# 2ac/1ar econ impact

**The 08 financial crisis proves our theory. When growth declines, countries adapt and cooperate**

**Barnett 2009** – senior managing director of Enterra Solutions LLC and a contributing editor/online columnist for Esquire magazine, columnist for World Politics Review (5/25, Thomas P.M. “The New Rules: The Good News on the Global Financial Downturn,” World Politics Review, http://dan92024.blogstream.com/v1/date/200905.html)

When the global financial contagion kicked in last fall, the blogosphere was quick to predict that a sharp uptick in global instability would soon follow. While we're not out of the woods yet, it's interesting to note just how little instability -- and not yet a single war -- has actually resulted from the worst global economic downturn since the Great Depression.
Run a Google search for "global instability" and you'll get 23 million hits. But when it comes to actual conflicts, the world is humming along at a level that reflects the steady decline in wars -- by 60 percent -- that we've seen since the Cold War's end. As George Mason University's Center for Systemic Peace (CSP) notes, that trend applies within the Muslim world, too, so even America's "war on terror" has not quite lived up to the pessimists' expectations.
Wikipedia's page for "ongoing conflicts" cites a whopping seven wars with annual death rates of 1,000-plus. And they're all familiar situations:
Arabs-Israel, Somalia, Afghanistan, Pakistan, Iraq, Sudan and Mexico. None have been helped by the financial crisis, but all predate it. Iraq's internal situation has actually improved, despite slumping oil revenue. And as for fears that Mexico might soon become a "failed state," that government's recent response to the swine flu indicates otherwise.
The CSP's database lists only three new conflicts since 2008 -- Russia-Georgia, Kenya and southern Sudan. None can be blamed on the global economy. Meanwhile, Colombia's internal security has improved dramatically, and Sri Lanka's stubborn separatist movement just collapsed.
Yes, we suffer from Somali piracy, and American and Chinese subs continue their cat-and-mouse games off China's otherwise quiet coast. Still, many expected more from a financial panic that, according to the IMF, erased roughly 6 percent of global GDP: Beijing and Washington locking horns, for instance, instead of letting Taiwan negotiate peace with the mainland.
But disappointment abounds for the doom-and-gloomers:
- Instead of coming apart at the seams, China implemented a stimulus package that seems to be working at home and abroad (see America's construction industry exports). Beijing's flagship companies have exploited the crisis for the extraordinary buying opportunities it has created, locking in long-term commodity and energy contracts in exchange for much-needed cash. Meanwhile its central bank has swapped $100 billion worth of currency with major trade partners.
- Asia's big powers should be at each other's throats over sea-based energy deposits, or at least over North Korea. And yet recently we've witnessed the first China-Japan-South Korea summit, followed soon after by the creation of a $120-billion liquidity fund to help out their smaller neighbors.
- India's Congress Party just won a decisive victory in national elections, allowing it to rule without relying on anti-globalizing elements like its native Communist party. Expect another young Gandhi to champion India's next round of reforms.
- The EU definitely regrets its fast integration of all those now-shaky Eastern European economies. And yet, as Washington Post economic columnist Steve Pearlstein recently noted, ". . . the real story in Europe may be how firmly market liberalization seems to have taken hold. Not only have there been few, if any, calls for renationalizations, but some countries are still moving toward privatization and reregulation. Instances of protectionism are outweighed by the examples of cross-border mergers and acquisitions that have been accepted as a matter of course . . ."
- In the Middle East, the Arab world's biggest state, Egypt, remains committed to opening up its state-heavy economy even more, while Arab sovereign wealth funds continue their aggressive investment in Africa, where China and India's portfolios also grow.
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Add it all up and it's clear that assessments such as "the world is in chaos" -- a David Rothkopf beauty -- just don't fly. Periodic riots do not an Armageddon make.
Instead, this crisis has elicited unprecedented cooperation among the world's great powers on both coordinated stimulus spending and making intermarket financial flows more transparent (keep an eye on the IMF). It's also triggered awareness of the need for an additional global reserve currency to help the euro balance the dollar (a convertible renminbi would help).

**No impact—last recession proves econ doesn’t determine conflict or instability**

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When the global financial crisis struck roughly a year ago, the blogosphere was ablaze with all sorts of scary predictions of, and commentary regarding, ensuing conflict and wars -- a rerun of the Great Depression leading to world war, as it were. Now, as global economic news brightens and recovery -- surprisingly led by China and emerging markets -- is the talk of the day, it's interesting to look back over the past year and realize how globalization's first truly worldwide recession has had virtually no impact whatsoever on the international security landscape.

None of the more than three-dozen ongoing conflicts listed by GlobalSecurity.org can be clearly attributed to the global recession. Indeed, the last new entry (civil conflict between Hamas and Fatah in the Palestine) predates the economic crisis by a year, and three quarters of the chronic struggles began in the last century. Ditto for the 15 low-intensity conflicts listed by Wikipedia (where the latest entry is the Mexican "drug war" begun in 2006). Certainly, the Russia-Georgia conflict last August was specifically timed, but by most accounts the opening ceremony of the Beijing Olympics was the most important external trigger (followed by the U.S. presidential campaign) for that sudden spike in an almost two-decade long struggle between Georgia and its two breakaway regions.

Looking over the various databases, then, we see a most familiar picture: the usual mix of civil conflicts, insurgencies, and liberation-themed terrorist movements. Besides the recent Russia-Georgia dust-up, the only two potential state-on-state wars (North v. South Korea, Israel v. Iran) are both tied to one side acquiring a nuclear weapon capacity -- a process wholly unrelated to global economic trends.

And with the United States effectively tied down by its two ongoing major interventions (Iraq and Afghanistan-bleeding-into-Pakistan), our involvement elsewhere around the planet has been quite modest, both leading up to and following the onset of the economic crisis: e.g., the usual counter-drug efforts in Latin America, the usual military exercises with allies across Asia, mixing it up with pirates off Somalia's coast). Everywhere else we find serious instability we pretty much let it burn, occasionally pressing the Chinese -- unsuccessfully -- to do something. Our new Africa Command, for example, hasn't led us to anything beyond advising and training local forces.

So, to sum up:

No significant uptick in mass violence or unrest (remember the smattering of urban riots last year in places like Greece, Moldova and Latvia?);

The usual frequency maintained in civil conflicts (in all the usual places);

Not a single state-on-state war directly caused (and no great-power-on-great-power crises even triggered);

No great improvement or disruption in great-power cooperation regarding the emergence of new nuclear powers (despite all that diplomacy);

A modest scaling back of international policing efforts by the system's acknowledged Leviathan power (inevitable given the strain); and

No serious efforts by any rising great power to challenge that Leviathan or supplant its role. (The worst things we can cite are Moscow's occasional deployments of strategic assets to the Western hemisphere and its weak efforts to outbid the United States on basing rights in Kyrgyzstan; but the best include China and India stepping up their aid and investments in Afghanistan and Iraq.)

Sure, we've finally seen global defense spending surpass the previous world record set in the late 1980s, but even that's likely to wane given the stress on public budgets created by all this unprecedented "stimulus" spending. If anything, the friendly cooperation on such stimulus packaging was the most notable great-power dynamic caused by the crisis.

Can we say that the world has suffered a distinct shift to political radicalism as a result of the economic crisis?

Indeed, no. The world's major economies remain governed by center-left or center-right political factions that remain decidedly friendly to both markets and trade. In the short run, there were attempts across the board to insulate economies from immediate damage (in effect, as much protectionism as allowed under current trade rules), but there was no great slide into "trade wars." Instead, the World Trade Organization is functioning as it was designed to function, and regional efforts toward free-trade agreements have not slowed.

Can we say Islamic radicalism was inflamed by the economic crisis?

If it was, that shift was clearly overwhelmed by the Islamic world's growing disenchantment with the brutality displayed by violent extremist groups such as al-Qaida. And looking forward, austere economic times are just as likely to breed connecting evangelicalism as disconnecting fundamentalism.

At the end of the day, the economic crisis did not prove to be sufficiently frightening to provoke major economies into establishing global regulatory schemes, even as it has sparked a spirited -- and much needed, as I argued last week -- discussion of the continuing viability of the U.S. dollar as the world's primary reserve currency. Naturally, plenty of experts and pundits have attached great significance to this debate, seeing in it the beginning of "economic warfare" and the like between "fading" America and "rising" China. And yet, in a world of globally integrated production chains and interconnected financial markets, such "diverging interests" hardly constitute signposts for wars up ahead. Frankly, I don't welcome a world in which America's fiscal profligacy goes undisciplined, so bring it on -- please!

Add it all up and it's fair to say that this global financial crisis has proven the great resilience of America's post-World War II international liberal trade order.

Do I expect to read any analyses along those lines in the blogosphere any time soon?

Absolutely not. I expect the fantastic fear-mongering to proceed apace. That's what the Internet is for.

# 2ac uniqueness

#### renewables crashing and burning now and inevitably

Floyd, 9/28/12 [The Gadsden Times, director of United Kingdom manufacturing, Goodyear Tire & Rubber Co., vice president of manufacturing and international operations, General Tire & Rubber Co., and director of manufacturing, Chrysler Corp, <http://www.gadsdentimes.com/article/20120928/NEWS/120929802>]

Energy contributions by solar and wind to the U.S. power grid are miniscule when compared to coal, oil and gas, hydro and nuclear. In addition, the renewable energies are not cost effective and it is doubtful they will be.¶ In a recent article in The Gadsden Times, a writer complained that one of the major issues for wind and solar was states lagging in incentives for solar and wind. ¶ Was the writer joking, or did he not understand that huge governmental subsidies for solar and wind power come from taxpayer dollars? ¶ The U.S. Department of Energy reported that federal subsidies for solar are $775 per megawatt hour and for wind $57 per megawatt hour. Conversely, subsidies for oil and gas are $0.64 cents per megawatt hour, hydro power was $0.82 cents, coal $0.64 cents and nuclear $3.14 per megawatt hour. The difference in the subsidy for wind and solar versus traditional energy sources is obscene.¶ In 2011 the wind turbine industry received $5 billion in subsidies, in spite of the fact it produced only 2.3 percent of the total energy used in the United States. ¶ The Wall Street Journal reported in its Aug. 18 opinion page that for every tax dollar that goes to coal, oil and natural gas, wind gets $88 and solar $1,212. Subsidy comparisons don’t consider that the oil, coal,and natural gas industries paid more than $10 billion in taxes in 2009. Wind and solar are net drains on the United States Treasury.¶ The Journal suggested that maybe it is time to eliminate all federal subsidy programs for the energy industry. This is a proposal that should be taken very seriously. Why subsidize industries that historically generate huge profits? ¶ An Indiana newspaper reported that the company E-on Climate & Renewables is in a race against time for construction of 125 wind turbines in the Tipton, Ind., area. E-on is concerned federal subsidies they now enjoy will expire at the end of 2012. That’s unlikely because subsidies for wind and solar have been around since 1992 and have been extended seven times.¶ E-on has stated that each wind turbine will generate enough electrical power for 350 homes. So it would follow that 125 turbines will generate enough power to supply 43,750 homes. This is more than enough electrical power for all of Tipton and Kokomo, Ind.¶ The problem is the cost of the power. If the two communities had to pay for the power without taxpayer help, it would bankrupt every family living in the two communities.¶ What about times when there is no wind to power the turbines? Would these communities have to supplement electrical needs with power from alternative sources?¶ As utilization goes down for traditional electrical suppliers, unit costs go up. This means that alternative power supplied by traditional sources would also increase in cost. Tipton and Kokomo would be caught in a “Catch 22.” Implementation of wind turbines is a loser for the American taxpayer until the supplies of coal, natural gas and oil are depleted. Even then new nuclear power plants could supply 90 percent or more of the United States demand. ¶ Wind farms are “feel-good projects” with enormous associated costs to the American taxpayer. For irrelevance, wind farms are only exceeded by the solar industry. Sometimes, it is not good to be No. 1. ¶ To answer the question are American taxpayers lagging in incentives for renewable energy sources? I don’t think so.¶ I understand startup costs and the time it takes to establish appropriate operating numbers. Wind and solar power are far removed from the realm of cost effectiveness. ¶ There is much doubt wind and solar will be more than a drop in the ocean in relation to contributing to power requirements for the United States.

#### Commerce Department’s tariff on Chinese parts proves

Benedetti 6/4/12 (Georgina, Senior Industry Analyst, “US Tariffs on Chinese Solar Panels Could Slow Industry”) <http://www.eetimes.com/electronics-news/4374479/U-S--tariffs-solar>

In reaction to this situation, seven U.S. manufacturers of crystalline silicon solar cells, led by SolarWorld, formed the Coalition for American Solar Manufacturing, with the aim to hold China accountable to U.S. and international trade laws by filing antidumping and countervailing duty trade remedy petitions. As a result, on May 24, the Commerce Department slapped stiff tariffs on imports of Chinese solar panels, imposing tariffs of 31 percent to 250 percent on Chinese solar-product imports. However, import duties on Chinese solar panels can have negative effects on the solar industry in the United States. Since the enactment of the Energy Policy Act of 2005, the U.S. government has invested in providing tax incentives and loan guarantees with the aim to promote solar energy system installations and reduce its installation and generation cost. Government incentives and renewable energy standards have been important drivers for solar energy deployment and cost reduction. However, lower solar module prices from Chinese manufacturers have also helped reduce the price of solar energy, making solar more affordable for U.S. customers and more competitive with other forms of electricity generation. Average selling module prices have decreased 28.1 percent in 2011 (with respect to 2010) in the United States. The Commerce Department's decision, coupled with the recent expiration of the Section 1603 cash grant (in lieu of the Investment Tax Credit, is projected to increase solar electricity prices in the United States, affect demand for solar panels (which may exacerbate the current oversupply of polysilicon in the industry), hurt U.S. jobs, diminish the competitiveness of solar energy relative to conventional and non-solar renewable sources of energy, and may also lead China to take retaliatory measures against U.S. solar panels manufacturers. These projections are supported by the Coalition for Affordable Solar Energy led by Sun Edison, which predicts that a 50 percent tariff would eliminate 14,000 jobs in the United States. The solar market has grown more than 100 percent during 2011. It is difficult at this point to forecast the precise effects the new tariffs will have on solar panel demand and prices, but Frost & Sullivan expects a deceleration in the industry’s growth in 2012.

# 1ac impact

#### Specifically—Indo-Pak war

**Bokhari 10** – assistant editor at Dawn (Ashfak, 01/18, “Water dispute and war risk,” http://archives.dawn.com/archives/24980)

In March last year, a group of more than 20 different UN bodies warned that, since water has become the latest cause to stoke tensions between India and Pakistan, the world may be perilously close to its first water war. “Water is linked to the crises of climate change, energy and food supplies and prices, and troubled financial markets,” said their report. “Unless their links with water are addressed and water crises around the world are resolved, other crises may intensify and local water crises may worsen, converging into a global water crisis and leading to political insecurity and conflict at various levels.” The first attempt to use water as a military tool was made in 1503 when Leonardo da Vinci and Machiavelli planned to divert Amo River away from Pisa during the conflict between Pisa and Florence. On January 28, 2009, President Asif Ali Zardari in an article in Washington Post warned “The water crisis in Pakistan is directly linked to relations with India. Its resolution could prevent an environmental catastrophe in South Asia, but failure to do so could fuel the fires of discontent that may lead to extremism and terrorism.” In early 2009, Pakistan was seen being on the brink of a water disaster, as the availability of water which was 5,000 cubic meters per capita 60 years ago has declined to 1,200 cubic meters. By 2020, it may fall to about 800 cubic meters per capita. In recent weeks water shortage has worsened from 30 to 40 per cent because of the drought that may reduce the Rabi crops produce by 20 per cent. In case the drought continues, the country may get 21- 22 million tonnes of wheat against the target of 25 million tonnes. The first phase of the Baglihar dam, a 450-MW hydroelectric power project initiated in the 1990s, was completed on October 10, 2008. Inaugurating the project, Indian Prime Minister Manmohan Singh noted “It is a matter of satisfaction that the reconstruction programme… [entailing] 67 projects is well under way with 19 projects completed, one of which is the Baglihar project that I inaugurate today.” Zardari reacted angrily saying India`s move to block Pakistan`s water supply from the Chenab River could harm their relations. “Manmohan Singh had assured me in our meeting in New York that his country is seriously committed to our (Indus) water sharing treaty,” he said, referring to their meeting on the sidelines of the UN General Assembly a month before. “We expect him to stand by his commitment.” India didn`t take steps to abide by Singh`s commitment or provisions of the Indus treaty. Meanwhile, talk about water war had been gaining currency. On November 3, 2008, PML-Q chief and former premier Chaudhry Shujaat Hussain said the water crisis between Pakistan and India could become more serious than terrorism and can result in a war. Mr Majid Nizami, chief editor of a group of newspapers, observed in June last that the water dispute with India could trigger a war. “Pakistan can become a desert within the next 10 to 15 years. We should show upright posture or otherwise prepare for a nuclear war,” he said.

**The impact is extinction and is highly probable**

Ghulam **Fai**, PhD, Executive Director of the Kashmiri American Council, Business Recorder, 12-17-**2000**

India has suffered modest economic sanctions for its muscular nuclear and missile profiles. But the global worry over its domestically popular aspiration to big power status has rocketed because of the ongoing conflict in Kashmir. Pakistan has sought to match India bomb for bomb and missile for missile. And the greatest causes belli for warring between the two South Asian rivals is Kashmir, which has already sparked two such clashes. But they came before India and Pakistan could engage in nuclear volleys that could **menace the entire planet with nuclear winter** or a variation of that apocalypse. It is the potential for nuclear exchanges over Kashmir that has prompted President Bill Clinton and his national security advisers to characterise the disputed territory as the **most dangerous place on the earth**.

# 1ar cp

##### Resolved can be an opinion not necessarily a determination

**Webster’s** Revised Unabridged Dictionary, **1998** [dictionary.com]

**Resolved:**

5. To express, as an opinion or determination, by resolution and vote; to declare or decide by a formal vote; -- followed by a clause; as, the house resolved (or, it was resolved by the house) that no money should be apropriated (or, to appropriate no money).

#### Should doesn’t express certainty or immediacy

**Green, 89 – US District Judge (**EMERSON EMORY, Captain, USNR (Ret.), Plaintiff v. SECRETARY OF THE NAVY, Defendant Civil Action No. 83-2494 UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA 708 F. Supp. 1335; 1989 U.S. Dist. LEXIS 2993; 49 Fair Empl. Prac. Cas. (BNA) 677; 51 Empl. Prac. Dec. (CCH) P39,276 March 22, 1989, Decided March 22, 1989, Filed, lexis)

Defendant argues that the "should" and "also desired" is "plainly permissive," [5](http://www.lexisnexis.com.proxy.lib.umich.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1304195469571&returnToKey=20_T11858051186&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.871370.3788639477" \l "fnote5) while plaintiff points out that "should" is a past tense of "shall." While "shall" denotes a mandatory action when used in statutes and contracts, "should" does not ordinarily  [\*\*10]  express such certainty. [6](http://www.lexisnexis.com.proxy.lib.umich.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1304195469571&returnToKey=20_T11858051186&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.871370.3788639477" \l "fnote6) By examining the context in which "should" is used within the policy statements, this Court concludes that it is not used in a mandatory manner. In setting out the requirements of board membership at that time, the Navy consistently used "will" or "must." The subsection addressing minority officers was the only one in this memorandum that used "should," instead of "will" or "must."

#### "Substantial" doesn’t mean immediate

Words and Phrases 2 (Volume 40A, p. 458)

D.S.C. 1966. The word “substantial” within Civil Rights Act providing that a place is a public accommodation if a “substantial” portion of food which is served has moved in commerce must be construed in light of its usual and customary meaning, that is, something of real worth and importance; of considerable value; valuable, something worthwhile as distinguished from something without value or merely nominal

# 1ar bubble da impact

**No global impact**

**Kohn 2008** – PhD in economics from Michigan, Chairman of the Committee on the Global Financial System, Vice Chairman of the Fed (Donald, speech at the International Research Forum on Monetary Policy in Frankfurt, “Global Economic Integration and Decoupling”, http://www.federalreserve.gov/newsevents/speech/kohn20080626a.htm, WEA)

What about our more recent experience? During the first three quarters of 2007, the U.S. economy was growing at a solid pace of about 3 percent at an annual rate. Over the next two quarters, U.S. growth slowed to an average of about 3/4 percent, while growth in other industrialized countries stayed much closer to trend rates at about 2-1/2 percent, and growth in the emerging market economies, at 6-1/2 percent, held up quite well. It is important to keep in mind, however, that we are still in the midst of the current episode. Financial markets remain stressed; housing markets in many countries are adjusting after a sharp run-up in prices; and the effects of the turmoil on economic activity in the United States and elsewhere are still working themselves out. Accordingly, it is too early to tell how correlated U.S. and foreign activity will have been in this period. One piece of research on business cycles in G-7 economies, done by staff at the Federal Reserve Board, shows how difficult it is to establish with any confidence that business cycles have become more synchronized in recent decades, despite trade and financial integration having clearly increased.11 Other research, which shows a modest convergence of business cycles across a larger group of industrial economies, fails to find an increase in the correlation of industrial country cycles with emerging market economy cycles.12 The other dimension of recent linkages is financial, where the evidence is clearer. First, few question the importance of financial linkages between the United States and other industrial economies, which is an area where decoupling clearly has not occurred during the recent episode. While industrial country markets for stocks and bonds have displayed a high degree of co-movement for years, in the current episode we are seeing notable new correlations across money markets, with disruptions in funding markets showing up in the euro area, Switzerland, the United Kingdom, and Canada, as well as in the United States. Some of the effects of the U.S. subprime mortgage crisis on financial markets in these countries occurred as a result of direct or indirect balance sheet exposures by their financial institutions to U.S. securities. Other adverse consequences for foreign financial institutions occurred when entire markets, such as that for asset-backed commercial paper, became impaired. In contrast, some have pointed to the apparent resilience of financial conditions in emerging market economies during the past year as an example of decoupling. In particular, the disruptions in the advanced economies have had only limited impacts on money markets in emerging market economies, and other financial market indicators in emerging market economies appear to have held up relatively well. For example, the spreads of emerging market sovereign bond yields over U.S. Treasury securities have risen since June of last year, but by only about 1/3 of the rise in the average U.S. corporate high-yield spread over U.S. Treasury securities. That rise is roughly half the average in several previous episodes of pressure on U.S. corporate bond prices over the period from 1998 to 2005; these episodes include, among others, the Russian and Long-Term Capital Management crisis of 1998, the 2002 surge in corporate defaults and bankruptcies, and growing concerns about U.S. auto companies in 2005. In addition, while stock prices in some emerging market countries have not performed well, a broad aggregate for these markets shows stock prices up over the past year, while the advanced economy indexes have exhibited double-digit declines, on average.13 Certainly, stock prices in the emerging market economies moved downward during acute periods of U.S. financial stress over the past year. However, these movements were similar in scale to those seen in industrial country equity markets, and during the intervening periods when global pressures were less intense, the prices of emerging market equities rebounded more substantially than those of industrial countries.

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# 1ar bubble da uq

#### Intermittency makes renewable investment impossible

Aflaki 2012 (Sam Aflaki, Assistant Professor Operations Management & Information Technology at HEC Paris, and Serguei Netessine, The Timken Chaired Professor of Global Technology and Innovation, Professor of Technology and Operations Management, Research Director of the INSEAD-Wharton, June 1, 2012, “Strategic Investment in Renewable Energy Sources,” INSEAD Working Paper, <http://www.insead.edu/facultyresearch/research/doc.cfm?did=49970>)

Overall, our analysis indicates that the intermittency of renewable energy sources is a problematic feature that handicaps investment decisions in these technologies. Although raising carbon taxes is meant to improve the attractiveness of renewables, we show that this is probably not an effective policy. A more effective approach to increasing capacity investment in renewables would be to reduce intermittency. There are various options to achieve this goal. The first option is storage, for which various (relatively new technologies) are available.13 These technologies include pumped- storage hydropower, which stores electricity in the form of potential energy, and pumped heat electricity storage, which uses argon gas to store power in the form of heat. There are many recent papers that consider the problem of optimal storage policies while taking installed generation capacity as fixed (for a comprehensive review, see Faghih et al. 2012). Other options besides storage include the “curtailing” of intermittent generation (as described in Wu and Kapuscinski 2012) and the pooling of multiple generation units (possibly with different technologies) whose supply is not perfectly correlated. This latter approach may be possible only for large generators with enough resources to invest in multiple wind farms in different geographical regions. So even though there are no economies of scale in wind electricity generation, clearly there are statistical economies of scale in terms of reduced intermittency. Our analysis is a first step toward further research on an integrated framework that will combine these solutions with an explanation of how long- run capacity decisions are affected by the cost structure of renewables. Our results suggest the possibility of additional value to these solutions if generation capacity decisions are taken into account.

#### natural gas prices mean clean tech development won’t happen

Schwartz, 12 [8/17/12, Senior Vice President for Global Relations and Strategic Planning for Salesforce.com,

an elite corporate strategy firm, specializing in future-think and scenario planning, “Abundant Natural Gas and Oil Are Putting the Kabosh on Clean Energy,” <http://www.wired.com/business/2012/08/mf_naturalgas/all/>]

But this is changing. We’ve long been acutely aware of the geopolitical ramifications of relying on Middle Eastern oil. And the threat of climate change—along with high fuel prices—has made us all realize the need for greater energy efficiency. Thankfully, technology is coming to the rescue. New methods of extracting gas and oil, combined with efficiency gains in nearly every industry, mean that we are now minimizing demand and maximizing supply. And that’s a good thing, right? Not so fast.¶ Flipping the supply-demand relationship is having some unexpected consequences. Chief among them is that, as fossil fuels become more abundant—and we consume less of them—the incentives to develop clean, renewable energy drop dramatically. As a result, we may no longer be looking at an age of increasing solar, wind, and nuclear power. Instead we are likely moving into a new hydrocarbon era. And that’s very bad news for climate change.¶ US Oil Consumption Is Down, Production Up¶ For decades Americans had an almost limitless appetite for oil, most of which was produced overseas. In the past two years, however, the trend has reversed: The US is now making more and consuming less.¶ One of the main features of America’s changing energy landscape is the new abundance of natural gas. Only a few years ago we were desperate to bring in foreign gas. Domestic gas supplies were running out, demand was rising, and prices were skyrocketing. We were struggling to build enough gas import terminals. Fast-forward to today, and we’re trying to figure out how to convert those just-finished import terminals into export facilities. What made tens of billions of dollars’ worth of brand-new infrastructure almost worthless, seemingly overnight? Shale gas.¶ The US is endowed with enormous deposits of shale—soft but brittle rock that is dense with hydrocarbons. Sometimes the hydrocarbons take the form of oil, but mostly they exist as natural gas. Over the past 30 years, the technology needed to break up those rocks and get at this gas has steadily advanced. Less than five years ago only specialty gas companies were working on accessing shale gas through hydraulic fracturing, or [fracking](http://www.youtube.com/watch?v=VY34PQUiwOQ)—using pressurized liquid to break up the rock and release the gas. But as the technique matured and the price of gas rose, major energy companies moved aggressively to exploit these new fields. The result has been an explosion in natural gas production, which has led to a 70 percent fall in gas prices since 2008 and a near collapse of the natural gas import business.¶ Natural Gas Is Becoming a Major US Export¶ With the widespread adoption of fracking technology, vast production capacity is coming online, reducing imports and transforming the US into a major natural gas exporter.¶ Cheap domestic gas will ultimately have three effects. First it will delay or kill most new competing sources of electricity production—be they coal, nuclear, solar, or anything else. Gas is now incredibly cheap and easy to acquire, while other energy sources remain expensive or hard to get (or both). Not surprisingly, gas is already winning: Coal is being pushed out, nuclear has [stalled](http://www.world-nuclear.org/info/inf41.html), and wind and solar projects are being canceled.

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#### Massive nuclear incentives just passed

**Yurman ’12** (Nuclear energy R&D budgets spared major cuts Posted on January 5, 2012 by dyurman| 3 Comments Congress trims funding while adding new priorities By Dan Yurman Dan Yurman, nuclear blogger Dan Yurman publishes Idaho Samizdat, a blog about nuclear energy, and is a frequent contributor to ANS Nuclear Cafe.

A Congress that has public approval ratings in the single digits because of deficit-related gridlock managed to get some of the federal budget out the door for 2012. The Energy & Water Appropriation Bill, **which covers funding** for the U.S. Department of Energy, contains $768 million for nuclear energy programs. Nuclear energy at the DOE fared better than some other high profile DOE programs. The Obama administration’s poster child for a green economy—Energy Efficiency & Renewable Energy—suffered a cut of $1.9 billion, reducing the funding request by the White House by more than half. The DOE’s Science programs also saw a significant reduction of $616 million from the President’s budget. And, nationwide environmental cleanup of DOE sites suffered a reduction of $469 million. Emphasis on small modular reactors Of the $768 million in the bill for the nuclear energy program at the DOE, $439 million is allocated to nuclear energy research and development. A key element of the appropriation is a $67 million line item for licensing technical support for light water reactors. It provides funds for first-of-a-kind engineering support for two reactor designs and sites. Supporters of fast reactor SMR designs had hoped for appropriation language that would have advanced their cause, but it didn’t appear in the committee report related to licensing activities. Within a line item of $136 million for reactor concepts, $29 million is provided for advanced R&D on SMR concepts that presumably would include some fast reactor work scope.

#### Huge laundy list of nuclear incentives and construction now

**Johnson ’12** (US Campaign Trail: is nuclear in the equation? By John Johnson on Apr 25, 2012, nuclear energy expert and analyst, Nuclear Energy Insider, Nuclear Business Intelligence <http://analysis.nuclearenergyinsider.com/new-build/us-campaign-trail-nuclear-equation>

Just the same, the Obama Administration is considered a nuclear supporter, having made several moves to help jumpstart America’s nuclear energy industry. Obama plugged nuclear power during his first State Of The Union speech several years ago, and has generally been upbeat about the energy source’s future in the U.S. The Campaign Obama, a Democrat, will face Mitt Romney in the November election. Romney is expected to be named the official Republican nominee in August. While Romney has not taken a stance on nuclear energy during his campaign, the Obama administration has made significant investments in the sector, including a $450m budget request in March intended to advance the development of American-made small modular reactors (SMRs). Congress still needs to approve the authorization for funding. The SMRs are expected to be ready for commercial use within 10 years, and are intended for small electric grids and for locations that cannot support large reactors, offering utilities the flexibility to scale production as demand changes. “The Obama Administration and the Energy Department are committed to an all-of-the-above energy strategy that develops every source of American energy, including nuclear power, and strengthens our competitive edge in the global clean energy race,” U.S. Energy Secretary Steven Chu said when the program was announced. “Through the funding for small modular nuclear reactors, the Energy Department and private industry are working to position America as the leader in advanced nuclear energy technology and manufacturing.” John Keeley, manager of media relations for the Nuclear Energy Institute, said that the Obama administration has done what it can to support the deployment on new build-outs in the United States to build out nuclear, as well as supporting research and development efforts, such as those in the small reactor space. Research support In addition, the U.S. has invested $170 million in research grants at more than 70 universities, supporting research and development into a full spectrum of technologies, from advanced reactor concepts to enhanced safety design. “The President was explicit in his State Of The Union speech about the virtues of nuclear as a technology and its role in clean air generation,” said Keeley. “And he has been supportive of developing more nuclear plants in this country. Those initiatives have to be identified as significant evidence of support for the nuclear sector.” There are currently 104 nuclear power reactors operating in the U.S. in 31 states, operated by 30 different utilities. There are four new nuclear reactors being built in the U.S., including two in George at total expected cost of $14bn. In another sign of the U.S support for the industry, the federal government provided utility company Southern with an $8.3bn loan guarantee for the Vogtle Units 3 and 4, the first new nuclear plants to be built in the U.S. in the last 30 years. They are expected to be operational in 2016 and 2017. The U.S. Energy Department has also supported the Vogtle project and the development of the next generation of nuclear reactors by providing more than $200m through a cost-share agreement to support the licensing reviews for the Westinghouse AP1000 reactor design certification. In addition to the Vogtle plants, SCANA, a subsidiary of South Carolina Electric & Gas Co. plans to add two reactors to its nuclear power plant near Jenkinsville, S.C., by 2016 and 2019.

#### No disads- Lots of SMR funding now, Obama’s committed

Biello 2012 (David Biello, journalist at Scientific American, April 19, 2012, Missourians for a Better Energy Future, http://www.moenergyfuture.org/news/small-reactors-make-a-bid-to-revive-nuclear-power/)

Small may be beautiful for the nuclear power industry So argue a host of would-be builders of novel nuclear reactors. While the U.S. government has not given up on investing in large units that boast conventional designs, the Department of Energy has also announced the availability of $450 million in funds to support engineering and licensing of so-called "small modular reactors." "The Obama Administration and the Energy Department are committed to an all-of-the-above energy strategy that develops every source of American energy, including nuclear power," said Secretary of Energy Steven Chu in a statement announcing the funding, which aims to get such modular reactors hooked into the grid by 2022. "The Energy Department and private industry are working to position America as the leader in advanced nuclear energy technology and manufacturing."

#### No tradeoff – abundance and France prove

**Tindale, 11** [Stephen Tindale is an associate fellow at the CER, June 2011, Center for European Reform, <http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/pb_thorium_june11-153.pdf>]

The money to support research and development of molten salt reactors need not be taken from renewables or other low-carbon energy supply options. There is more than enough money available in the existing subsidies for nuclear fusion. And the argument that governments which support any form of nuclear power overlook or downplay renewables is disproved by the example of France. France gets over three-quarters of its electricity from nuclear power stations. Yet the French government has supported onshore wind farms and is now giving subsides to offshore wind. It is also subsidising an expansion of the district heating system in Paris, to distribute heat from power stations burning energy crops and waste wood which would otherwise be wasted.