# Neg- Harrison Imperial Aff- TOC -- Nirmal

## Strat

It’s basically the godrej/chaterjee maira book on neolib.

You’re gonna impact turn neolib

Read the financing pic, any DA of your choice and then answer the case. I’d try to read a better pic if I can though because the financing pic does have a glaring issue in it which can be recut bsed on that one arg

## <insert da>

## <insert financing pic>

## Case

### Framing

#### Pain provides an objective for why oppression is bad.

- anything else is abstraction and can’t be used to convince people for ethics

**Gray 09** [Gray, James W. "An Argument for Moral Realism." Ethical Realism. N.p., 07 Oct. 2009. Web. 04 Sept. 2015. <https://ethicalrealism.wordpress.com/2009/10/07/an-argument-for-moral-realism/>. MA in philosophy from San Jose State University (2008)]

**If we have evidence** that **anything** in particular **has intrinsic value**, then we also have evidence that **moral realism is true**. Our experiences of pleasure and pain are probably the most powerful evidence of intrinsic value because such experiences are tied to our belief that they have intrinsic value. My argument that pain has intrinsic disvalue is basically the following: We experience that pain is bad. We experience that pain is important. The disvalue of pain is irreducible. The disvalue of pain is real. If pain is bad in the sense of being important, irreducible, and real, then pain has intrinsic disvalue. Therefore, pain has intrinsic disvalue. I am not certain that the premises are true, but I currently find good reasons for accepting them. Therefore, we have reason for accepting the conclusion. The conclusion could be read saying, “We have reason to believe that pain has intrinsic disvalue.” If we accept that **pain has intrinsic disvalue**, then we will simultaneously accept moral realism.1 In order to examine the plausibility of my argument, I will examine each of the premises: We experience that pain is bad. We know pain is bad **because of our experience** of it. If someone described their pain as extremely wonderful, we would doubt they are feeling pain. Either the person is lying or doesn’t know what the word “pain” means. When a child decides not to touch fire because it causes pain, we understand the justification. **It would be strange to ask** the child, “So what? **What’s wrong with pain**?” We experience that pain is important. If pain is important in the relevant sense, then it can provide us reason to do something without merely helping us fulfill our desires. In other words, we must accept the following: The badness of pain isn’t just an instrumental value. The badness of **pain is a final end**. Pain’s badness isn’t an instrumental value – Pain’s disvalue is not an instrumental disvalue because pain can be quite useful to us. **Pain** can tell us when we are unhealthy or injured. We evolved pain because **i**t’**s** **essential** **to** our **survival**. Pain’s bad for a different kind of reason. Pain’s disvalue is found in our negative experience, and this is why pain is a candidate for having an intrinsic disvalue. Whenever someone claims that something has intrinsic value, we need to make sure that it’s not just good because it’s instrumentally valuable. If it’s merely useful at bringing about something else, then it’s not good in and of itself (as intrinsic values are). Pain is perhaps the perfect example of something that is useful but bad. If usefulness was the only kind of value, then pain would actually be good because it helps us in many ways. Pain’s badness isn’t just our dislike of pain – We dislike **pain** because it **feels bad**.2 If pain didn’t feel bad, then we wouldn’t have such a strong desire to avoid intense pain. Pain means “feels bad” and it **is manifested in various experiences**, such as touching fire. **We have to know the meaning of “bad”** in order to understand pain at all. **We attain an understanding of “bad” just by feeling pain**. If pain was only bad because we dislike it, then we couldn’t say that “pain really matters.” Instead, the badness of pain would just be a matter of taste. However, we don’t just say pain is bad because we dislike it. We also say pain is bad because of how it feels. Avoiding **pain is a final end** – A final end is a goal people recognize as being **worthy of being sought after for its own sake**. Money is not a final end **because** it is only valuable when used to do something else. Pleasure and pain-avoidance are final ends because they are taken t be worthy of being avoided for their own sake. We know that avoiding pain makes sense even when **it doesn’t lead to anything else** of value, so avoiding pain is a final end.3 If I want to take an aspirin, someone could ask, “Why did you do that?” I could answer, “I have a headache.” This should be the end of the story. We understand that avoiding pain makes sense. It would be absurd for someone to continue to question me and say, “What difference does having a headache make? That’s not a good reason to take an aspirin!”4 Both realists and anti-realists can agree that pain is bad, and they can both agree that pain is a final end. Our desire to avoid pain is non-instrumental and such a desire is experienced as justified. (However, the ant-realist might argue that it is only taken to be justified because of human psychology.) If pain is a final end, then we understand (a) that pain is important and (b) it makes sense to say that we ought to avoid pain. **Pain’s disvalue is irreducible**. **If the badness of pain was reducible to nonmoral properties, then we should be able to describe what** “bad” means **through a non-moral description**. **However**, **we** currently **have no** way of understanding pain’s badness as being something else. We can’t describe pain’s badness in non-moral terms. If someone needs to know what ” bad” means, they need to experience something bad. To say that some moral states are irreducible is just like saying that some mental states are irreducible. Pain itself can’t be described through a non-mental description. If we told people the mental states involved with pain, they would still not know what pain is because they need to know what it feels like. Someone could argue that **“bad” means the same thing as** something like **“pain,”** and then we would find out that the badness of pain could be reduced to something else. However, pain and the badness of pain are conceptually separable. For example, I could find out that something else is bad other than pain. They could then reply that “bad” means the same thing as a disjunction of various other bad things, such as “pain or malicious intent.” But people who disagree about what constitutes what is “bad” aren’t just arguing about the meaning of the word “bad.” They are arguing about what has the property “bad.”5 Additionally, the word “bad” would no longer have any importance. If “bad” just means “pain or malicious intent,” then why care about it? Why ought I refrain from causing pain or having a malicious intent? It could be that we can find out that “bad” and “pain” are identical, but then “bad” might not be entirely reducible to “pain” (or a disjunction of bad things). We might still think that there are two legitimate descriptions at work. The “pain” description and the “bad” description. (Some people think water is H2O through an identity relation similar to this.) This sort of irreducible identity relation require us to deny that pain is “important.” (If the identity theory did require us to deny that pain is “important,” then we would have a good reason to reject such an identity theory.) I have given reason to think the word “bad” is irreducible, but I haven’t proven it. If someone could prove that pain isn’t important, and we can reduce pain to something else, then I will be proven wrong. I just don’t see any reason to agree with that position at this time. I discuss the badness of pain as irreducible in more detail in my essays “Objection to Moral Realism Part 1: Is/Ought Gap” and “Objections to Moral Realism Part 3: Argument from Queerness.” The badness of pain is real. **If the badness of pain is real**, **then everyone’s pain is bad**. Pain isn’t bad just for me, but not for you. It states that **we don’t** all merely **share a subjective preference** in avoiding pain, **but** that pain’s badness is something worthy of being avoided and helping others avoid it. Why does it seem reasonable to believe pain’s badness to be real? There are at least four reasons. One, I experience that **my pain hurts and I know that other people do as well**. Two, it’s not just people’s subjective preferences in question. People hate pain because of how it feels. Three, people’s pain exists (and if pain exists, then the badness of the pain exists). Four, I see no reason to deny that the badness of other people’s pain exists. I will discuss this final consideration in more detail when I discuss anti-realist objections. We have no good reason to deny that pain is bad. We experience that pain is bad for ourselves, and other people experience that pain is bad for themselves as well. **Even though pain is subjective,** there is nothing delusional about our belief that pain is bad. **It’s not just a** personal **like or a dislike**. We don’t just agree to treat other people’s pain as important as part of a social contract. The belief that the badness of pain is real and “pain is bad no matter who experiences it” will be rejected by anti-realists. If I gave food to the hungry, it would be absurd to question why I did it. Imagine someone who disagrees with my action and says, “Other people’s pain is irrelevant. You should only try to avoid pain for yourself, so feeding the hungry is stupid.” This person’s position is counterintuitive to the point of absurdity. We have all accepted that other people’s pain matters. It makes sense to feed the hungry, it makes sense to give to charity, and it makes sense to give someone an aspirin who has a headache. We don’t have to benefit from helping other people. To deny that “pain is bad no matter who experiences it” isn’t a position that many people can find acceptable. (I suppose some sociopaths might find it acceptable.) If pain is bad, important, irreducible, and real, then pain has intrinsic disvalue. I want to suggest this premise to be justified in virtue of the very meaning of intrinsic value. If pain is bad, important (worthy of being desired), irreducible, and real; then I think we have already established that pain has intrinsic disvalue by definition. We have established **moral facts** that could **give us what we ought to do**, such as, “We ought to avoid pain.” Such an ought judgment is not merely based on my personal belief or desire; it’s based on the fact that pain is important no matter who experiences it. Conclusion: Pain has intrinsic disvalue If my premises are true, then the conclusion follows. I have given reason for accepting the premises, so we have some reason for accepting the conclusion, and the conclusion entails the truth of moral realism. I will take all of my premises to be sufficiently justified, but I will consider why someone might decide that the badness of pain “isn’t real.” An anti-realist could attempt to deny that “pain is bad no matter who experiences it.” The strongest evidence that badness is real is the fact that denying it seems to require unjustified philosophical commitments. I will attempt to show that the alternatives are less justified in the next section.

#### Moral uncertainty means we default to preventing extinction.

Bostrom 11 --¶ (2011) Nick Bostrom, Future of Humanity Institute, Oxford Martin School & Faculty of Philosophy

These reflections on moral uncertainty suggest an alternative, complementary way of looking at existential risk. Let me elaborate. Our present understanding of axiology might well be confused. We may not now know—at least not in concrete detail—what outcomes would count as a big win for humanity; we might not [or] even yet be able to imagine the best ends of our journey. If we are indeed profoundly uncertain about our ultimate aims, then we should recognize that there is a great option value in preserving**—**and ideally improving—our ability to recognize value and to steer the future accordingly. Ensuring that there will be a future version of humanity with great powers and a propensity to use them wisely is plausibly the best way available to us to increase the probability that the future will contain a lot of value. To do this, we must prevent any existential catastrophe.

#### Outweighs:

#### A. There’s always some value to life in a world where everyon is still alive. Even people marginalized can find ways

#### B. Reversibility- extinction prevents access to pleasure

Thus, the standard is maximizing foreseen expected pleasure

### AT: Giroux

#### 1. Multiple alt causes to your systemic impacts that aren’t based in neolib- authoritarianism by the government, racism, permanent culture, widening inequality and debates citizenshiop which your card cites

#### 2. card is literally all rhetoric and lack clear empirical backing for why neolib has caused these impacts at their roots

### Top Level

Framing issue: Cross ex was explicit that the aff solves very well through each of it’s internal links- that means that they solve neolib at the top level,

#### The world is rapidly improving by every measure. Cap is the root cause.

**Heath 13**

Heath 13 [Allister Heath. “The world has never had it so good - thanks partly to capitalism.” The Guardian. 29 Oct 2013] AJ

But humanity as a whole is doing better than it ever has: the world is becoming more prosperous, cleaner, increasingly peaceful and healthier. We are living longer, better lives. Virtually all of our existing problems are less bad than at any previous time in history. In How Much Have Global Problems Cost the World, Danish political scientist Bjorn Lomborg documents how on almost all important metrics, the human condition is improving at a dramatic rate; his thesis is backed up by oodles of other data and research. Take war, the worst possible affliction that can befall a society. It is often wrongly argued that armed conflicts are the handmaiden of capitalism; in reality, they are the worst thing that can happen to a liberal economy, destroying lives, families and capital and triggering state control, militarism and deglobalisation. Tragically, there are still far too many conflicts costing far too many lives but overall we live in extraordinarily peaceful times by historical standards. Genghis Khan’s mad conquests in **the** 13th century killed 11pc of the global population at the time, making it the worst conflict the world has ever had the misfortune of enduring; the Second World War, which cost more lives than any other, was the sixth worst on that measure, killing 2.6pc of the world’s population. There has been immense progress since then, especially following the end of the Cold War. The Peace Research Institute Oslo calculates that there were fewer battle deaths (including of civilians) in the first decade of the 21st century than at any time since the Second World War. Uppsala University’s Conflict Data Program found 32 active armed conflicts in 2012, a reduction of five compared with the previous year. The bad news is that the number of deaths shot up again last year as a result of the horrendously bloody Syrian conflict. But that outbreak of barbarism shouldn’t detract from the otherwise e dramatically improving trend, which is perhaps the single most important fact about the world today. Instead of fighting, we now trade, communicate, travel and invest; while there is still a long way to go in tearing down protectionist barriers, international economic integration is the great driving force of progress. We are also far less likely to die from the side-effects of economic development and the burning of cooking and heating fuels. In 1900, one person in 550 globally would die from air pollution every year, an annual risk of dying of 0.18pc. Today, that risk has fallen to 0.04 pc, or one in 2,500; by 2050, it is expected to have collapsed to 0.02pc, or one in 5,000. Many other kinds of pollution are also in decline, of course, but this shift is the most powerful. In fact, we are living healthier and longer lives all round, thanks primarily to the remarkable progress made by medicine. Average life expectancy at birth in Africa has jumped from 50 years in 2000 to 56 in 2011; for the world as a whole, it has increased from 64 to 70, according to the World Health Organisation. While people in rich countries can now expect to reach 80, the gap is narrowing and emerging economies are catching up; in India, for example, life expectancy has been increasing by 4.5 years per decade since the 1960s. Medical advances have improved life measurably for any given stage of economic development. Childhood mortality in Sub-Saharan Africa remains far too high, but in 2008 it had fallen to just a third of that in Liverpool in 1870, even though real per capita incomes in that part of the world remain just over half that of Liverpudlians in the 19th century. The probability of a newborn dying before their fifth birthday has dropped from a world average of 23pc in the 1950s to 6pc in the current decade. That’s still nothing to be happy about, of course, but the progress has been remarkable. Child mortality is set to fall from 7.7pc in 2000 to 3.1pc in 2050. One reason is better nutrition. The best proxy for that is height: Latin Americans have been growing taller for years, and since the late 20th century so have young people in Asia, with increased prosperity allowing parents to feed their children more and better food. Better sanitation is also helping: deaths caused by a lack of access to clean water have tumbled from 1.5 per 1,000 people in developing countries in 1950 to 0.4 today and are due to halve again by 2050. Education is another area which has seen huge improvement globally. The UK is a scandalous outlier here, with a recent OECD analysis showing that we are the only rich country in which 55 to 65-year-olds are more proficient in literacy and numeracy than 16 to 24-year-olds, a catastrophic regression. But our educational suicide is unique, and emerging markets have seen revolutionary improvements in recent decades, enhancing educational opportunities for hundreds of millions of young people. Progress has been especially strong from around 1970. While 23.6pc of the world’s population remains illiterate, that is down from 70pc in 1900 and is the lowest it has ever been. The costs of illiteracy have fallen steadily from 12.3pc of global GDP at the start of last century and are set to be just 3.8pc by 2050. Gender equality is also improving. In 1900, women made up only 15pc of the global workforce. By 2012, it reached around 40pc and is expected to hit 45pc by mid-century. Even climate change may have had a much more balanced effect than is usually understood. One of the contributors to Lomborg’s book, Richard Tol, estimates that global warming has so far been beneficial, on balance, to the world – some countries have lost out, but more have gained – but will turn into a net negative later this century, when costs will increasingly outweigh benefits. Tol’s analysis includes agriculture and forestry, sea levels, energy consumption, health and much else besides. This area is contentious and hard to measure. Predictions are exceptionally difficult; as Lomborg himself has argued elsewhere, so far global warming has been below what almost all models had been predicting. We shall see. The only important metric that is unambiguously deteriorating is biodiversity, which declined by 21pc in the 20th century and is continuing to fall. On balance, however, the world is easily in the best place it’s ever been, despite the financial crisis and the threat of terrorism. Thanks to capitalism, globalisation, technology and a reduced tolerance for violence, humanity has never had it so good.

#### Empirics outweigh everything – they take into account every factor, which predictive evidence can’t. Also post-dates their impact evidence and proves the trend is reversing

#### Cap and neolib solves war, and creates the least poverty; material resources before anything else.

**Gregory 11** [Anthony Gregory. “Why Capitalism Is Worth Defending.” MISES DAILY (Austrian Economics Newspaper). August 2, 2011] AJ

It is simply a fact that capitalism, even hampered by the state, has dragged most of the world out of the pitiful poverty that characterized all of human existence for millennia. It was industrialization that saved the common worker from the constant tedium of primitive agriculture. It was the commodification of labor that doomed slavery, serfdom, and feudalism. Capitalism is the liberator of women and the benefactor of all children who enjoy time for study and play rather than endure uninterrupted toil on the farm. Capitalism is the great mediator between tribes and nations, which first put aside their weapons and hatreds in the prospect of benefiting from mutual exchange. "We stand in defense of the greatest engine of material prosperity in human history, the fount of civilization, peace, and modernity: capitalism." A century ago, the Marxists acknowledged the productivity of capitalism and its preference to the feudalism it replaced, but predicted that the market would impoverish workers and lead to greater material scarcity. The opposite has happened and now the leftists attack capitalism mostly for other reasons: it produces too much and is wasteful, hurts the environment, exacerbates social divisions, isolates people from a spiritual awareness of their community, nation, or planet, and so on. But all the higher, more noble, less materialistic aspirations of humankind rest on material security. Even those who hate the market, whether they work in it or not, thrive on the wealth it generates. If Marx's buddy Engels hadn't been a factory manager, he would have lacked the leisure time needed to help concoct their destructive philosophy. Every social-science grad student; every Hollywood limousine liberal; every Christian Left do-gooder; everyone for whom socialism itself is the one religion; and every antimarket artist, scholar, philosopher, teacher, and theologian screams atop a soapbox produced by the very capitalist system he disparages. Everything we do in our lives — whether materialistic or of a nobler nature — we do in the comfort provided by the market. Meanwhile, the very poorest in a modern capitalist system, even one as corrupted by statism as the United States, have it much better than all but the wealthiest people a century ago. These blessings are owed to capitalism, and unleashing it further would finally erase poverty as we know it.

### Economy

**The aff’s belief in government intervention enriches the politically connected at the expense of workers—it also creates a permanent underclass by breeding government dependency**

**Ebeling 14**

Dr. Richard Ebeling (BB&T Distinguished Professor of Ethics and Free Enterprise Leadership at The Citadel in Charleston, South Carolina). “Thomas Piketty’s Inequality Trap Distracts From The Real Issue Of Freedom.” May 5th, 2014. <http://blogs.northwood.edu/indefenseofcapitalism/2014/05/05/thomas-pekittys-inequality-trap-distracts-from-the-real-issue-of-freedom-by-richard-m-ebeling/>

The Plunder Land of Modern Democratic Politics In our own times, those who want “to be enriched and advanced at the expense of those who labor” are, of course, the welfare statists, the economic interventionists, and the proponents and supporters of every other form of collectivism. They are the crony-capitalists who use their influence with political power to obtain subsidies, regulations limiting competition, and bailouts and profit-guarantees at the expense of the taxpayers, their potential rivals who are locked out of markets, and the consumers who end up paying more and having fewer choices than if the market was free and competitive. They are the swarm of locust-like lobbyists who lucratively exist for only one purpose: to gain for the special interest clients who handsomely pay them large portions of the wealth and income of those taxpayers and producers whose peaceful and productive efforts are the only source of the privileges and favors the plunderers wish to obtain. They are the political class of career politicians and entrenched bureaucrats who have incomes, wealth and positions simply due to their control of the levers of government power; power they gives them control over the success or failure, the life and death of every honest, hardworking and peaceful and productive worker, businessman, and citizen, and who are squeezed to feed the financial trough at which the political plunders gorge themselves. Regulated markets help preserve the wealth of the politically connected and hinders the opportunities of the potentially productive and innovative from rising up and out of a lower income or even poverty. Wealth and position may not be completely frozen, but it is rigidified to the extent to which it is politically secured and protected from open competition. Welfare dependency locks people into a social status of living off what the government redistributes to them from the income and wealth of others, and makes escape from this modern-day pauperism difficult and costly. **An underclass of intergenerational poverty is created, that reduces upward mobility and makes improvement difficult** for those caught in this trap; **at the same time it serves the interests of those in political power who justify their position and role as the needed caretakers of those whose dependency they live off.**

#### Neoliberal de-regulation of the economy is key to wealth creation—that’s key to growth—reject the aff’s conflation of neolib and the worst right-wing policies

**Sumner 10**

--MTRs=marginal tax rates

Scott Sumner (professor of economics at Bentley University in Waltham, Massachusetts. He earned his Ph.D. in economics at the University of Chicago in 1985). “The Unacknowledged Success of Neoliberalism.” Library of Economics and Liberty. July 5th, 2010. http://www.econlib.org/library/Columns/y2010/Sumnerneoliberalism.html

The neoliberal policy revolution that began in the late 1970s might be the most important recent event in world history. But it remains a curiously elusive and underreported phenomenon. Many on the left question the motives behind the reforms, as well as their efficacy, while some on the right talk as if the neoliberal revolution never happened. Yet, the neoliberal revolution has been widespread and highly successful. And the motives of neoliberal reforms are much purer than one would imagine after reading left-wing criticisms of free-market reforms. First, to understand what neoliberalism it, we need to start with the term "liberal." The best way to make sense of liberalism, in all its permutations, is to assume that liberals are people with constantly evolving policy views but relatively stable utilitarian values. In the late 18th and early 19th centuries, idealistic utilitarian reformers, aka "classical liberals," believed that free-market capitalism was the best way to improve human welfare. Views shifted over the course of the 19th century, as capitalism was increasingly associated, whether accurately or not, with overly-powerful corporations and increasing inequality. After the Great Depression, many liberals saw laissez-faire not just as unfair, but also as dysfunctional. In the United States, self-described "liberals" moved toward somewhat more socialist policy views. Modern liberalism (or social democracy outside the United States) reached its peak between the 1930s and 1970s. The policy mix included a great deal of statism (barriers to trade, price controls, high marginal tax rates (MTRs) and government ownership of industry), as well as greatly increased government spending, especially in government transfer programs. Then, beginning in the late 1970s, there was a sudden and dramatic shift away from one aspect of socialism—statist policies were discarded and free markets came back into vogue. However, there was no significant reduction in government spending: In most countries, the government's share of GDP has been fairly stable in recent decades. The neoliberal revolution combines the free markets of classical liberalism with the income transfers of modern liberalism. Although this somewhat oversimplifies a complex reality, it broadly describes the policy changes that have transformed the world economy since 1975. Markets in almost every country are much freer than in 1980; the government owns a smaller share of industry; and the top MTRs on personal and corporate income are sharply lower. The United States, starting from a less-socialist position, has been affected less than some other countries. But even in the United States there have been neoliberal reforms in four major areas: deregulation of prices and market access, sharply lower MTRs on high-income people, freer trade, and welfare reform. Many other countries saw even greater neoliberal policy reforms, as once-numerous state-owned enterprises were mostly privatized. There is an unfortunate tendency to associate the term "neoliberal" with right-wing political views. In fact, the quite liberal social democracies of northern Europe have been among the most aggressive neoliberal reformers. Indeed, according to the Heritage Foundation's Index of Economic Freedom, Denmark is the freest economy in the world in the average of the eight categories unrelated to size of government.1 The Nordic countries2 have begun to privatize many activities that government still performs in the United States. These include passenger rail, airports, air-traffic control, highways, postal services, fire departments, water systems, and public schools, among many others. These countries do have much larger and more comprehensive income-transfer programs than the United States has, but are not otherwise particularly socialist. So why is the left so skeptical of the neoliberal revolution? And why does the right tend to overlook it, except for the obvious cases, such as the collapse of communism? Many on the left are skeptical about how much freer markets have actually achieved. Part of this skepticism reflects the slowdown in worldwide growth since 1973. Because almost all countries instituted at least some reforms, and yet growth slowed in most countries, there is a tendency to assume that the reforms failed. Others point to well-publicized fiascos in electricity and banking deregulation and assume that these represent the broader reality. On the right, many American economists focus on the failure of Reaganomics to reduce the size of government, as well as on increased regulation in areas such as health, safety, and the environment, while the so-called "economic regulations" were trimmed back. Paul Krugman, one of the most forceful advocates of the view that neoliberal reforms in the United States caused economic growth to slow, wrote: Basically, US postwar economic history falls into two parts: an era of high taxes on the rich and extensive regulation, during which living standards experienced extraordinary growth; and an era of low taxes on the rich and deregulation, during which living standards for most Americans rose fitfully at best.3 Because economic growth slowed almost everywhere after 1973, however, we need to look at relative economic performance in order to identify the effect of neoliberal policy reforms. The following data show per capita income in terms of purchasing power parity [PPP].4 All data are from the World Bank and are expressed as a ratio to U.S. per capita income: Country 1980 1994 2008 United States 1.000 1.000 1.000 Australia .841 .770 .837 Canada .905 .818 .843 Britain .688 .705 .765 France .780 .730 .713 Germany .803 .812 .763 Italy .756 .754 .675 Sweden .868 .777 .794 Switzerland 1.146 .987 .915 Asia Hong Kong .547 .845 .948 Japan .732 .815 .736 Singapore .577 .899 1.064 Latin America Argentina .395 .300 .309 Chile .210 .251 .311 Note that four countries gained significantly on the United States, two were roughly stable (Australia and Japan) and the rest regressed. The four that gained were Chile, Britain, Hong Kong and Singapore. Of course, many poor countries also gained on the United States, but that's to be expected. As we will see, the relative performance of each of these economies is consistent with the view that neoliberal policies promote economic growth. Britain: At the time Margaret Thatcher became Prime Minister in 1979, decades of statist policies had turned Britain into the sick man of Europe. The government owned the big manufacturing firms in industries such as autos and steel. The top individual MTRs on income were 83 percent on "earned income" and an eye-popping 98 percent on income from capital. Frequent labor strikes paralyzed transportation and led to garbage piling up in the streets of London. Much of the housing stock was government-owned. Britain had lagged other European economies for decades, growing far more slowly than most economies on the continent. Thatcher's reforms were among the most comprehensive in the world, and by the mid-1980s, Britain was growing faster than the other major European economies. By 2008, it had a higher per capita income than Germany, France, and Italy. United States: The United States was doing better than Britain in 1980, but not particularly well. We had also been growing much more slowly than Europe and Japan. Unlike Britain, we were still richer than most other developed countries, and so many people viewed this convergence as partly inevitable (the catch-up from World War II) and partly reflective of the superior economic model of the Germans and Japanese. It was widely expected that Japan and Germany would eventually surpass the United States in per capita GDP. Paul Samuelson claimed in 1973 that Soviet GDP might surpass U.S. GDP as soon as 1990.5 Obviously none of this happened, and by the 1990s, the United States was growing faster than most major European economies. Australia: A traditionally rich country whose commodity export model started to sputter in the 1970s, Australia began free-market reforms in the 1980s (under a left-wing government) and accelerated the reforms after the conservatives took power in 1996. After 1994, Australia's relative decline reversed. Japan: Japan is just the opposite of Australia. Its free-market export model did very well in the post-war years and didn't hit a wall until about 1990. After that, domestic growth sputtered as Japan's dysfunctional government refused to reform its statist domestic economy. Hong Kong and Singapore: These two countries top most surveys of "economic freedom" (which include size of government.) Both are in the process of becoming much richer than the United States. Some of that is due to their status as city-states. But even in larger developed economies, the population is mainly urban, and so Hong Kong's and Singapore's success is due to more than just demographics. Canada: Canada is similar to Australia, except that it was not as statist as Australia in the earlier period, and its reforms occurred in the 1990s, when Canada began shrinking the size of government as a share of GDP, after having, in 1988, adopted free trade with the United States. These reforms were successful, as its decline relative to the United States was reversed, and Canada started catching up after 1994. France and Germany: Both passed some reforms, but much less than Britain. They suffered a decline relative to both Britain and the United States. Note that the German data for the whole time period include the East, so their relative decline cannot be explained by the 1990 absorption of that less-productive region. Italy: Italy instituted a few reforms, but has a significantly more statist model than most of Western Europe. Italy fell far behind Britain. Sweden: Sweden had a bad recession in the early 1990s after having suffered decades of relative decline. It made major cuts in MTRs, privatized, and deregulated during the 1990s, and its relative performance improved after those reforms. Switzerland: Switzerland has always been regarded as one of the most capitalist countries in Western Europe, but has also been among the least aggressive countries in terms of neoliberal reforms. That pattern would predict high levels of GDP/person, but relative decline vis-à-vis the United States And that is exactly what has occurred. What about in the developing world? Even most progressives concede that India has benefited by moving away from the "License Raj," the term used to describe the morass of controls and regulations facing anyone who wanted to start or run a business. There's even less controversy about China's abandonment of Maoism after 1979. But there is controversy about the impact of neoliberalism in middle-income regions such as Latin America. Once again, here's Paul Krugman: Latin Americans are the most disillusioned. Through much of the 1990's, they bought into the "Washington consensus"—which we should note came from Clinton administration officials as well as from Wall Street economists and conservative think tanks—which said that privatization, deregulation and free trade would lead to economic takeoff. Instead, growth remained sluggish, inequality increased, and the region was struck by a series of economic crises.6 It's certainly true that neoliberal reforms have not worked miracles in Latin America. But a major part of the reason is that despite reforms such as trade liberalization, most economies in that region remain strikingly statist. Among Latin American nations, Chile has by far the best record of neoliberal reforms. It ranks tenth on the Heritage Index of Economic Freedom and is the only Latin American country, other than St. Lucia, to make the top 30. In contrast, Argentina ranks 135th. Chilean incomes were barely half those of Argentineans in 1980, but by 2008, Chile had actually become slightly richer. Argentina did some neoliberal reforms in the early 1990s and grew rapidly between 1991 and 1998. But Argentina slipped into a highly deflationary monetary policy in the late 1990s. The resulting depression led to a backlash against neoliberalism, and a more left-wing government moved Argentina back toward statism after 2002. One lesson of both Argentina after 1998 and the United States after 1929 is that even a fairly efficient free-market economy cannot easily adapt to deflationary monetary policies. Other critics of neoliberalism point to the discouraging economic situation in the former Soviet bloc. While the performance has been disappointing, the critics often overlook two important considerations. First, the entire Soviet bloc experienced a severe depression in the late 1980s and early 1990s, even before economic reforms had begun in most areas. (The reforms began in 1992 in Russia.) Second, economic growth tended to be higher in areas that reformed most rapidly and lowest in areas that remained unreformed. Estonia did better than Russia, which did better than the Ukraine. The one communist country that adopted no reforms (North Korea) saw an almost-complete collapse of its economy during the 1990s. The preceding examples suggest one aspect of the neoliberal revolution that is often overlooked. By the 1970s, growth was slowing sharply almost everywhere, which led Margaret Thatcher to proclaim: "There is no alternative." Britain did not grow significantly faster after the Thatcher reforms, but did overtake Western European countries that reformed their economies less aggressively. Interestingly, academics were often the last to understand what was going on. In 1981, 364 British economists signed a petition7 warning that Thatcher's polices would fail. But, by the 1990s, there was a sort of tacit understanding8 among policy-oriented economists that when countries get into trouble, market reforms are the only real option. Indeed, the term "economic reform" became almost synonymous with "market reforms." Although the dispute over neoliberalism is often characterized in left/right terms, that characterization is misleading. Neoliberal reforms occurred in nearly every country during the 1980s and 1990s, regardless of whether a left- or right-wing government was in office. A few years ago, I researched9 the relationship between cultural attitudes and neoliberal reforms among the developed countries. It turns out that, between 1980 and 2005, those countries with more idealistic or civic-minded cultures (as indicated by surveys on attitudes toward the common good and by indices of corruption10) tended to reform their economies much more rapidly than countries with less civic-minded attitudes.11 Interestingly, Denmark has by far the most civic-minded culture in the group of 32 developed countries, and, as noted above, ended up with the least statist economic system in the Heritage's 2008 rankings (excluding the two size-of-government categories). Greece has the least civic-minded attitudes and ended up with the most statist economy in 2008. Far from being a right-wing plot to enrich corporations, the neoliberal revolution was liberal in the truest sense of the term: a rational response by idealistic policymakers to the increasingly obvious failure of statist economic models in the 1970s and 1980s. So far, I have focused on the move away from statism and haven't addressed the long-term viability of the welfare state. Here, the evidence is mixed. It is true that governments in rich countries tend to spend a higher share of GDP than governments of poorer countries. On the one hand, fans of the welfare state point to the relatively high living standards in places like Sweden and Denmark, which have extensive income transfers and low income inequality. On the other hand, both of those countries have been aggressive neoliberal reformers, and so part of their success is despite their high tax burdens. Figure 1. Economic Freedom Figure 1. Economic FreedomZOOM There is some evidence that the high-tax European model may eventually lose out to the low-tax/high-saving economy, the kind one observes in Singapore. The graph in Figure 1 shows the relationship between per capita GDP and the Heritage Index of Economic Freedom, including size of government. I included all sizable countries with GDPs exceeding $23,000/person (PPP), except for a few small Middle Eastern oil producers and Luxembourg (which was literally off the charts). There are two obvious outliers. Norway, the highest-income country, is much richer than other countries with similar levels of economic freedom, and New Zealand, at 80 on the economic freedom scale and only $27,260 in per capita income (US PPP dollars), is somewhat poorer than expected. Norway's position is almost certainly attributable to its vast oil wealth. Perhaps New Zealand's disappointing performance is due to its remote location and its comparative advantage in agriculture holding it back in an increasingly globalized economy in which many governments subsidize farming. But other than those two exceptions, there is a close relationship between economic freedom and income per capita. Although developed countries tend to have large governments, the very richest have smaller governments than the next tier. The lowest tier consists of relatively statist economies such as Greece. And the wealth gaps are set to widen over time. Countries with relatively small government sectors, such as the United States, Australia and Canada, are expected12 to modestly outgrow Western Europe and Japan over the next few years, even in per-capita terms. And extremely low-tax Singapore and Hong Kong are likely to dramatically outperform Western Europe and Japan. Singapore is able to combine universal health care with extremely low taxes and large budget surpluses. The government does this by requiring workers to self-insure for retirement, unemployment and non-catastrophic medical expenses. This economic model provides much greater incentives for wealth creation and may explain why Singapore leads the world in millionaires per capita (roughly 11 percent of the population and rising fast13). As Europe struggles with its enormous public-debt challenges, this sort of small government/high-saving model will look increasingly attractive.

#### “Globalization screws the poor” is academic garbage – objective data, and a diversity of studies prove trade and global expansion reduce structural violence and improve living conditions on a massive scale

Iacono, Foundation of Economic Education, ’15 (Corey; 7/2/15; Writer for the Foundation of Economic Education, studies pharmaceutical science and economics; Foundation of Economic Education, “In Praise of Capitalist Globalization," <http://fee.org/anythingpeaceful/in-praise-of-capitalist-globalization/)>

Beginning in the early 1990s, global capitalism has lapsed into “its most savage form,” according to progressive populist (and new papal advisor) Naomi Klein. Indeed, the expansion of capitalism and freer international trade has coincided with an era of slow economic growth, high unemployment, increased child labor, skyrocketing inequality, and grinding poverty. Just kidding, that’s not what happened at all. In fact, as the world has become more capitalist and more globalized, the quality of life for the average person, and especially for the average poor person, has increased substantially. New research from the Peterson Institute for International Economics finds that global median income doubled between 2003 and 2013. Over the same period, global income inequality declined. Renowned economist Xavier Sala-i-Martin finds that absolute poverty rates have fallen around 80% and “measures of global welfare [have] increased by somewhere between 128% and 145%” since 1970. The source of this progress isn’t a massive wealth redistribution program; it’s massive wealth creation — that is, economic growth. Economists David Dollar and Aart Kraay found that, in a global sample of over 100 countries, changes in the income growth of the bottom 40% of the world’s income earners are highly correlated with economic growth rates. On the other hand, changes in inequality have contributed relatively little to changes in social welfare of the poor. Seminal research produced by Roman Wacziarg and Karen Horn Welch suggests that freer trade is an important determinant of economic prosperity, which is an important determinant of poverty reduction. Using quantitative analysis and a thorough review of country-specific case studies of free trade reforms, Wacziarg and Welch found that after countries reformed their trade policies in favor of freer trade, average investment and economic growth surged quite dramatically. Indeed, “countries that liberalized their trade regimes experienced average annual growth rates that were about 1.5 percentage points higher than before liberalization.” While protectionists argue that policies restricting trade are necessary to reduce poverty by protecting domestic industries, empirical evidence favoring this assertion is scarce. A 2004 review of the evidence on trade liberalization (reform towards freer trade) by Alan Winters found that: In the long run and on average, trade liberalization is likely to be strongly poverty alleviating, and there is no convincing evidence that it will generally increase overall poverty or vulnerability. In 2014, a decade later, Winters published another review to see if new evidence had changed that conclusion. The finding? “The conclusion that liberalization generally boosts income and thus reduces poverty has not changed.” Consider a study on trade liberalization in Indonesia, which found that liberalization in the form of reductions of import tariffs led to an increase in disposable income among poor households, which allowed them to pull their children out of the labor force, ultimately leading to “a strong decline” in the incidence of child labor. But free trade is only one aspect of economic freedom. Research using measures of how free an economy is in general has similarly shown that countries with more economic freedom enjoy lower poverty rates and that increases in economic freedom are associated with decreases in poverty rates (and vice versa). Foreign investment is also more desirable than opponents of markets and globalization give it credit for. The conventional wisdom in wealthy countries is that multinational corporations exploit poor workers in developing countries for cheap labor, profiting off people working in sweatshop conditions. However, a review of the evidence published by the National Bureau of Economic Research disputes this idea. According to authors Brown, Deardorff, and Stern: There is virtually no careful and systematic evidence demonstrating that, as a generality, multinational firms adversely affect their workers, provide incentives to worsen working conditions, pay lower wages than in alternative employment, or repress worker rights. In fact, there is a very large body of empirical evidence indicating that the opposite is the case. Foreign ownership raises wages both by raising labor productivity and by expanding the scale of production and, in the process, improves the conditions of work. Opponents of globalization, like Klein, often try to shame consumers for purchasing apparel that was made in third world countries. Buying these clothes will just further perpetuate the exploitation of the poor in these countries, we are told. However, in poor countries like Bangladesh, China, and Vietnam, the apparel industry consistently pays more than most other industries. According to research by economist Ben Powell, in poor countries “most sweatshop jobs provide an above average standard of living for their workers.” In light of this, it would hardly seem wise (or compassionate) to protest these jobs or boycott their products. It’s also worth noting that foreign competition is another way that people in developing countries can be made better off, by, for instance, inducing lower prices in important consumer goods and expanding consumer’s choices. A recent paper by a team of economists from several universities found that in Mexico “foreign retail entry [into domestic markets] cause large and significant welfare gains for the average household.” Anti-capitalists must also ask themselves: If these nightmarish depictions of free markets and globalization were true, why is capitalism so popular? A recent Pew Research poll of 44 countries revealed that a global median of 66% of respondents say most people are better off under capitalism, even if some people are rich and some are poor. Studies also show that there is an empirical regularity that democracies are more likely to engage in free market reforms than non-democracies. In recent work, Harvard and MIT economists found that one of the ways democracy indirectly stimulates economic growth is by increasing the likelihood of pro-market economic reforms. Moreover, another Pew Research poll found that in 41 of the 46 countries surveyed, majorities or pluralities said they believed foreign companies are having a positive effect on their country. In fact, people in poorer nations are more likely to say that foreign investment is good than people in richer nations. While wealthy progressives depict free markets, trade, and foreign investment as inherently exploitative, the world’s poorest people see them as opportunities for a better future. In this era of “savage capitalism,” the world has seen unprecedented declines in poverty and increases in global welfare, especially in the countries that have embraced free markets and free trade.

#### The “economy” isn’t a monolith but rather an interlocking web of markets—deregulation is the best way to promote growth and social mobility.

**Wilkinson 16** [Will Wilkinson is the vice president for policy at the Niskanen Center, Bernie Sanders is right the economy is rigged. He’s dead wrong about why., Vox, 7-15-2016, Accessible Online at <http://www.vox.com/policy-and-politics/2016/7/15/12200990/bernie-sanders-economy-rigged>] 7-17-2016

The first step on the path to wisdom is to give up on the idea that there’s any such thing as the economy, exactly. What we have instead is a dizzying array of interlocking markets that function (or don’t) to meet consumer demand for specific goods and services, and a vast body of law that defines these markets and regulates their operation. The economy is the sum of this incomprehensibly complex ecosystem of human exchange, and is far too variegated and decentralized to "rig" all at once. So it gets rigged little by little, one market and one jurisdiction at a time. The story of how the economy gets rigged is therefore a bunch of homely little stories of people with nice watches screwing over people with less-nice watches. But it’s not class war. It’s not the mega rich against the rest of us. It’s insiders seeking and then protecting special privileges that give them a leg up. Dentists rig the system against dental hygienists by working to make it illegal for hygienists to clean teeth without totally unnecessary supervision by dentists. Taxi medallion oligopolists rig the system against regular folks with cars who would like turn a buck giving people rides. Beauty school cosmetologists rig the system against hair braiders and sidewalk hair-clipper artistes. "Massage therapists" rig the system against anybody with strong hands who might want to give back rubs for cash. About 30 percent of all jobs in the United States today require some sort of occupational license, up from 5 percent in the early 1950s. This rather dramatic shift is evidence that the economy has indeed become increasingly rigged — which is really just another word for "regulated." But the rigging of the economy is not just the story of occupational licensing. It’s also the story of big-city gentrifiers who block construction projects that would reduce the cost of housing by expanding its supply, which has the effect of rigging the economy against workers who can no longer afford to live where the best jobs are. It’s the story of petty restrictions on the freedom to buy and sell — to commit "capitalist acts between consenting adults," as the philosopher Robert Nozick once put it — which deny dignity and safety to those who work on the margins of the economy. Think of Eric Garner selling untaxed cigarettes on a street corner. Small regulations create an entangling web Many of these economic regulations seem trivial in isolation. So what if you can't just decide to give back rubs for money? But when you add up all the things you can't do for money without meeting costly, unjustifiable requirements, you get a dense web of restriction that acts as a suffocating structural barrier to economic opportunity, mobility, and equality.

#### Economic collapse causes competition for resources and instability that escalates and goes nuclear

Harris and Burrows 9 Mathew, PhD European History @ Cambridge, counselor in the National Intelligence Council (NIC) and Jennifer is a member of the NIC’s Long Range Analysis Unit “Revisiting the Future: Geopolitical Effects of the Financial Crisis” <http://www.ciaonet.org/journals/twq/v32i2/f_0016178_13952.pdf> Increased Potential for Global Conflict

Of course, the report encompasses more than economics and indeed believes the future is likely to be the result of a number of intersecting and interlocking forces. With so many possible permutations of outcomes, each with ample Revisiting the Future opportunity for unintended consequences, there is a growing sense of insecurity. Even so, history may be more instructive than ever. While we continue to believe that the Great Depression is not likely to be repeated, the lessons to be drawn from that period include the harmful effects on fledgling democracies and multiethnic societies (think Central Europe in 1920s and 1930s) and on the sustainability of multilateral institutions (think League of Nations in the same period). There is no reason to think that this would not be true in the twenty-first as much as in the twentieth century. For that reason, the ways in which the potential for greater conflict could grow would seem to be even more apt in a constantly volatile economic environment as they would be if change would be steadier. In surveying those risks, the report stressed the likelihood that terrorism and nonproliferation will remain priorities even as resource issues move up on the international agenda. Terrorism’s appeal will decline if economic growth continues in the Middle East and youth unemployment is reduced. For those terrorist groups that remain active in 2025, however, the diffusion of technologies and scientific knowledge will place some of the world’s most dangerous capabilities within their reach. Terrorist groups in 2025 will likely be a combination of descendants of long established groups\_inheriting organizational structures, command and control processes, and training procedures necessary to conduct sophisticated attacks\_and newly emergent collections of the angry and disenfranchised that become self-radicalized, particularly in the absence of economic outlets that would become narrower in an economic downturn. The most dangerous casualty of any economically-induced drawdown of U.S. military presence would almost certainly be the Middle East. Although Iran’s acquisition of nuclear weapons is not inevitable, worries about a nuclear-armed Iran could lead states in the region to develop new security arrangements with external powers, acquire additional weapons, and consider pursuing their own nuclear ambitions**.** It is not clear that the type of stable deterrent relationship that existed between the great powers for most of the Cold War would emerge naturally in the Middle East with a nuclear Iran. Episodes of low intensity conflict and terrorism taking place under a nuclear umbrella could lead to an unintended escalation and broader conflict if clear red lines between those states involved are not well established. The close proximity of potential nuclear rivals combined with underdeveloped surveillance capabilities and mobile dual-capable Iranian missile systems also will produce inherent difficulties in achieving reliable indications and warning of an impending nuclear attack. The lack of strategic depth in neighboring states like Israel, short warning and missile flight times, and uncertainty of Iranian intentions may place more focus on preemption rather than defense, potentially leading to escalating crises. 36 Types of conflict that the world continues to experience, such as over resources, could reemerge, particularly if protectionism grows and there is a resort to neo-mercantilist practices. Perceptions of renewed energy scarcity will drive countries to take actions to assure their future access to energy supplies. In the worst case, this could result in interstate conflicts if government leaders deem assured access to energy resources, for example, to be essential for maintaining domestic stability and the survival of their regime. Even actions short of war, however, will have important geopolitical implications. Maritime security concerns are providing a rationale for naval buildups and modernization efforts, such as China’s and India’s development of blue water naval capabilities. If the fiscal stimulus focus for these countries indeed turns inward, one of the most obvious funding targets may be military. Buildup of regional naval capabilities could lead to increased tensions, rivalries, and counterbalancing moves, but it also will create opportunities for multinational cooperation in protecting critical sea lanes. With water also becoming scarcer in Asia and the Middle East, cooperation to manage changing water resources is likely to be increasingly difficult both within and between states in a more dog-eat-dog world.

#### Economic decline risks a breakdown of international institutions—that causes war

**Kreitner 11** [Ricky Kreitner (intern at Business Insider). “Serious People Are Starting To Realize That We May Be Looking At World War III.” Business Insider. August 8th, 2011. <http://www.businessinsider.com/serious-people-are-starting-to-realize-that-we-may-be-looking-at-world-war-iii-2011-8>]

Noting liberal despair over the government's inability to combat economic depression, and conservative skepticism that traditional tools will be effective, John Judis of The New Republic argues that a global depression far longer and more severe than anyone expected now seems nearly impossible to avoid. Judis believes that the coming "depression" will be accompanied by **geopolitical upheaval and institutional collapse**. "As the experience of the 1930s testified, a prolonged global downturn can have profound political and **geopolitical repercussions**. In the U.S. and Europe, the downturn has already inspired unsavory, right-wing populist movements. It could also bring about **trade wars** and intense **competition over natural resources**, and the eventual breakdown of important institutions like European Union and the World Trade Organization. **Even a shooting war is possible**." Daniel Knowles of the Telegraph has noticed a similar trend. In a post titled, "This Really Is Beginning To Look Like 1931," Knowles argues that we could be witnessing the transition from recession to global depression that last occurred two years after the 1929 market collapse, and eight years before Germany invaded Poland, triggering the Second World War: "The difference today is that so far, the chain reaction of a default has been avoided by bailouts. Countries are not closing down their borders or arming their soldiers – they can agree on some solution, if not a good solution. But the fundamental problem – the spiral downwards caused by confidence crises and ever rising interest rates – is exactly the same now as it was in 1931. And as Italy and Spain come under attack, we are reaching the limit of how much that sticking plaster can heal. Tensions between European countries unseen in decades are emerging." Knowles wrote that post three days ago. Since then it has become abundantly obvious that Europe will soon become unwilling or unable to continue bailing out every country with a debt problem. Meanwhile, the U.S. economy continues to chug along, to the extent it is chugging at all, on the false security offered

### War

#### Warless now because of cap. Cap key to peace – prefer 40 years of empiricsl.

Mousseau 2009 [Michael, associate professor of International Relations at Koc University in Istanbul, “The Social Market Roots of Democratic Peace,” International Security Vol 33 No 4, Spring, Muse]

One of the most important achievements in the study of international security has been the arrival and broad acceptance of the “democratic peace,” that is, the statistically significant absence of war between democracies. This discovery has produced a broader acceptance of domestic factors in the study of international conflict. It has also influenced public policy: since the early 1990s, U.S. policymakers have widely embraced democracy as a cause of peace. The extent to which scholars and practitioners can be convinced that democracy causes peace, however, depends on how confident they are in explaining it. Numerous studies have identified democracy as a cause of democratic peace, but none have yielded much meaningful, clear-cut, and nontrivial predictive power—achievements that lie at the heart of scientifically identifying causality. On the contrary, it appears increasingly likely that existing explanations for how democracy causes peace may be incomplete. Several studies have shown that the impact of democracy on peace may depend on the level of economic development.1 No compelling challenges to these findings have been offered, and some scholars who once confirmed the democratic peace now acknowledge the role played by economic conditionality.2 It follows that [End Page 52] democracy, alone, may not be the cause of the peace. Instead, some factor related to economic development either causes the peace or qualifies the impact of democracy on peace. This article advances the understanding of the democratic peace by demonstrating how a particular kind of economic development, contract-intensive development, appears to account for this peace. The economic conditionality of the democratic peace was originally predicted by economic norms theory, which identifies how liberal values may be rooted in the decisionmaking heuristics of a social market economy—that is, one where most people have the opportunity to choose, as individuals in the market, their sources of income and where to spend it.3 In this economy, sometimes called “advanced capitalism,” individuals habitually trust strangers in making contracts and depend on the state to enforce them impartially. They learn to prefer free choice and the equal application of law, and they expect their government to behave accordingly in foreign affairs. As a consequence, contract-intensive societies tend to agree on the preservation of the Westphalian order of sovereign states and the primacy of international law over power politics, and they are in natural alliance against any entity—state or nonstate—that seeks to challenge this order. This study demonstrates that from 1961 to 2001 not a single fatal conflict occurred among nations with contract-intensive economies. In contrast, democracies without contract-intensive economies engaged each other in several fatal conflicts during this period, about the number to be expected if democracy in states without a contracting economy has no impact on foreign policy. These results are highly robust after consideration of many competing causes, few of which have any significant impact on war and peace once the role of the contract-intensive economy variable is considered. The existence of this variable, in contrast, has the strongest impact of all nontrivial variables normally observed in studies of international conflict. Several implications follow from this study. First, this research supports the claims of some critics of the democratic peace who have long argued that a third variable may cause both democracy and peace:4 that variable is a [End Page 53] contract-intensive economy. Second, although challenging the role of democracy as a cause of democratic peace, this study shows that a zone of peace does exist among democratic nations, but it is one that appears to be caused by economic rather than governing institutions. Third, whether or not shared democracy contributes to international peace is an important issue because U.S. leaders’ belief in this proposition has influenced their conduct of foreign policy. President Bill Clinton, for example, supported the United States’ “democratic enlargement” policy because he believed that “democracies don’t attack each other.”5 His successor, George W. Bush, explained that his administration promoted democracy because “democracies don’t go to war with each other.”6 President Barack Obama has asserted that “we benefit from the expansion of democracy” because democracies are “the nations with which we share our deepest values.”7 Although support for democracy may be good for a variety reasons, this article presents compelling evidence that the promotion of peace among nations is not one of them. The article is organized as follows. First, I review the emergence of the democratic peace literature and the evidence linking this peace to economic development. Next, I present several explanations for the role of economic conditionality. I draw out the implications of economic norms theory for explaining stable democracy and peace among nations. After discussing the test conditions, reporting the results, and exploring alternative explanations, I offer a case study of the economic peace involving Greece and Turkey to illustrate the usefulness of the theory. I conclude with several policy implications that follow from the analysis. Two pioneers in the study of the democratic peace were Dean Babst in the 1960s and Rudolph Rummel in the 1970s.8 Key articles by Michael Doyle and [End Page 54] Jack Levy brought increased attention to the concept.9 By the early 1990s, a large number of highly rigorous studies had widely confirmed the proposition that democracies do not go war with each other.10 There are two primary sources of continuing skepticism, however. First, because most explanations for the democratic peace were created after it was first observed—the primary exception being Immanuel Kant in 179511—empirical confirmation for any of them can come only with the observation of novel empirical facts.12 To my knowledge, there are few confirmed, clear-cut, nontrivial, and novel facts that have been explicitly deduced from any explanation for the democratic peace. The closest candidate is the war-winning hypothesis, an expectation deduced from several accounts. The weight of the evidence is mixed as to whether democracies tend to win their wars.13 [End Page 55] Second, the finding that the democratic peace may be conditioned on some level of economic development indicates that democracy, alone, is probably not an independent cause of the peace. The most compelling study in this regard appeared in 2003, when several scholars came together to examine their contending expectations.14 The following four hypotheses were tested: (1) the democratic peace holds firm without any conditions; (2) the democratic peace is conditioned by economic development;15 (3) the democratic peace is conditioned by trade;16 and (4) the interaction of trade and development accounts for the democratic peace.17 The test failed to support hypotheses (1), (3), and (4), and robustly reconfirmed hypothesis (2). Most other studies that have examined the role of economic conditionality have confirmed it, including those of some scholars who had once supported the democratic peace thesis.18 Some scholars have responded to this finding by stressing that the level of economic development at which democracy becomes significant is low enough that, at least in recent years, most democracies are included among [End Page 56] those nations that do not engage in war with each other.19 But in a previous study, I argued that the exact level at which democracy becomes significant is not important, for two reasons. First, the question probably cannot be answered to everyone’s satisfaction. The precise level is highly sensitive to the researcher’s choice of control variables, sample, and measure of economic development.20 Second, without theory, the predicted level of development at which democracy becomes significant poses the danger of the fallacy of induction. Scholars can be much more confident in predictions grounded in theories with established predictive and explanatory power. Not only have all theories of democracy acting alone in causing the peace been unable to produce compelling novel facts, but the economic conditionality of this peace strongly suggests that all of these theories are, at best, incomplete. The issue is not the level of economic development at which democracy becomes a significant force for peace: it is how development causes the peace. Economic Conditionality and Economic Norms Theory Following the first report of the economic conditionality of the democratic peace, several studies sought to explain it. Azar Gat offered a list of factors potentially associated with what he calls economic “modernization,” including industrialization, which has delinked territory from the production of wealth, and a cultural “feminization” of men caused by urbanization and the service economy.21 Erik Gartzke argued that openness of markets may be the cause of the economic peace: nations with freer capital markets are more dependent than others on international investors, who are likely to divest from a country about to engage in war. Policymakers first recognize which nations have free capital markets and which do not, and then give greater credibility to threats made by those with freer capital markets than those with controlled ones. In theory, this can cause countries with freer capital markets to be more peaceful than others. The role of development in the democratic peace is based, presumably, on the assumption that development and capital openness are related.22 [End Page 57] My explanation for the economic peace integrates two long-standing findings in social science.23 First, research in economics and sociology has established the notion of bounded rationality: that is, individuals economize on the costs of decisionmaking by forming cognitive habits—heuristics—for situations they repeatedly encounter.24 Second, studies in economic history and sociology have documented that dependency on ties with friends and families—clientelism—often constitutes significant portions of trade and services in middle- and lower-income countries.25 It follows that divergent everyday routines of individuals in clientelist and contract-intensive societies should give rise to divergent decisionmaking heuristics. In a previous study, I showed how these divergent heuristics can affect political culture and institutions.26 In clientelist economies, individuals depend on group leaders, called “patrons,” who promote loyalty by providing economic and physical security in the form of gifts. To obtain these gifts, clients learn to habitually signal their willingness to abide by all of their patron’s commands with alacrity. When clientelist societies face rapid change and leadership is fluid, political entrepreneurs offer themselves as new group patrons. To increase the demand for security, these political entrepreneurs promote fear of outsiders. This may explain why societies in civil anarchy or in transition between clientelism and advanced capitalism—when high unemployment rates often coexist with clientelist traditions in large cities—tend to give rise to extremist dogmas that fit in-group worldviews, such as nationalist, Marxist, fascist, and militant Islamist ideologies.27 In contract-intensive societies, in contrast, making contracts with strangers promotes loyalty not to patrons but to a state that enforces these contracts with [End Page 58] impartiality and equal application of the rule of law. Because bigger markets offer more contracting opportunities than smaller ones, and because contracts cannot be arranged unless all parties explicitly state their preferences, individuals habitually perceive it as in their interest to respect the preferences and rights of strangers. Compared with voters in clientelist-integrated societies, voters in contract-intensive societies are more likely to support candidates for office who stress individual freedoms, at home and abroad, and who advocate government transparency and equal enforcement of the law. Discussion of the causes of a nation’s transition from a clientelist to a contract-intensive economy is largely beyond the scope of economic norms theory. Exogenous factors include those that make the benefits of trusting strangers in the market greater than the benefits of personalized ties. The theory identifies political factors as the primary cause of economic changes because a contract-intensive economy cannot exist unless government authorities make the decision to enforce contracts with impartiality. But this decision does not guarantee a contract-intensive economy: geographic factors, such as poor harbors or an absence of neighbors with contract-intensive economies, can constrain markets. 28 There is also a likely feedback loop from an emerging market culture to greater opportunities in the market. As increasing numbers of individuals decide to accept the risk of contracting with strangers—as a society approaches the “tipping point”29—the division of labor must grow increasingly complex. This in turn enhances opportunities in the market, causing more individuals to accept the risk of trusting strangers and their states. The shift in loyalty from group leaders to impartial states is not monotonic, however. Acontract-intensive economy can collapse for a variety of reasons, as the nascent capitalist and quasi-liberal political cultures of Classical Athens and Renaissance Italy did after defeats in foreign wars. In the modern era, the feedback loop seems to have started anew in Holland in the fifteenth century (possibly triggered by climate change), and was soon entered into by its neighbors with good harbors: England, northern France, northwestern Germany, and Scandinavia. Over time, contract norms reached more deeply into these societies. By the eighteenth century, however, in only two societies were [End Page 59] these norms in all likelihood highly institutionalized: possibly Switzerland and almost certainly the northern colonies of British North America, led foremost by the Massachusetts Bay Colony.30 By extrapolating from economic history and global migration patterns (because emigration can inversely reflect the level of opportunities in the market), I was able to determine that by the early twentieth century contract-intensive economies were highly institutionalized in all of the previously mentioned regions, as well as in the settler communities of the American West, Australia, Canada, and New Zealand. But between World Wars I and II, global economic troubles stalled the diffusion of contracting, causing it to decline in northwestern Germany when hyperinflation wiped out the middle class. Drawing on data discussed below, I found that by the 1960s contract norms were institutionalized throughout much of West Germany, rural France, the southern United States, and northern Italy, as well as Austria, Finland, and Japan.31 By the end of the Cold War, much of the rest of Italy, as well as Portugal, Singapore, South Africa, South Korea, Spain, and Taiwan seemed to have reached the tipping point. Since the end of the ColdWar, the peoples of Argentina, Chile, the Czech Republic, Greece, Hungary, Malaysia, Poland, and Slovenia may have reached it as well. A broad range of research documents the crucial role of economic norms in influencing political and social phenomena. Karl Polanyi’s book The Great Transformation highlights the transition from clientelist to contractual modes of exchange in Europe from the sixteenth to twentieth centuries.32 Studies in anthropology and archaeology document how economic conditions influence political and institutional preferences.33 As predicted by economic norms theory, there exists a correlation between high income and contracting and between low income and clientelism. Experimental studies have confirmed sizable differences in the way individuals from low- and high-income countries react in tests involving economic preferences.34 Studies in comparative politics have confirmed a strong linkage between economic development and stable, liberal [End Page 60] democracy.35 Survey and case studies in sociology and economics have linked in-group norms with collectivist preferences, and economic development with individualist preferences and higher levels of trust among strangers.36 The contract-intensive economy represents only one form of economic development. In the twentieth century, noncapitalist forms of development included fascism, communism, and petro-clientelism. Nations with these forms of development included totalitarian states (command economies—e.g., the Soviet Union), bureaucratic clientelist states (where authorities distributed wealth with an eye toward promoting and maintaining loyalty—e.g., Saudi Arabia), and “hybrid” states involving a mix of clientelism and totalitarianism (e.g., Nazi Germany). To test whether individuals in contract-intensive, higherincome economies think differently from those in other higher-income economies, I obtained data on levels of trust in nations from the World Values Survey project.37 Recall that contract-intensive economies are thought to foster the expectation that strangers will fulfill their contractual commitments, so a crucial prediction of economic norms theory is that, comparatively speaking, nations with contract-intensive economies should tend to have higher levels of impersonal trust than other nations. There are forty-four countries in 1997 with data on all variables. I regressed trust on gross domestic product (logged) and contract-intensive economy (see measure below). The result confirms this expectation: the contract-intensive economy variable, not higher income per se, is associated with higher levels of trust in nations.38 Both economic norms theory and classical liberal theory focus on the role of markets. But their assumptions and implications differ. Classical liberalism assumes that Adam Smith’s “propensity to truck, barter, and exchange” is ingrained [End Page 61] in human nature, and that freer markets (less state regulation and more foreign trade) promote economic development.39 Economic norms theory suggests that the propensity to truck, barter, and exchange is learned from the sustained presence of market-based opportunities, and that these opportunities have geographic and political origins. In this way, economic norms theory identifies the origins and popularity of classical liberal and social contract theories in the sustained presence of market-based opportunities. When contracting in the market becomes the way of life, people begin to think of it as natural and conceive of democratic governance too as a “social” contract or as embedded in “natural” law.40 Economic norms theory thus offers an explanation for why the classical liberal, social contract, and natural law traditions emerged when and where they did: in the areas of northwestern Europe that were developing contract-intensive economies in the seventeenth and eighteenth centuries. In fact, in contrast to what classical liberalism advocates claim, heavy state regulation of the economy may well be a prerequisite for countries to build and sustain a social market economy. Examples include the Scandinavian countries that have both contract-intensive economies and extensive state redistribution and regulation policies. Economic norms theory predicts that the leaders of contact-intensive nations will be less likely than other leaders to visibly challenge the sovereign rights of other states. This is because the modern interstate system is itself based on contract norms of legal equality: the Protestant Reformation was the consequence of the initial rise of contract norms in northwestern Europe in the sixteenth century; and the Treaty of Westphalia, which settled the Thirty Years’ War in 1648, institutionalized these norms across nations.41 Leaders of contract-intensive nations thus tend to view the continuation of the [End Page 62] Westphalian system of legally equal sovereign states, and the supremacy of international law over brute power politics, as consistent with the values and interests of their domestic populations. At first glance, economic norms theory may seem to imply the monadic expectation that contract-intensive nations should be less likely than other nations to engage in militarized conflict. But nothing in this theory suggests this to be true: rather, it is how they perceive their interests that makes contract-intensive nations different from other nations. Because contract-intensive nations consider the preservation of the Westphalian order to be in their interest, they may engage in wars with non-contract-intensive nations that challenge this order: for example, they may oppose states that threaten other states for economic gain in ways that violate international law. Economic norms theory predicts instead two hypotheses, one dyadic and one conditionally monadic. The dyadic hypothesis predicts a peace among contract-intensive nations; the monadic hypothesis predicts that contract-intensive nations, which are almost always highly democratic, will refrain from fighting other democratic nations. Starting with the dyadic hypothesis, the theory predicts that contract-intensive nations not only will be at peace with each other but are in a natural alliance. The alliance is the result of their fundamental agreement across a range of global issues and their consequent tendency to be on the same side in militarized confrontations.42 When the comparatively rare militarized dispute does occur between two contract-intensive nations, they are more likely than others to settle short of deadly force because their domestic audiences— and domestic opposition leaders—are more likely than their counterparts in non-contract-intensive nations to accept resolution through legal arbitration. The monadic hypothesis is conditioned by democracy. Recall that economic norms theory identifies how a contract-intensive economy can cause a population to value liberal democratic government. It follows that voters in contract-intensive democracies expect their leaders to refrain from fighting other democracies, regardless of the latters’ actions or economic conditions. This expectation accords with Spencer Weart’s view that liberal ideology causes [End Page 63] democratic nations to refrain from attacking other democratic nations.43 The key difference between Weart’s thesis and mine is that I predict that liberal ideology originates in contract-intensive economies, and thus only contract-intensive democracies—not other democracies—are so constrained. In this way, economic norms theory offers an explanation for why the promotion of human rights and democracy abroad appears on the agendas of contract-intensive democracies, but seemingly not on those of democracies that lack contract-intensive economies, or nations with other kinds of political systems. If this monadic thesis is correct, then democratic dyads where at least one state has a contract-intensive economy will be peaceful. Tests that do not control for this pattern would yield misleading results. Constructing the Test Conditions To test my hypotheses, I closely followed the analytic procedures used in a previous study.44 I included all fatal militarized disputes and wars as identified in the Correlates of War Militarized Interstate Dispute data set over the years 1961 to 2001.45 I made one modeling change to this previous study by [End Page 64] controlling for the development level of the more developed state in the dyad and its interaction with geographic distance.46 To my knowledge, two sources of direct contracting data across nations are available: investments in stocks and bonds and life insurance policies. Of all economic sectors to gauge, economic securities and life insurance are probably the most informative because it is the essential need for economic security that compels individuals to form loyalties to patrons or liberal states. Unfortunately, national-level data on stocks and bonds include foreign investment, and foreign investment does not reflect a society’s norms. Life insurance contracts, however, are not affected in this way. These contracts should also serve as an accurate indicator of contracting heuristics because, in predominantly clientelist societies, individuals normally protect their families in the event of death through ties with friends and extended families, as children inherit the debts of their parents as well as the favors owed them. In this type of society, few individuals are likely to trust strangers and the state enough to place their family’s welfare in an insurance contract; prevailing heuristics prevent most from even considering it. In societies where contracting is highly institutionalized, in contrast, comparatively few will have the personalized ties that are sufficiently strong and reliable that they will place their family’s security in them; comparatively larger numbers will act on prevailing heuristics and trust their family’s welfare to strangers in the form of life insurance contracts.47 [End Page 65] I gathered cross-national data on active life insurance contracts collected under the auspices of the World Bank from 1960 to 2000.48 Only sixty-five nations are included in the data, however, and many of these only after 1978. It is possible, however, to expand the data to most countries for this period by adopting a binary threshold and assuming that missing data reflect zero contract norms. This assumption follows from economic norms theory: contract-intensive societies are comparatively reliable providers of economic data because contracts must be enforced, and enforcement requires written records. States that promote markets also have an interest in collecting data on contractual transactions, so that they can monitor and promote contractual economic activity as well as tax it. In contrast, recording and tallying clientelist transactions are difficult tasks because they are framed as favors, which is why much more economic data exist on contract-intensive societies than on others, past and present. For instance, we know that in the eleventh and twelfth centuries, merchants in Cairo engaged in extensive contracting with merchants in Spain, North Africa, the Levant, and even India, because many of these contracts were later discovered in a repository of Old Cairo called the Geniza.49 The insurance data are most comprehensive for the years 1979 to 2000, so I identified the contract-intensive nations as those with existing insurance policies above the median level over this period. Additional tests show that the choice of threshold has no effect on the results. I also obtained identical results, unreported, using the original continuous data with missing values treated as missing.50 Model 1 in table 1 confirms the findings of previous studies regarding the relationship between democracy and fatal militarized disputes from 1961 to 2001. The coefficient for DemocracyL (−0.10) is negative and highly significant, confirming the expectation of democratic peace when the presence or absence of contract-intensive economy is not considered. The performance of most of the control variables is similar to that found in these earlier studies.51 To test the dyadic hypothesis that contract-intensive nations refrain from engaging in militarized disputes with each other, I constructed a binary indicator for both states having contract-intensive economies, which I call “Both States CIE.” As can be seen in table 1, the test yields a startling result: the Both States CIE variable must be dropped from the estimate because it predicts peace perfectly; that is, in the sample from 1961 to 2001, no fatal militarized disputes occurred between two nations with contract-intensive economies. A bivariate chi-square test indicates that this peace cannot be reasonably attributed to chance (p < 0.001). In contrast, with the binary measure “Both Coherent Democracies,” as defined by Edward Mansfield and Jack Snyder,52 ten fatal militarized disputes took place between democratic nations that lacked contract-intensive economies. A bivariate chi-square test suggests that this is about the expected number if democracy in countries without a contract-intensive economy does not cause peace among nations (p < 0.715). To test the monadic hypothesis, I distinguished democratic dyads where one state has a contract-intensive economy from those where neither state has one by including the variable “One State CIE” and its interaction with [End Page 68] DemocracyL. As can be seen in model 2 in table 1, the coefficient for the interactive term DemocracyL x One State CIE (−0.20) is negative and significant. This confirms the supplemental monadic hypothesis of a conditional relationship between contract-intensive economy and democracy. Because the coefficients for constituent terms (DemocracyL) in interactive models are meaningful only for cases where the other constituent term (One State CIE) equals zero, the coefficient for DemocracyL (−0.03) in model 2 confirms the results of the bivariate chi-square tests: in countries without a contract-intensive economy, democracy does not cause peace among nations.53 Models 3 and 4 in table 1 repeat the analyses for the onset of war, defined by convention as militarized interstate disputes that include more than 999 battle deaths. The coefficient for DemocracyL (−0.15) in model 3 is negative and highly significant. This confirms the findings of previous studies regarding the relationship between democracy and war from 1961 to 2001. In model 4 all cases where Both States CIE equals one are excluded because this variable predicts peace perfectly. A bivariate chi-square test indicates that this absence of war among contract-intensive nations is probably not the result of chance (p < 0.10). In contrast, the data yield two wars among coherent democracies where both lacked contract-intensive economies over the sample period: Cyprus and Turkey in 1974 and the Kargil war fought between India and Pakistan starting in 1993 (this dispute continued to 1999 when it reached the war level while both countries were still democratic). A chi-square test indicates that this is approximately the number to be expected if democracy without a contract-intensive economy does not prevent wars among nations (p < 0.857).54 The remaining coefficients in model 4 are substantially identical to the results for fatal militarized interstate disputes in model 2. The coefficient for [End Page 69] DemocracyL x One State CIE (−0.30) confirms the supplemental monadic hypothesis of a conditional relationship between a contract-intensive economy and democracy at the war level; the coefficient for DemocracyL (−0.03) confirms that democracy without a contract-intensive economy does not cause peace among nations. Identical results also appear, for fatal militarized disputes and wars, using the dyadic dummy variable for Both Coherent Democracies. One possible explanation for the insignificance of democracy may be that there are too few cases of democracies without contract-intensive economies. The data, however, do not support this conclusion. Economic norms theory predicts that a contract-intensive economy will cause and stabilize democracy: it is thus no surprise that 88 percent of contract-intensive nation-years from 1960 to 2000 are also coherently democratic.55 But non-contract-intensive nations can experiment with democratic government for a host of reasons, and 49 percent of coherent democratic nation-years do not have contract-intensive economies during this period. Because there are about as many democratic nation-years without contract-intensive economies as there are with them, a dearth of non-contract-intensive democratic cases cannot explain the insignificance of the democratic peace. Could the causal arrow point in the opposite direction, with democracy the ultimate cause of contract-intensive economies and peace? The evidence does not support this conclusion. Correlations among independent variables are not calculated in the results of multivariate regressions: coefficients show only the effect of each variable after the potential effects of the others are excluded. If democracy was a direct cause of both contract-intensive economy and peace, then there would be some variance remaining, after its moderate correlation with contract-intensive economy is excluded, that links democracy directly with peace.56 The insignificance of the DemocracyL coefficients in models 2 and 4 in table 1 indicates that no such direct effect exists. In addition, the scholarly consensus is that higher income per capita, which correlates with the contract-intensive economy variable, is far more likely to cause democracy [End Page 70] than democracy is to cause development.57 Still, the analysis here is not designed to test for reverse causation, though performance of such a test would be a valuable addition to the literature. Robustness tests indicate that in analyses of wars, democracy remains highly insignificant under any examined circumstance. In analyses of fatal disputes, on the other hand, the removal of some control variables can cause democracy to reach significance at the 0.10 level, which is the lowest threshold statisticians normally assign significance. Further tests show that democracy is not significant with the removal of all control variables.58 Nor does democracy become significant under any circumstance when observing only bordering nations. This suggests that if peace exists among non-bordering democracies, it is because non-contract-intensive democracies usually have weak economies and thus refrain from fighting each other because they do not have the capability to do so. The results in table 1 support both aspects of the economic peace: the dyadic unconditional peace and the supplemental monadic peace conditioned by democracy. These patterns conform with the economic norms expectation that a contract-intensive economy promotes liberal values and consolidated liberal democracy. Common preferences and interests cause foreign policy agreement and peace among contract-intensive nations, whereas liberal ideology causes contract-intensive democracies to refrain from using force against other democracies, including those without contract-intensive economies. Democracies that lack contract-intensive economies, on the other hand, have no such constraints and do not perceive common interests within the Westphalian order; thus they tend to fight each other about as often as other nations do. Further calculations indicate that a contract-intensive economy is a powerful force for peace. I could not directly estimate the substantive impact of Both States CIE because it predicts peace perfectly, so I reestimated model 2 after combining the dyadic and monadic measures into a single “super” variable: “One or Both States CIE.” I then included the product of this variable and Both Coherent Democracies to identify cases where both states are democracies and at least one has a contract-intensive economy. The results—unreported for reasons [End Page 71] of space—indicate that, among bordering democracies, a change from neither to one or both states with a contract-intensive economy causes a 97 percent reduction in the probability of fatal dispute onset. None of the remaining variables has an impact of this magnitude.59 Exploration of Alternative Explanations This section examines the possibility that the results discussed above may be explained by variables that I have excluded thus far because economic norms theory predicts that they are at least partly caused by the contract-intensive economy variable. Because correlations among independent variables are not credited to any variable in a multivariate regression, economic norms theory predicts that inclusion of the variables below will reduce the impact of the contract-intensive economy variable. Therefore, this section cannot serve as a test of economic norms theory. Instead, it departs from the theory and examines the possibility that competing theories may account for the results discussed above. Economic norms theory identifies contract norms as a cause of economic development. It is also likely, however, that wealthier individuals are better positioned than poorer ones to engage in contracts. To ensure that the results of model 2 in table 1 are not a function of wealth, I added a control for economic development (see model 1 in table 2). The coefficients for the contract-intensive economy variables hold firmly, and the coefficient for DevelopmentL (0.05) is not significant. This means that the results of this study cannot be attributed to the fact that contract-intensive nations tend to be wealthier than other nations.60 Economic norms theory predicts that individuals in contract-intensive societies will be more likely than individuals in other societies to seek profitable contracts wherever they may find them. Because the nature of governance in contract-intensive nations is expected to reflect the contractualist worldview that good government abets the private pursuit of wealth, it predicts that governments of contract-intensive nations will be more likely than others to encourage foreign trade. Trade per capita is not the same as trade interdependence (trade/gross domestic product), however, and economic norms theory does not predict trade interdependence per se. But contract-intensive nations prefer law over brute force, and thus they are more likely to prefer trade over imperialism in foreign economic policy.61 Richard Rosecrance has argued that the decision to trade rather than to fight is a key factor in explaining peace among trading nations.62 Economic norms theory thus complements Rosecrance’s insights, and the contract-intensive economy variable can potentially account for the pacifying role of trade interdependence in international relations. But the reverse is also possible: trade interdependence may account for peace among contract-intensive nations. This is the view of economic liberals: interstate trade promotes market development, democracy, and peace.63 As can be seen in model 2 in table 2, the coefficient for Trade Interdependence (−0.59) is not significant. It thus appears that contracting is the more likely cause of both trade interdependence and peace among nations. Still, caution must be exercised: the trade variable is close to significant, and this regression model was not designed for resolving this issue. Also, scholars have not settled on how best to gauge trade interdependency.64 Further examination of the impact of trade in conflict is thus warranted. Some explanations for the democratic peace suggest that only democracies with mature or consolidated institutions might be peaceful. In addition, mature democracies may promote contract-intensive economies, suggesting the potential reversal of causation. In model 3 in table 2 the coefficient for Democratic MaturityL (−0.09) is not significant.65 It thus appears that even mature, consolidated democracies are not more peaceful with each other than [End Page 74] other nations. Rather, a contract-intensive economy is the more likely cause of both democratic maturity and the prevailing peace. Economic norms theory predicts that contract-intensive nations will perceive common security interests in the primacy of international law over power politics, causing them to form alliances. Common interests can develop for other reasons, however, and it is possible that alliances may account for the economic peace.66 In model 4 in table 2, the coefficient for Alliance (0.16) is not significant. The evidence thus favors the conclusion that contract-intensive economy partially accounts for the existence of both alliances and peace. As discussed above, Gat has offered several explanations for the peace among developed democratic nations.67 Most of these are broad and unfalsifiable, but he does offer urbanization and size of the service sector as variables, which he suggests make individuals less accustomed to the suffering of war and therefore opposed to it. But a service economy may be a function of contract norms, which encourage the commodification of services as well as of labor and capital. I gauge the variable Service Economy as the proportion of gross domestic product in the service sectors.68 In model 5 in table 2, the coefficient (0.01) is not significant. Analyses of urbanization show that dyads where both states are highly urbanized are significantly more likely than other dyads to engage in fatal disputes. Neither urbanization nor a service economy is thus a likely explanation for the economic peace. Also discussed above, Gartzke argues that free capital markets might explain the developed democratic peace. But these markets could be caused by contract norms, as states promote foreign trade and financial markets diffuse within, as well as across, international borders. Model 6 in table 2 reports the results using Gartzke’s measure. 69 The coefficient for Capital OpennessL (−0.15) is negative and significant, and coefficients for the contract-intensive economy variable also hold firmly. This suggests that, even if there is some causality stemming from the contract-intensive economy variable, free capital markets have an independent impact on the onset of fatal disputes. In short, the data support both Gartzke’s theory and economic norms theory. This result is reasonable, as the theories do not contain incompatible assumptions and are [End Page 75] not mutually exclusive.70 Further tests show that contract-intensive economy is the far stronger variable, with an impact about twice that of capital openness. Subsequent tests for war onsets produced identical results for all variables except Capital OpennessL, which is not significant at the war level. The Greek-Turkish Case An examination of a case study of recent changes in Greece’s economy and its relations with its neighbor Turkey illustrates how economic norms affect the domestic and foreign politics of nations. I chose this case because both countries have experienced many years of “coherent” democracy as defined above: Greece since 1975, with eighty-four years of democracy previously; and Turkey since 1983, with twenty-five years of democracy previously.71 Nevertheless, from 1960 to 2000, twenty militarized interstate disputes occurred between the two countries, five of which resulted in fatalities. If economic norms theory is correct, these tensions were a function of nationalist and xenophobic attitudes of voters on both sides. In 1990 Greece transitioned from a clientelist to a contract-intensive economy. This offers a direct opportunity to test the economic norms expectation that Greece’s transition to a contract-intensive economy should have been followed by substantial moderation and rationalization of Greek domestic and foreign politics, including Greece’s relations with Turkey. As discussed earlier, an increase in the use of contracts is thought to have political and geographic root causes. For Greece, the political roots stem from a desire to join the European Community (EC) and the role played by the EC in giving politicians an “excuse” to make institutional changes, such as the equitable enforcement of banking and trade laws, which favors the transition to a market economy. Geographically, Greece’s entry into the EC was followed by a substantial increase in foreign investment into the country from 1980 to 1995.72 Starting in 1986, the rate of growth in life insurance contracting in Greece increased dramatically; it crossed the global median into contract-intensive status in 1990. Still, in the year 2000 Greece’s level of per capita life insurance [End Page 76] contracting was only one-twenty-fifth that of the contract-intensive standard-bearers Japan, Switzerland, and the United Kingdom. Most observers agree that the mid-1990s was a turning point in Greek politics. Before then, the two main parties, the Panhellenic Socialist Movement (PASOK) and New Democracy (ND), were primarily agents of bureaucratic clientelism. As economic norms theory would expect, both parties were highly personalist and centered on charismatic leaders prone to populist and ideological bombast.73 Interparty relations were tense and based on opposing social identities and systems of patronage.74 The rule of law was weak,75 and distrust of the state ran deep76; in addition, the people identified with “the political parties rather than governments.”77 In foreign policy there was an “exclusivist notion of ‘Greekness.’”78 In the 1980s and early 1990s, PASOK won elections with the xenophobic, anticapitalist, anti-American, and anti-European rhetoric of its populist leader, Andreas Papandreou. In 1976 Greece confronted Turkey on issues in the Aegean over which the International Court of Justice later ruled the Greeks had no case. When a similar issue arose in 1987, Prime Minister Papandreou asserted that it was time to “teach the Turks a hard lesson.”79 The two countries came close to war in 1976, 1987, and 1996.80 Although during this period Greek and Turkish leaders made frequent attempts to resolve their differences, “these initiatives were not sustainable in the face of an adverse political climate, limited social contacts, high level of biases, and sensationalist press.”81 The watershed moment in Greek politics came in 1996, when Papandreou died and PASOK elected Costas Simitis to replace him. The gulf separating the two leaders was vast. Simitis was elected largely on the platform of [End Page 77] Eksynchronismos (modernization). In the words of Kevin Featherstone, “Simitis and his supporters advocated a greater separation of party from the state” and a break from the “bureaucratic clientelism of the recent past.” Whereas Papandreou “exercised a dominant authority over his party,” Simitis was “more managerial and technocratic.”82 As economic norms theory would expect, PASOK’s choice of a reformer reflected deep-seated changes in Greece’s political culture. The opposition ND also moved to the center, with the nationalist posturing and ideological bravado of both parties largely disappearing from Greece’s political discourse.83 A “cultural shift” occurred,84 as the new rhetoric of reform struck a strong chord with the electorate, which increasingly viewed the leaders of the country’s oldstyle politics as “dinosaurs.”85 Voters began to distance themselves from Greece’s political parties; legal institutions became more central to everyday life; and a “new sense of security changed the way ordinary citizens viewed public life.”86 Reflecting an increased respect for the rule of law, the two leading parties agreed on new protections for individual rights in the constitution. 87 Still, a minority continued to vocalize opposition to what many Greeks called Greece’s growing “Europeanization,” led by Archbishop Christodoulos. Both leading parties also backed fundamental changes in Greece’s foreign policy.88 For Europe, the country that was once viewed as the “black sheep” of European foreign policy had evolved into a more consensual partner.89 Prior to the late 1990s, Greece maintained an uncompromising approach in its relations with Albania, Bulgaria, and Macedonia, and was widely viewed in Europe as the “bully of the Balkans.” In the late 1990s, however, a more cooperative attitude emerged, and Greece’s relations with these countries greatly improved.90 This realignment with other contract-intensive countries following Greece’s own transition to a contract-intensive economy, and its more cooperative attitude toward other democracies, accords with expectations of economic norms theory. [End Page 78] Greece’s foreign policy toward Turkey also underwent fundamental change in the late 1990s.91 Reflecting a change in Greek attitudes, foreign minister Theodoros Pangalos—considered a hard-liner—asserted that “we Greeks must get over the old knee-jerk reaction that if something is bad for Turkey it is good for us.”92 The most significant change occurred in 1999, when Greece moved from perennial obstructer to supporter of Turkey’s membership bid to join the European Union (EU). In all likelihood, this move was not strategic but an outcome of deep-seated shifts in Greeks’ perceptions of their national interest.93 Greek scholars and think tanks have stressed that it is in Greece’s interest to have Turkey in the EU as a partner.94 From 2000 to 2004, Greece and Turkey signed twenty-five major agreements; from 1970 to 2000 there were none.95 It must be recalled, however, that fundamental differences remain over the division of Cyprus and exploitation of the Aegean seabed.96 Resolution of the deeper issues in Greek-Turkish relations would also require change in how Turkish leaders perceive their interests. Unlike Greece, Turkey has not transitioned to a contract-intensive economy. If economic norms theory is correct, then Turkish politics should appear similar to Greek politics before Greece’s transition; this would include strong party loyalties, intense identity issues, and fear of outsiders in the country’s political discourse. In foreign policy, compromise should be difficult, as opposition parties seeking to garner the nationalist identity seize any reason to criticize the government for “giving in” to outsiders. Most observers agree that the above description characterizes Turkish politics today. There is no significant liberal party concerned with individual rights, equal enforcement of the law, or transparency in government. The left is characterized as favoring the elite-led modernization project, which increasingly includes “an intensifying nationalism with an underlying xenophobia”; the right emphasizes communitarian religious identity and social conservatism.97 [End Page 79] Turkey’s national identity includes a strong ethnoreligious dimension, and communitarianism remains a prominent feature: it continues to be a criminal offense to insult Turkishness. The political parties are weakly institutionalized and headed by strong, charismatic leaders who compete over state rents with ideological and populist appeals. Voters identify with parties, and the parties offer competing images of national identity.98 Although Turkey has contributed in many ways to the rapprochement with Greece, domestic core values continue to place constraints on further progress. For instance, Turkey could grant more religious freedom to its Orthodox community. 99 But with the international community, Turks feel that they can rely only on themselves, and the EU concern over Turkey’s human rights record is widely viewed “as part of a design to undermine Turkish national unity.”100 Engagement with Greece is considered risky for any incumbent government because it tends “to generate widespread nationalist sentiments.”101 The opposition can easily brand concessions, even if mutual, as giving in to outsiders and contrary to Turkish interests. Public opinion surveys in Turkey show that there continue to be very low levels of trust in the society, and “popular sentiment towards Greeks tends to be quite negative.”102 Turkey may have engaged with Greece in part due to the “earthquake diplomacy” that occurred after the catastrophic earthquake that struck Turkey in August 1999.103 Consistent with the economic norms expectation of a new universalism in Greek identity, many Greek individuals, nongovernmental organizations, and local authorities, in addition to the Greek government, offered substantial help to the Turks in their time of need. This opened a temporary window of good feeling toward Greece in Turkey that allowed Ankara to sign a number of confidence-building measures with Athens. [End Page 80] An alternative explanation for the improvement in Greek-Turkish relations might be the constraining and moderating role of the EU. It is true that Turkey’s constructive responses to Greek initiatives have been at least partly aimed at satisfying EU conditions for full membership. For instance, after refusing for decades to allow an international solution to the Cyprus dispute, Ankara acquiesced after the EU made doing so a condition of Turkey’s candidacy. In this way, the carrot of the EU acts as political cover for Turkish politicians, just as the EC once did for Greek politicians, offering leaders an “excuse” for “giving in” to the foreigners. Given Greece’s full membership in the EU since 1981, however, EU incentives do not offer a satisfying account for the changes in Greek politics and foreign policy in the 1990s. Recognition of the EC’s role in Greece’s transition to a contract-intensive economy suggests some promise for a more stable peace between Greece and Turkey in the years ahead. Like Greece in the 1980s, after Turkey became an official EU candidate, it experienced an explosion of foreign direct investment. 104 In the 1990s Turkey also experienced a rise in per capita life insurance contracting. If the rate of growth of the 1990s continues, the country will pass the contract-intensive threshold in the year 2019. If the time lag for political change after the economic transition in Turkey is the same as it was in Greece (seven years), significant moderation and individualization of Turkey’s political culture may occur around 2026. If the EU continues to act as an incentive for institutionalizing the market and as a source of foreign investment, Turkey’s change could come sooner.105 Economic norms theory would predict that when this happens, all of Turkey’s security-related issues with Greece will be positively and permanently settled; the enduring rivalry will end; and fatal militarized confrontations in this dyad will be a thing of the past. Conclusion Many policymakers and scholars of international relations believe that the promotion of democracy abroad will enhance global order and the security of the United States and its allies. Yet since the terrorist attacks on New York and [End Page 81] Washington on September 11, 2001, efforts to promote democracy as part of U.S. grand strategy in the Muslim Middle East only increased the influence of anti-U.S. factions in the region, including in Egypt, Lebanon, and the Palestinian territories. This study challenges the strategic assumptions of U.S. policymakers by showing that democracy is not a likely cause of peace among nations. Rather, domestic economic conditions appear to be the main factor in promoting peace. Scholars have erroneously linked democracies with peace because most contract-intensive nations are democratic. But this study showed that about half of all democratic nations lack contract-intensive economies, and these democratic countries are not peaceful. Indeed, all the potential exceptions to the democratic peace—such as the Spanish-American War, the Continuation War of Finland against the Allies during World War II, and the Kargil war between India and Pakistan—are easily accounted for in this study because in each of these wars the democracy on at least one of the sides lacked a contract-intensive economy. This article examined the implications of economic norms theory, which integrates the insights of bounded rationality with research by economic historians to show how voter preferences for democracy and respect for individual rights and equal protection under the law may be rooted in the conditions unique to social market economies, where individuals trust both strangers in making contracts and a state that enforces them with impartiality. In many middle- and low-income countries, in contrast, high structural unemployment encourages dependence on the patronage of friends and family. This dependency can promote the heuristics of identifying and trusting in-groups and their leaders, and distrusting strangers from out-groups and state institutions. The study traced the path of causation from economic norms to interstate peace across levels of analysis and methodologies and found that contract-intensive societies are associated with higher levels of trust. It is not this trust, however, that causes peace among contract-intensive nations: peace is the result of a fundamental agreement among voters and elites in these countries on the Westphalian order of sovereign states, including the primacy of international law over power politics and imperialist bullying. This agreement emerges from the heuristics of their common economic way of life. Leaders of states with contract-intensive economies thus perceive common security interests in defending the global status quo and are in natural alliance against any state or nonstate entity that seeks to challenge it. Although democracies are not inherently peaceful, there is a conditional role for democracy in the economic peace: Because contract-intensive economy [End Page 82] promotes the heuristics that value individual freedom and equitable government, most contract-intensive nations have liberal democratic governments. Valuing democracy, voters and elites in contract-intensive democracies tend to value the promotion of individual rights and democracy abroad. They therefore restrain themselves from fighting other countries perceived as democratic, regardless of their economic or foreign policy behavior. These patterns were confirmed in the quantitative analyses and in a case study of Greece and Turkey

### Environment

#### Neolib allows us to innovate and solve environmental crises

- the negative messsages that are a product of past neoliberal policies have generated more fundraising and action in the media.

- in order for the economy to grow sustainably, an increased investment in a post-carbon economy is absolutley necesssary.

- Tons of companies are investing in fewer energy expenditure such as fewer hotels, rental cars, tais,

- If anything regulation is going to absolutely fuck you over, you've got my man Trump in the white house tryna abolish the fucking EPA, we don't want their regulation because they will incentivize companies in the opposite direction

- companies are acting on their own to break down carbon prices, and renewable resources are becoming more cost competitive, etc.

**Shireman, Eco Activist & Author, ’15** (Bill; 2/19/15; Eco Activist, author, and CEO at Future 500; The Guardian, “Envisioning a future with less doom and gloom: opportunities for the next generation of optimists,” http://www.theguardian.com/sustainable-business/2015/feb/19/realistic-optimists-post-carbon-economy-nature-environment-business)

When it comes to stories about the fate of the earth, headlines are usually dominated by tales of gloom and doom. And there’s certainly a great deal to be depressed about: global temperatures hit their highest levels ever last year, oceans are growing so warm and acidic that fisheries could be lost, and food and water systems are in decline. A big reason for focusing on the negative is that bad news tends to drive action. According to research by my organization, sustainable business nonprofit Future 500, negative messages typically yield two and a half times as much fundraising and five times as much media attention as positive ones. But as effective as the doom-and-gloom storyline is, there’s another important environmental narrative that’s waiting to be told. Following the work of environmental pioneers like William McDonough, Paul Hawken, Amory Lovins and other eco-designers, it’s clear that there’s an audience – and a desperate need – for a new generation of realistic optimists to help us envision a genuinely prosperous post-carbon economy. There is much to be optimistic about. In its 2013 report The 3% Solution, wildlife nonprofit World Wildlife Fund says that the key challenge facing developed countries is the need to reduce carbon emissions by roughly 3% a year. The McKinsey Global Institute says that’s not only doable, but it’s exactly what the economy needs to grow sustainably and overcome its economic deficits. Specifically, it says, the US needs to squeeze a third more value out of the energy it uses in the next decade, and improve that efficiency by 3% a year or more thereafter, to avoid painful economic and environmental consequences. The quest for that 3% solution may prove challenging, but it will also open up a wide range of business opportunities. Here are some of the biggest potential opportunities and the companies trying to tap them: Creating living farms, oceans and forests The industrial agriculture system treats land like a machine. It’s based on the assumption that, if farmers feed the earth the right fuel and keep out contaminants, the engine will run smoothly and generate massive agricultural output. That can be true, but nature offers a much more productive and sustainable model: life. Farms, forests and oceans have the capacity to create more value than they consume, something that machines can’t do. What’s more, they’re inherently sustainable. One step that large-scale agriculture could take towards adopting the nature-based model would be to shift to carbon-reducing agriculture. Fertile soil is a complex system with millions of carbon-sequestering microorganisms per square inch. Tilling, a common agricultural practice, burns fuel, releases poisonous exhaust gasses and strips the soil. The standard solution – pumping in pesticides, herbicides and nitrogen – only adds to the problem by contaminating groundwater and polluting oceans with runoff. Studies have shown that more natural soil amendments, like compost, manure and charcoal products, like those produced by the Biochar Company, can reduce atmospheric carbon and keep soils highly productive. In terms of water usage, treatment alternatives developed by companies like Algae Systems purify water at low cost, while generating carbon-negative fuels and fertilizers that are chemically identical to petroleum-based products. On the retail end, Whole Foods is driving mainstream consumer demand for approaches like these. At the same time, organic, slow and local food movements are also continuing to gain momentum. For further-reaching substantive change, however, major food companies and manufacturers will need to get involved in order to make any broader systemic changes mainstream. The sustainable seafood movement could offer a useful model for businesses and activists looking to change the agriculture system. Increasingly, careful fisheries management and the support of retailers like Walmart and Safeway are making sustainable seafood more commonplace. At the same time, groups like Environmental Defense Fund are continuing to push the needle forward. Admittedly, the aquaculture battle is still raging and oceans are still in crisis. Carbon emissions are making them warmer, more acidic and less productive, and resource competition is driving fishing well beyond sustainable yields. So how can a living agriculture approach further benefit the seas? One way is to end the race for fish through “catch shares,” a market based system that sets aside a secure share of fish for individual fishermen, communities or fishing associations. Forestry is another industry that could potentially offer a useful agricultural model. On the market end, brands like Nestle and Staples are helping to shift the market towards more sustainable forest practices. In this case, too, the problem is far from over, and activist groups are continuing to ramp up pressure on customers of companies like April and a host of other palm oil and paper producers. The “zero deforestation” effort, championed by Greenpeace and others, has driven attention and engagement to a critical international issue. Prosperity, not consumption, by design Another business opportunity lies in the shift from excessive consumption to impressive design. Traditional business models are moored in consumption. The industrial economy, for example, propelled consumption by accelerating the speed of extraction. Natural systems, on the other hand, develop value through efficient, smart design. AT&T, Advanced Micro Devices and Cisco are already putting this lesson to work, bringing productivity leaps to the non-digital economy. The internet of things is connecting computing devices and the Internet in factories, farms, buildings and homes. To put this in context, while industrial companies find it difficult to achieve 25% productivity gains, AMD expects a 2,500% gain in energy productivity for its computer processors by 2020. New technologies are also following nature’s lead when it comes to design. Rather than following the traditional model of extracting complex raw materials from the earth, AMD is producing microchips and solar cells that take plentiful raw materials like silica and inscribe on them a value-creating design, building value up. That’s why – as Future 500 has documented – innovations in microchips, telecommunications, and the Internet often yield productivity gains of 1000% or more. If producers and consumers can use these innovations wisely – admittedly, a big “if” – it will be possible for the economy to harness nature’s value-creating strategy. The sharing economy is another step forward. When digital technologies come into contact with consumptive industrial-era practices, the result can be positively disruptive. How many fewer hotels, rental cars, and taxis do we need, now that AirBNB, Zipcar and Uber enable consumers to share what they already have? Putting a price on carbon The third strategy also applies a core principle of nature: feedback and adaptation. While Congress delays on overarching federal climate policy, hundreds of companies are acting on their own, supporting an internal carbon price that drives down energy costs and carbon emissions simultaneously. Carbon taxes in British Columbia and Sweden, for example, outperform regulations and emission trading systems combined. Critics argue that a carbon tax can’t happen broadly, but environmental groups have more carbon-pricing allies than they think. Even oil company ExxonMobil, a major carbon producer, is a genuine supporter – a fact that many simply can’t comprehend. But Exxon Mobil’s data tells it that, in the long term, it’s smart policy to insure that carbon pays its way. Adopting a carbon tax shift is one systemic way to put a price on an atmospherically dangerous byproduct. And while the quest for that 3% solution will be difficult, it will open up a wide range of opportunities as well. So let’s begin to think outside the standard gloom-and-doom mentality to make systemic, positive environmental changes that benefit multiple interests. When we do, we might very well discover that the technological, corporate, and political support needed to save the planet is well within our reach.

#### Kuznets Curve proves that the environment started to get better with economic growth

**Crampton 15** [Dr. Eric Crampton (Dr Eric Crampton joined The New Zealand Initiative as Head of Research in August, 2014. He served as Lecturer and Senior Lecturer in Economics at the Department of Economics & Finance), “The Case of Economic Growth”, Obtained from the New Zealand Initiative, online, <http://nzinitiative.org.nz/site/nzinitiative/files/Economic%20Growth%20Web.pdf>, RaMan]

This first-worse-then-better U-shaped relationship between economic growth and environmental quality is called the Environmental Kuznets Curve. The curve was first described in 1991 by economists Gene Grossman and Alan Krueger, who wanted to test whether free trade between Mexico and the United States was likely to worsen or improve environmental quality in Mexico.46 Trade opponents argued that American industrialists would set up factories in Mexico to take advantage of less restrictive environmental regulations, exporting pollution. Grossman and Krueger argued instead that free trade would increase incomes in Mexico and consequently reduce pollution. Grossman and Krueger found that when per capita GDP reached US$4,000– $5,000 in 1985 dollars, or about US$10,000 today, sulphur dioxide and smoke levels started improving with economic growth rather than worsening. Mexican per capita GDP rose in real terms from about US$4,000 in 1992 to about US$10,000 in 2013. In 2010, a Washington Post headline announced: ‘Mexico City Drastically Reduced Air Pollutants Since 1990s’.47 If anything, Grossman and Krueger were too pessimistic about how long it would take for outcomes to improve. For pollutants with strong local effects, like nitrogen oxide, sulphur dioxide, and particulate matter like fine soot, the relationship holds well. For pollutants whose effects are less noticeable in the area generating the pollution, the effect is weaker.48 Environmental economist Susmita Dasgupta and co-authors reviewed the overall performance of the Environmental Kuznets Curve literature and, with some reservations, ultimately sided with the optimists.49 Dasgupta, et al. argued that the most plausible long-run forecast is for improved environmental quality in both high- and low-income economies. Economic liberalisation, improved information, better technology, and more stringent and cost-effective approaches to regulating pollution in developing countries have begun to ‘flatten’ the Environmental Kuznets Curve.