usually ignored by proponents of crowding out, who focus on deficit-financed increases in public expenditure. Crowding-out theory maintains that an increase in the deficit will cause a rise in interest rates and this rise in interest rates will reduce private investment expenditure. If increased public expenditure increases economic activity, more money will be demanded by the public to carry out this increased economic activity. Purchasers will try to borrow this extra money, forcing up interest rates. As long as economic activity is above the level holding before the increased government expenditure, there will be upward pressure on interest rates.

## Topicality

### Extra-T: Gov subsidies cover more than infrastructure

#### They’re extra-topical – more funding will only go to operational costs distinct from infrastructure

Cooper 9 (Michael, 02-03-09, New York Times, “Rider Paradox: Surge in Mass, Drop in Transit,” <http://www.nytimes.com/2009/02/04/us/04transit.html?pagewanted=all>, accessed 7-12-12, EBB)

Their problem is that fare-box revenue accounts for only a fifth to a half of the operating revenue of most transit systems — and the sputtering economy has eroded the state and local tax collections that the systems depend on to keep running. “We’ve termed it the ‘transit paradox,’ ” said Clarence W. Marsella, general manager of Denver’s system, which is raising fares and cutting service to make up for the steep drop in local sales tax. The billions of dollars that Congress plans to spend on mass transit as part of the stimulus bill will also do little to help these systems with their current problems. That is because the new federal money — $12 billion was included in the version passed last week by the House, while the Senate originally proposed less — is devoted to big capital projects, like buying train cars and buses and building or repairing tracks and stations. Money that some lawmakers had proposed to help transit systems pay operating costs, and avoid layoffs and service cuts, was not included in the latest version.