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## Off

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#### NASA is preserving resources by leveraging private partnerships

Miriam Kramer 21, author of Space, “NASA's plans for the future hinge on the success of private companies,” Axios, 12-7-2021, https://www.axios.com/nasa-private-spaceflight-plans-5a5710e6-5223-4da3-8c5d-5a712e1d862e.html

The private space players who will drive NASA's plans for the coming decade are declaring themselves and defining the stakes. Why it matters: NASA plans to focus on getting people to Mars and the Moon, and its deep space exploration ambitions hinge on the agency being able to successfully hand over major operations in low-Earth orbit to private companies. The space agency hopes companies will build private space stations that its astronauts can use and to continue to buy space on private rockets for launching its satellites and other payloads to orbit and beyond. NASA's "big experiment" right now is to test where these commercial partnerships work, the Planetary Society's Casey Dreier told Axios. What's happening: Last week, NASA announced it would award multimillion-dollar contracts to three teams of commercial space companies to start designing and building privately operated space stations.

#### Plan forces spending trade-offs that crush effective Earth sciences --- risks catastrophic climate change

Haymet 7 (Tony, Director of the Scripps Institution of Oceanography – University of California, San Diego, Mark Abbott, Dean of the College of Oceanic and Atmospheric Science – Oregon State University, and Jim Luyten, Acting Director – Woods Hole Oceanographic Institution, “The Planet NASA Needs to Explore”, Washington Post, 5-10, [http://www.washingtonpost.com/wp-dyn/content/article/2007/05/09/AR2007050902451.html](http://www.lexis.com/research/retrieve))

Decades ago, a shift in NASA priorities sidelined progress in human space exploration. As momentum gathers to reinvigorate human space missions to the moon and Mars, we risk hurting ourselves, and Earth, in the long run. Our planet -- not the moon or Mars -- is under significant threat from the consequences of rapid climate change. Yet the changing NASA priorities will threaten exploration here at home.

NASA not only launches shuttles and builds space stations, it also builds and operates our nation's satellites that observe and monitor the Earth. These satellites collect crucial global data on winds, ice and oceans. They help us forecast hurricanes, track the loss of Arctic sea ice and the rise of sea levels, and understand and prepare for climate changes.

NASA's budget for science missions has declined 30 percent in the past six years, and that trend is expected to continue. As more dollars are reallocated to prepare for missions back to the moon and Mars, sophisticated new satellites to observe the Earth will be delayed, harming Earth sciences.

The National Academy of Sciences has noted that the Landsat satellite system, which takes important measurements of global vegetation, is in its fourth decade of operation and could fail without a clear plan for continuation. The same is true for the QuikSCAT satellite, which provides critical wind data used in forecasting hurricanes and El Niño effects.

In January, a partnership of university and NASA scientists demonstrated that climate change and higher ocean temperatures were reducing the growth of microscopic plants and animals at the heart of the marine food web.

Their analysis was based on nearly a decade of NASA satellite measurements of ocean color, which unfortunately are at risk of being interrupted for several years.

Sea levels are rising, and the Arctic Ocean may be ice-free in summer. The buildup of carbon dioxide in the oceans threatens to make them more acidic, which may in turn hinder the ability of some types of marine life, including corals, to build their shells and skeletons. We must learn as much as we can to assess these threats and develop solutions.

Satellites provide coverage of vast, remote regions of our planet that would otherwise remain unseen, especially the oceans, which play an important role in climate change. Without accurate data on such fundamentals as sea surface height, temperatures and biomass, as well as glacier heights and snowpack thickness, we will not be able to understand the likelihood of dangers such as more severe hurricanes along the Gulf Coast or more frequent forest fires in the Pacific Northwest.

Climate change is the most critical problem the Earth has ever faced.

Government agencies and the private sector, as well as individual citizens, need to better grasp the risks and potential paths of global climate change. Mitigating these risks and preparing for the effects of warming will require scientific understanding of how our complex planet operates, how it is changing, and how that change will affect the environment and human society.

John F. Kennedy's brilliant call to put a man on the moon by the end of the 1960s set an arbitrary deadline, but the deadline we face today is set by nature. NASA must continue to play a vital role in helping find ways to protect our planet for (and perhaps from) its intelligent life. Exploration of space is a noble quest. But we can't afford to be so starry-eyed that we overlook our own planet.

#### Warming is inevitable but adjusting government policy can address the worst effects – specifically, for sea level rise. US responses are modeled globally.

**Economist 17**, "How government policy exacerbates hurricanes like Harvey," Economist, https://www.economist.com/news/leaders/21727898-if-global-warming-were-not-enough-threat-poor-planning-and-unwise-subsidies-make-floods

THE extent of the devastation will become clear only when the floodwater recedes, leaving ruined cars, filthy mud-choked houses and the bloated corpses of the drowned. But as we went to press, with the rain pounding South Texas for the sixth day, Hurricane Harvey had already set records as America’s most severe deluge (see Briefing). In Houston it drenched Harris County in over 4.5trn litres of water in just 100 hours—enough rainfall to cover an eight-year-old child. The fate of America’s fourth-largest city holds the world’s attention, but it is hardly alone. In India, Bangladesh and Nepal, at least 1,200 people have died and millions have been left homeless by this year’s monsoon floods. Last month torrential rains caused a mudslide in Sierra Leone that killed over 1,000—though the exact toll will never be known. Around the world, governments are grappling with the threat from floods. This will ultimately be about dealing with climate change. Just as important, is correcting short-sighted government policy and the perverse incentives that make flooding worse. Judgment day The overwhelming good news is that storms and flooding have caused far fewer deaths in recent decades, thanks to better warning systems and the construction of levees, ditches and shelters. The cyclone that struck Bangladesh in 1970 killed 300,000-500,000 people; the most recent severe one, in 2007, killed 4,234. The bad news is that storms and floods still account for almost three-quarters of weather-related disasters, and they are becoming more common. According to the Munich Re, a reinsurer, their number around the world has increased from about 200 in 1980 to over 600 last year. Harvey was the third “500-year” storm to strike Houston since 1979. At the same time, floods and storms are also becoming more costly. By one estimate, three times as many people were living in houses threatened by hurricanes in 2010 as in 1970, and the number is expected to grow as still more people move to coastal cities. The UN reckons that, in the 20 years to 2015, storms and floods caused $1.7trn of destruction; the World Health Organisation estimates that, in real terms, the global cost of hurricane damage is rising by 6% a year. Flood losses in Europe are predicted to increase fivefold by 2050. One cause is global warming. The frequency and severity of hurricanes vary naturally—America has seen unusually few in the past decade. Yet the underlying global trend is what you would expect from climate change. Warmer seas evaporate faster and warmer air can hold more water vapour, which releases energy when it condenses inside a weather system, feeding the violence of storms and the intensity of deluges. Rising sea levels, predicted to be especially marked in the Gulf of Mexico, exacerbate storm surges, adding to the flooding. Harvey was unusually devastating because it suddenly gained strength before it made landfall on Friday; it then stayed put, dumping its rain on Houston before returning to the Gulf. Again, that is consistent with models of a warmer world. Poor planning bears even more blame. Houston, which has almost no restrictions on land-use, is an extreme example of what can go wrong. Although a light touch has enabled developers to cater to the city’s rapid growth—1.8m extra inhabitants since 2000—it has also led to concrete being laid over vast areas of coastal prairie that used to absorb the rain. According to the Texas Tribune and ProPublica, a charity that finances investigative journalism, since 2010 Harris County has allowed more than 8,600 buildings to be put up inside 100-year floodplains, where floods have a 1% chance of occurring in any year. Developers are supposed to build ponds to hold run-off water that would have soaked into undeveloped land, but the rules are poorly enforced. Because the maps are not kept up to date, properties supposedly outside the 100-year floodplain are being flooded repeatedly. Government failure adds to the harm. Developing countries are underinsured against natural disasters. Swiss Re, a reinsurer, says that of the $50bn or so of losses to floods, cyclones and other disasters in Asia in 2014, only 8% were covered. The Bank of International Settlements calculates that the worst natural catastrophes typically permanently lower the afflicted country’s GDP by almost 2%. America has the opposite problem—the federal government subsidises the insurance premiums of vulnerable houses. The National Flood Insurance Programme (NFIP) has been forced to borrow because it fails to charge enough to cover its risk of losses. Underpricing encourages the building of new houses and discourages existing owners from renovating or moving out. According to the Federal Emergency Management Agency, houses that repeatedly flood account for 1% of NFIP’s properties but 25-30% of its claims. Five states, Texas among them, have more than 10,000 such households and, nationwide, their number has been going up by around 5,000 each year. Insurance is meant to provide a signal about risk; in this case, it stifles it. Mend the roof while the sun shines What to do? Flooding strengthens the case for minimising climate change, which threatens to make wet places wetter and storms stormier. Even those who doubt the science would do well to see action as an insurance policy that pays out if the case is proven. However, that will not happen fast, even if all countries, including America, sign up to international agreements. More immediately, therefore, politicians can learn from Houston. Cities need to protect flood defences and catchment areas, such as the wetlands around Kolkata and the lakes in and around Pokhara in Nepal, whose value is becoming clear. Flood maps need to be up to date. Civil engineers, often starved of funds and strangled by bureaucracy, should be building and reinforcing levees and reservoirs now, before it is too late. The NFIP should start to charge market premiums and developing countries should sell catastrophe bonds. All this is a test of government, of foresight and the ability to withstand the lobbying of homeowners and developers. But politicians and officials who fail the test need to realise that, sooner or later, they will wake up to a Hurricane Harvey of their own.

#### The impact’s global war and extinction

Eric **Holthaus 15**, editor at rollingstone magazine citing James Hansen, former NASA climatologist, "The Point of No Return: Climate Change Nightmares Are Here," Rolling Stone, accessed 10-23-2016, http://www.rollingstone.com/politics/news/the-point-of-no-return-climate-change-nightmares-are-already-here-20150805

On July 20th, James Hansen, the former NASA climatologist who brought climate change to the public's attention in the summer of 1988, issued a bombshell: He and a team of climate scientists had identified a newly important feedback mechanism off the coast of Antarctica that suggests mean sea levels could rise 10 times faster than previously predicted: 10 feet by 2065. The authors included this chilling warning: If emissions aren't cut, "We conclude that multi-meter sea-level rise would become practically unavoidable. Social disruption and economic consequences of such large sea-level rise could be devastating. It is not difficult to imagine that conflicts arising from forced migrations and economic collapse might make the planet ungovernable, threatening the fabric of civilization."

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#### Commercial space sectors are promoting innovation now

Brian Weeden 15, technical adviser for the Secure World Foundation, 10-5-2015, "Op-ed," SpaceNews, https://spacenews.com/op-ed-american-leadership-in-space-2-0/

Of all the countries in the world, the United States is best placed to be able to fully leverage the benefits from a robust commercial space sector. It was the birthplace of the computer revolution, and is the global leader in information technology. It has a strong legal system for protecting intellectual property rights while simultaneously encouraging robust competition. It is the U.S. commercial space industry, not government space programs, that will truly play to America’s strengths in a more competitive environment. There are agencies within the U.S. government that have already embraced this approach. One standout is the National Geospatial-Intelligence Agency (NGA). Under the leadership of Robert Cardillo, NGA is implementing a new strategy to find and exploit the innovations of the private sector, and increase the data and products it releases publicly. NGA understands that the only way it can succeed in a more complex and dynamic world is by staying ahead of technology trends, which in turn means embracing private-sector innovation. The rest of the U.S. government should follow NGA’s lead and continue to implement the elements of the Obama administration’s 2010 National Space Policy that encourage, foster and leverage the commercial space revolution. The focus should be on putting in place policies that will enable the U.S. commercial sector to innovate even faster, ensuring that it will continue to outpace foreign competition and foreign government programs. Where necessary, the U.S. government should be funding basic research and development, incentivizing industrial R&D, and helping new technologies move through the “valley of death” from basic research toward commercialization. It should be looking at how commercial products and services can complement, or even replace, government-only programs. And at the same time it should be watching out for the public good and putting in place minimal oversight functions to ensure a sustainable, reliable and predictable space environment that allows private investment to flourish.

#### Strong commercial space catalyzes tech innovation – progress at the margins and spinoff tech change global information networks

Joshua Hampson 2017, Security Studies Fellow at the Niskanen Center, 1-25-2017, “The Future of Space Commercialization”, Niskanen Center, https://republicans-science.house.gov/sites/republicans.science.house.gov/files/documents/TheFutureofSpaceCommercializationFinal.pdf

Innovation is generally hard to predict; some new technologies seem to come out of nowhere and others only take off when paired with a new application. It is difficult to predict the future, but it is reasonable to expect that a growing space economy would open opportunities for technological and organizational innovation. In terms of technology, the difficult environment of outer space helps incentivize progress along the margins. Because each object launched into orbit costs a significant amount of money—at the moment between $27,000 and $43,000 per pound, though that will likely drop in the future —each 19 reduction in payload size saves money or means more can be launched. At the same time, the ability to fit more capability into a smaller satellite opens outer space to actors that previously were priced out of the market. This is one of the reasons why small, affordable satellites are increasingly pursued by companies or organizations that cannot afford to launch larger traditional satellites. These small 20 satellites also provide non-traditional launchers, such as engineering students or prototypers, the opportunity to learn about satellite production and test new technologies before working on a full-sized satellite. That expansion of developers, experimenters, and testers cannot but help increase innovation opportunities. Technological developments from outer space have been applied to terrestrial life since the earliest days of space exploration. The National Aeronautics and Space Administration (NASA) maintains a website that lists technologies that have spun off from such research projects. Lightweight 21 nanotubes, useful in protecting astronauts during space exploration, are now being tested for applications in emergency response gear and electrical insulation. The need for certainty about the resiliency of materials used in space led to the development of an analytics tool useful across a range of industries. Temper foam, the material used in memory-foam pillows, was developed for NASA for seat covers. As more companies pursue their own space goals, more innovations will likely come from the commercial sector. Outer space is not just a catalyst for technological development. Satellite constellations and their unique line-of-sight vantage point can provide new perspectives to old industries. Deploying satellites into low-Earth orbit, as Facebook wants to do, can connect large, previously-unreached swathes of 22 humanity to the Internet. Remote sensing technology could change how whole industries operate, such as crop monitoring, herd management, crisis response, and land evaluation, among others. 23 While satellites cannot provide all essential information for some of these industries, they can fill in some useful gaps and work as part of a wider system of tools. Space infrastructure, in helping to change how people connect and perceive Earth, could help spark innovations on the ground as well. These innovations, changes to global networks, and new opportunities could lead to wider economic growth.

#### Tech innovation solves every existential threat – cumulative extinction events outweigh the aff

Dylan **Matthews 18**. Co-founder of Vox, citing Nick Beckstead @ Rutgers University. 10-26-2018. "How to help people millions of years from now." Vox. https://www.vox.com/future-perfect/2018/10/26/18023366/far-future-effective-altruism-existential-risk-doing-good

If you care about improving human lives, you should overwhelmingly care about those quadrillions of lives rather than the comparatively small number of people alive today. The 7.6 billion people now living, after all, amount to less than 0.003 percent of the population that will live in the future. It’s reasonable to suggest that those quadrillions of future people have, accordingly, hundreds of thousands of times more moral weight than those of us living here today do. That’s the basic argument behind Nick Beckstead’s 2013 Rutgers philosophy dissertation, “On the overwhelming importance of shaping the far future.” It’s a glorious mindfuck of a thesis, not least because Beckstead shows very convincingly that this is a conclusion any plausible moral view would reach. It’s not just something that weird utilitarians have to deal with. And Beckstead, to his considerable credit, walks the walk on this. He works at the Open Philanthropy Project on grants relating to the far future and runs a charitable fund for donors who want to prioritize the far future. And arguments from him and others have turned “long-termism” into a very vibrant, important strand of the effective altruism community. But what does prioritizing the far future even mean? The most literal thing it could mean is preventing human extinction, to ensure that the species persists as long as possible. For the long-term-focused effective altruists I know, that typically means identifying concrete threats to humanity’s continued existence — like unfriendly artificial intelligence, or a pandemic, or global warming/out of control geoengineering — and engaging in activities to prevent that specific eventuality. But in a set of slides he made in 2013, Beckstead makes a compelling case that while that’s certainly part of what caring about the far future entails, approaches that address specific threats to humanity (which he calls “targeted” approaches to the far future) have to complement “broad” approaches, where instead of trying to predict what’s going to kill us all, you just generally try to keep civilization running as best it can, so that it is, as a whole, well-equipped to deal with potential extinction events in the future, not just in 2030 or 2040 but in 3500 or 95000 or even 37 million. In other words, caring about the far future doesn’t mean just paying attention to low-probability risks of total annihilation; it also means acting on pressing needs now. For example: We’re going to be better prepared to prevent extinction from AI or a supervirus or global warming if society as a whole makes a lot of scientific progress. And a significant bottleneck there is that the vast majority of humanity doesn’t get high-enough-quality education to engage in scientific research, if they want to, which reduces the odds that we have enough trained scientists to come up with the breakthroughs we need as a civilization to survive and thrive. So maybe one of the best things we can do for the far future is to improve school systems — here and now — to harness the group economist Raj Chetty calls “lost Einsteins” (potential innovators who are thwarted by poverty and inequality in rich countries) and, more importantly, the hundreds of millions of kids in developing countries dealing with even worse education systems than those in depressed communities in the rich world. What if living ethically for the far future means living ethically now? Beckstead mentions some other broad, or very broad, ideas (these are all his descriptions): Help make computers faster so that people everywhere can work more efficiently Change intellectual property law so that technological innovation can happen more quickly Advocate for open borders so that people from poorly governed countries can move to better-governed countries and be more productive Meta-research: improve incentives and norms in academic work to better advance human knowledge Improve education Advocate for political party X to make future people have values more like political party X ”If you look at these areas (economic growth and technological progress, access to information, individual capability, social coordination, motives) a lot of everyday good works contribute,” Beckstead writes. “An implication of this is that a lot of everyday good works are good from a broad perspective, even though hardly anyone thinks explicitly in terms of far future standards.” Look at those examples again: It’s just a list of what normal altruistically motivated people, not effective altruism folks, generally do. Charities in the US love talking about the lost opportunities for innovation that poverty creates. Lots of smart people who want to make a difference become scientists, or try to work as teachers or on improving education policy, and lord knows there are plenty of people who become political party operatives out of a conviction that the moral consequences of the party’s platform are good. All of which is to say: Maybe effective altruists aren’t that special, or at least maybe we don’t have access to that many specific and weird conclusions about how best to help the world. If the far future is what matters, and generally trying to make the world work better is among the best ways to help the far future, then effective altruism just becomes plain ol’ do-goodery.\*

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#### Global economic growth is accelerating now

Caroline Miranda 21, Consultant for the International Finance Corporation at the World Bank Group, Fernando Blanco, Principal Economist for Europe and Central Asia of the IFC, and Tatiana Nenova, IFC ECA/LAC Regional Economics Manager, Country Economics (CELCE), “An Uneven Global Economic Recovery in 2021 Promises to Invert a Longstanding Principle of Success and Failure”, World Bank Blogs, 5/7/2021, https://blogs.worldbank.org/developmenttalk/uneven-global-economic-recovery-2021-promises-invert-longstanding-principle-success

While every national recovery will hinge on country characteristics, the success or failure of major economies and economic blocs will profoundly influence the outlook for smaller economies and developing countries. Recent progress in the vaccination rollout in the United States and other advanced economies has raised expectations for the global economic recovery. According to the Spring 2021 edition of the IMF’s Word Economic Outlook, the global economy is projected to expand at a rate of 6 percent in 2021, up from the 5.5 percent growth rate projected in January, due to the faster-than-expected recovery of advanced economies.[1] Bolstered by unprecedented fiscal and monetary stimulus, the United States, China, and Western Europe are poised for a swift rebound: annual GDP growth in the United States, China, and Western Europe are projected to reach 6.4, 8,4 and 4.5 percent, respectively, in 2021. Latin America and the Caribbean (LAC) and Europe and Central Asia (ECA) are projected to grow by 4.4 percent and 3.6 percent, respectively, albeit with large disparities across countries.

Differences in vaccination rates are driving the divergence in growth projections, as the easing of pandemic-related restrictions and the resumption of mobility, production, trade, and travel all hinge on widespread vaccination. While good progress has been achieved overall, vast disparities in vaccination coverage align closely with national income levels. The slow progress of vaccination efforts in developing countries threatens to hinder their recovery while also exacerbating the global risk of virus mutation. Several countries that are currently facing renewed waves of contagion and/or new viral strains have been forced to reimpose restrictions and delay the return of normal economic activity.

A second driver of divergent recovery trends is the extent of each country’s integration into international value chains linked to advanced economies. As global economic activity rebounds, the World Trade Organization projects that merchandise trade will grow at a rate of 8.0 percent in 2021. The reestablishment of global and regional value chains is also boosting trade in capital goods and intermediate inputs. For example, the growth of US industrial output is expected to accelerate the recovery in Mexico’s manufacturing sector due to the strong synchronicity between the business cycles of the two countries. Similarly, given the close integration of many developing countries in ECA with the European Union, the restoration of European regional value chains is expected to enhance growth prospects across ECA. As global economic activity recovers, prices for oil, metals, food and other commodities are expected to rise. Recovering commodity prices have already bolstered growth in some ECA countries, including Kazakhstan and Uzbekistan, as well as in LAC countries such as Brazil, Colombia, Chile, and Peru. Although higher commodity prices will be tailwinds for resource-rich commodity exporters, they will be headwinds for net importers, especially developing countries that rely on oil imports. Trade in services will likely remain subdued and is not expected to return to pre-pandemic levels before 2022. The hospitality and travel sectors continue to be the most severely affected by the crisis, and tourism-dependent countries in the Caribbean and the Balkans face a slow and uncertain recovery.

A third source of divergence is in the policy response adopted by fiscal and monetary authorities. Several counties are confronting inflationary pressures that will limit the ability of their central banks to maintain accommodative monetary policies. Expansionary monetary stances, rapid credit growth, exchange-rate depreciation, and rising commodity prices have amplified inflationary pressures in Brazil, Kazakhstan, Mexico, Russia, Turkey, and Ukraine. Many central banks either already hiked benchmark policy rates in Q1 2021 or have signaled the end of their easing cycles. Though necessary to manage inflation, monetary tightening could dampen prospects for a swift recovery by putting pressure on interest rates, spurring capital outflows, or weakening exchange rates. Tighter monetary policies in advanced economies could also worsen financing conditions for emerging markets and intensify the volatility of capital flows, especially to the most vulnerable ECA and LAC economies. Even in the absence of monetary tightening, US 10-year bond yields have risen sharply in Q1 2021, putting pressure on emerging-market exchange rates that may need to accelerate the tightening of their monetary policy stance.

Fiscal pressure has also intensified as governments strive to extend emergency economic support without undermining investor confidence. The pandemic-induced recession has triggered a surge in deficits and debt levels in many economies, especially LAC and ECA countries, many of which had already experienced a rapid debt buildup prior to 2020. Unsustainable debt dynamics could compel governments to rescind vital fiscal support before a broader recovery has fully consolidated. While fiscal deficits are projected to narrow, on balance, between 2020 and 2021, they are expected to remain large by historical standards. Narrowing fiscal space will weaken the ability of many governments to provide further cyclical support, though Chile and Peru are notable exceptions in the LAC region which have some additional room to continue to foster economic activity. In ECA, while fiscal space is narrowing in many countries including the Western Balkans and Ukraine, the EU Recovery & Resilience Facility will provide sizeable grants to Romania, Bulgaria, and Poland. Resource economies in Central Asia can continue to provide stimulus financed by high commodity prices. If public debt trajectories become unsustainable, some countries may resort to financial repression to prevent a surge in borrowing costs, accelerating inflation and weakening their currencies.

A final contributor to the uneven global recovery is the relative vulnerability of each country’s private sector. Corporate debt burdens in emerging markets and developing economies (EMDEs) were already at historic elevated levels before the COVID-19 outbreak: with easy access to international credit markets, foreign-denominated liabilities accumulated over the last decade, resulted in a currency mismatch between earnings and debt service that heightened corporates vulnerability to exchange-rate shocks and rising global risk aversion. By the end of 2019, corporate debt levels in Ukraine, Poland, the Slovak Republic, and Slovenia were close to 50 percent of annual GDP, while in Bulgaria, Russia, and Turkey this ratio had reached more than 70 percent. Corporate debt levels are relatively low in the LAC region, except Chile, where corporate debt exceeds 100 percent of GDP. Corporate vulnerabilities in EMDEs have risen sharply during the pandemic, especially among firms with high preexisting debt burdens and those operating in sectors that were particularly exposed to the economic impact of COVID-19. In the aftermath of the pandemic, policymakers in many EMDEs have focused on preventing firms from being prematurely driven into insolvency through an unprecedented injection of liquidity and the adoption of forbearance measures to enable banks to expand credit to the real sector. However, government forbearance has obscured the line between firms that are illiquid and firms that are insolvent (i.e., “ghost firms”), and nonperforming loan indicators do not fully capture the deterioration of asset quality in the financial sector. High corporate risk premiums indicate an elevated risk of debt defaults, and firms facing large debt overhangs may reduce future investment and grow more slowly over the medium term. The divergence in recovery paths will reflect the relative ability of national policymakers to facilitate smooth debt workouts and ensure that debt-restructuring mechanisms and solvency frameworks function effectively. These conditions are especially crucial in EMDEs, where bankruptcy frameworks are generally weaker and where inefficient debt resolution often leads to the excessive destruction of capital, even under normal circumstances.

#### Unpredictable shifts ruin biz con AND overall growth

Sarah Chaney Cambon 21, Reporter on The Wall Street Journal's Economics Team, BA in Business Journalism from the University of North Carolina-Chapel Hill, “Capital-Spending Surge Further Lifts Economic Recovery”, Wall Street Journal, 6/27/2021, https://www.wsj.com/articles/capital-spending-surge-further-lifts-economic-recovery-11624798800

Business investment is emerging as a powerful source of U.S. economic growth that will likely help sustain the recovery.

Companies are ramping up orders for computers, machinery and software as they grow more confident in the outlook.

Nonresidential fixed investment, a proxy for business spending, rose at a seasonally adjusted annual rate of 11.7% in the first quarter, led by growth in software and tech-equipment spending, according to the Commerce Department. Business investment also logged double-digit gains in the third and fourth quarters last year after falling during pandemic-related shutdowns. It is now higher than its pre-pandemic peak.

Orders for nondefense capital goods excluding aircraft, another measure for business investment, are near the highest levels for records tracing back to the 1990s, separate Commerce Department figures show.

“Business investment has really been an important engine powering the U.S. economic recovery,” said Robert Rosener, senior U.S. economist at Morgan Stanley. “In our outlook for the economy, it’s certainly one of the bright spots.”

Consumer spending, which accounts for about two-thirds of economic output, is driving the early stages of the recovery. Americans, flush with savings and government stimulus checks, are spending more on goods and services, which they shunned for much of the pandemic.

Robust capital investment will be key to ensuring that the recovery maintains strength after the spending boost from fiscal stimulus and business reopenings eventually fades, according to some economists.

Rising business investment helps fuel economic output. It also lifts worker productivity, or output per hour. That metric grew at a sluggish pace throughout the last economic expansion but is now showing signs of resurgence.

The recovery in business investment is shaping up to be much stronger than in the years following the 2007-09 recession. “The events especially in late ’08, early ’09 put a lot of businesses really close to the edge,” said Phil Suttle, founder of Suttle Economics. “I think a lot of them said, ‘We’ve just got to be really cautious for a long while.’”

Businesses appear to be less risk-averse now, he said.

After the financial crisis, businesses grew by adding workers, rather than investing in capital. Hiring was more attractive than capital spending because labor was abundant and relatively cheap. Now the supply of workers is tight. Companies are raising pay to lure employees. As a result, many firms have more incentive to grow by investing in capital.

Economists at Morgan Stanley predict that U.S. capital spending will rise to 116% of prerecession levels after three years. By comparison, investment took 10 years to reach those levels once the 2007-09 recession hit.

Company executives are increasingly confident in the economy’s trajectory. The Business Roundtable’s economic-outlook index—a composite of large companies’ plans for hiring and spending, as well as sales projections—increased by nine points in the second quarter to 116, just below 2018’s record high, according to a survey conducted between May 25 and June 9. In the second quarter, the share of companies planning to boost capital investment increased to 59% from 57% in the first.

“We’re seeing really strong reopening demand, and a lot of times capital investment follows that,” said Joe Song, senior U.S. economist at BofA Securities.

Mr. Song added that less uncertainty regarding trade tensions between the U.S. and China should further underpin business confidence and investment. “At the very least, businesses will understand the strategy that the Biden administration is trying to follow and will be able to plan around that,” he said.

#### Decline cascades---nuclear war

Dr. Mathew Maavak 21, PhD in Risk Foresight from the Universiti Teknologi Malaysia, External Researcher (PLATBIDAFO) at the Kazimieras Simonavicius University, Expert and Regular Commentator on Risk-Related Geostrategic Issues at the Russian International Affairs Council, “Horizon 2030: Will Emerging Risks Unravel Our Global Systems?”, Salus Journal – The Australian Journal for Law Enforcement, Security and Intelligence Professionals, Volume 9, Number 1, p. 2-8

Various scholars and institutions regard global social instability as the greatest threat facing this decade. The catalyst has been postulated to be a Second Great Depression which, in turn, will have profound implications for global security and national integrity. This paper, written from a broad systems perspective, illustrates how emerging risks are getting more complex and intertwined; blurring boundaries between the economic, environmental, geopolitical, societal and technological taxonomy used by the World Economic Forum for its annual global risk forecasts. Tight couplings in our global systems have also enabled risks accrued in one area to snowball into a full-blown crisis elsewhere. The COVID-19 pandemic and its socioeconomic fallouts exemplify this systemic chain-reaction. Onceinexorable forces of globalization are rupturing as the current global system can no longer be sustained due to poor governance and runaway wealth fractionation. The coronavirus pandemic is also enabling Big Tech to expropriate the levers of governments and mass communications worldwide. This paper concludes by highlighting how this development poses a dilemma for security professionals.

Key Words: Global Systems, Emergence, VUCA, COVID-9, Social Instability, Big Tech, Great Reset

INTRODUCTION

The new decade is witnessing rising volatility across global systems. Pick any random “system” today and chart out its trajectory: Are our education systems becoming more robust and affordable? What about food security? Are our healthcare systems improving? Are our pension systems sound? Wherever one looks, there are dark clouds gathering on a global horizon marked by volatility, uncertainty, complexity and ambiguity (VUCA).

But what exactly is a global system? Our planet itself is an autonomous and selfsustaining mega-system, marked by periodic cycles and elemental vagaries. Human activities within however are not system isolates as our banking, utility, farming, healthcare and retail sectors etc. are increasingly entwined. Risks accrued in one system may cascade into an unforeseen crisis within and/or without (Choo, Smith & McCusker, 2007). Scholars call this phenomenon “emergence”; one where the behaviour of intersecting systems is determined by complex and largely invisible interactions at the substratum (Goldstein, 1999; Holland, 1998).

The ongoing COVID-19 pandemic is a case in point. While experts remain divided over the source and morphology of the virus, the contagion has ramified into a global health crisis and supply chain nightmare. It is also tilting the geopolitical balance. China is the largest exporter of intermediate products, and had generated nearly 20% of global imports in 2015 alone (Cousin, 2020). The pharmaceutical sector is particularly vulnerable. Nearly “85% of medicines in the U.S. strategic national stockpile” sources components from China (Owens, 2020).

An initial run on respiratory masks has now been eclipsed by rowdy queues at supermarkets and the bankruptcy of small businesses. The entire global population – save for major pockets such as Sweden, Belarus, Taiwan and Japan – have been subjected to cyclical lockdowns and quarantines. Never before in history have humans faced such a systemic, borderless calamity.

COVID-19 represents a classic emergent crisis that necessitates real-time response and adaptivity in a real-time world, particularly since the global Just-in-Time (JIT) production and delivery system serves as both an enabler and vector for transboundary risks. From a systems thinking perspective, emerging risk management should therefore address a whole spectrum of activity across the economic, environmental, geopolitical, societal and technological (EEGST) taxonomy. Every emerging threat can be slotted into this taxonomy – a reason why it is used by the World Economic Forum (WEF) for its annual global risk exercises (Maavak, 2019a). As traditional forces of globalization unravel, security professionals should take cognizance of emerging threats through a systems thinking approach.

METHODOLOGY

An EEGST sectional breakdown was adopted to illustrate a sampling of extreme risks facing the world for the 2020-2030 decade. The transcendental quality of emerging risks, as outlined on Figure 1, below, was primarily informed by the following pillars of systems thinking (Rickards, 2020):

• Diminishing diversity (or increasing homogeneity) of actors in the global system (Boli & Thomas, 1997; Meyer, 2000; Young et al, 2006);

• Interconnections in the global system (Homer-Dixon et al, 2015; Lee & Preston, 2012);

• Interactions of actors, events and components in the global system (Buldyrev et al, 2010; Bashan et al, 2013; Homer-Dixon et al, 2015); and

• Adaptive qualities in particular systems (Bodin & Norberg, 2005; Scheffer et al, 2012) Since scholastic material on this topic remains somewhat inchoate, this paper buttresses many of its contentions through secondary (i.e. news/institutional) sources.

ECONOMY

According to Professor Stanislaw Drozdz (2018) of the Polish Academy of Sciences, “a global financial crash of a previously unprecedented scale is highly probable” by the mid- 2020s. This will lead to a trickle-down meltdown, impacting all areas of human activity.

The economist John Mauldin (2018) similarly warns that the “2020s might be the worst decade in US history” and may lead to a Second Great Depression. Other forecasts are equally alarming. According to the International Institute of Finance, global debt may have surpassed $255 trillion by 2020 (IIF, 2019). Yet another study revealed that global debts and liabilities amounted to a staggering $2.5 quadrillion (Ausman, 2018). The reader should note that these figures were tabulated before the COVID-19 outbreak.

The IMF singles out widening income inequality as the trigger for the next Great Depression (Georgieva, 2020). The wealthiest 1% now own more than twice as much wealth as 6.9 billion people (Coffey et al, 2020) and this chasm is widening with each passing month. COVID-19 had, in fact, boosted global billionaire wealth to an unprecedented $10.2 trillion by July 2020 (UBS-PWC, 2020). Global GDP, worth $88 trillion in 2019, may have contracted by 5.2% in 2020 (World Bank, 2020).

As the Greek historian Plutarch warned in the 1st century AD: “An imbalance between rich and poor is the oldest and most fatal ailment of all republics” (Mauldin, 2014). The stability of a society, as Aristotle argued even earlier, depends on a robust middle element or middle class. At the rate the global middle class is facing catastrophic debt and unemployment levels, widespread social disaffection may morph into outright anarchy (Maavak, 2012; DCDC, 2007).

Economic stressors, in transcendent VUCA fashion, may also induce radical geopolitical realignments. Bullions now carry more weight than NATO’s security guarantees in Eastern Europe. After Poland repatriated 100 tons of gold from the Bank of England in 2019, Slovakia, Serbia and Hungary quickly followed suit.

According to former Slovak Premier Robert Fico, this erosion in regional trust was based on historical precedents – in particular the 1938 Munich Agreement which ceded Czechoslovakia’s Sudetenland to Nazi Germany. As Fico reiterated (Dudik & Tomek, 2019):

“You can hardly trust even the closest allies after the Munich Agreement… I guarantee that if something happens, we won’t see a single gram of this (offshore-held) gold. Let’s do it (repatriation) as quickly as possible.” (Parenthesis added by author).

President Aleksandar Vucic of Serbia (a non-NATO nation) justified his central bank’s gold-repatriation program by hinting at economic headwinds ahead: “We see in which direction the crisis in the world is moving” (Dudik & Tomek, 2019). Indeed, with two global Titanics – the United States and China – set on a collision course with a quadrillions-denominated iceberg in the middle, and a viral outbreak on its tip, the seismic ripples will be felt far, wide and for a considerable period.

A reality check is nonetheless needed here: Can additional bullions realistically circumvallate the economies of 80 million plus peoples in these Eastern European nations, worth a collective $1.8 trillion by purchasing power parity? Gold however is a potent psychological symbol as it represents national sovereignty and economic reassurance in a potentially hyperinflationary world. The portents are clear: The current global economic system will be weakened by rising nationalism and autarkic demands. Much uncertainty remains ahead. Mauldin (2018) proposes the introduction of Old Testament-style debt jubilees to facilitate gradual national recoveries. The World Economic Forum, on the other hand, has long proposed a “Great Reset” by 2030; a socialist utopia where “you’ll own nothing and you’ll be happy” (WEF, 2016).

In the final analysis, COVID-19 is not the root cause of the current global economic turmoil; it is merely an accelerant to a burning house of cards that was left smouldering since the 2008 Great Recession (Maavak, 2020a). We also see how the four main pillars of systems thinking (diversity, interconnectivity, interactivity and “adaptivity”) form the mise en scene in a VUCA decade.

ENVIRONMENTAL

What happens to the environment when our economies implode? Think of a debt-laden workforce at sensitive nuclear and chemical plants, along with a concomitant surge in industrial accidents? Economic stressors, workforce demoralization and rampant profiteering – rather than manmade climate change – arguably pose the biggest threats to the environment. In a WEF report, Buehler et al (2017) made the following pre-COVID-19 observation:

The ILO estimates that the annual cost to the global economy from accidents and work-related diseases alone is a staggering $3 trillion. Moreover, a recent report suggests the world’s 3.2 billion workers are increasingly unwell, with the vast majority facing significant economic insecurity: 77% work in part-time, temporary, “vulnerable” or unpaid jobs.

Shouldn’t this phenomenon be better categorized as a societal or economic risk rather than an environmental one? In line with the systems thinking approach, however, global risks can no longer be boxed into a taxonomical silo. Frazzled workforces may precipitate another Bhopal (1984), Chernobyl (1986), Deepwater Horizon (2010) or Flint water crisis (2014). These disasters were notably not the result of manmade climate change. Neither was the Fukushima nuclear disaster (2011) nor the Indian Ocean tsunami (2004). Indeed, the combustion of a long-overlooked cargo of 2,750 tonnes of ammonium nitrate had nearly levelled the city of Beirut, Lebanon, on Aug 4 2020. The explosion left 204 dead; 7,500 injured; US$15 billion in property damages; and an estimated 300,000 people homeless (Urbina, 2020). The environmental costs have yet to be adequately tabulated.

Environmental disasters are more attributable to Black Swan events, systems breakdowns and corporate greed rather than to mundane human activity.

Our JIT world aggravates the cascading potential of risks (Korowicz, 2012). Production and delivery delays, caused by the COVID-19 outbreak, will eventually require industrial overcompensation. This will further stress senior executives, workers, machines and a variety of computerized systems. The trickle-down effects will likely include substandard products, contaminated food and a general lowering in health and safety standards (Maavak, 2019a). Unpaid or demoralized sanitation workers may also resort to indiscriminate waste dumping. Many cities across the United States (and elsewhere in the world) are no longer recycling wastes due to prohibitive costs in the global corona-economy (Liacko, 2021).

Even in good times, strict protocols on waste disposals were routinely ignored. While Sweden championed the global climate change narrative, its clothing flagship H&M was busy covering up toxic effluences disgorged by vendors along the Citarum River in Java, Indonesia. As a result, countless children among 14 million Indonesians straddling the “world’s most polluted river” began to suffer from dermatitis, intestinal problems, developmental disorders, renal failure, chronic bronchitis and cancer (DW, 2020). It is also in cauldrons like the Citarum River where pathogens may mutate with emergent ramifications.

On an equally alarming note, depressed economic conditions have traditionally provided a waste disposal boon for organized crime elements. Throughout 1980s, the Calabriabased ‘Ndrangheta mafia – in collusion with governments in Europe and North America – began to dump radioactive wastes along the coast of Somalia. Reeling from pollution and revenue loss, Somali fisherman eventually resorted to mass piracy (Knaup, 2008).

The coast of Somalia is now a maritime hotspot, and exemplifies an entwined form of economic-environmental-geopolitical-societal emergence. In a VUCA world, indiscriminate waste dumping can unexpectedly morph into a Black Hawk Down incident. The laws of unintended consequences are governed by actors, interconnections, interactions and adaptations in a system under study – as outlined in the methodology section.

Environmentally-devastating industrial sabotages – whether by disgruntled workers, industrial competitors, ideological maniacs or terrorist groups – cannot be discounted in a VUCA world. Immiserated societies, in stark defiance of climate change diktats, may resort to dirty coal plants and wood stoves for survival. Interlinked ecosystems, particularly water resources, may be hijacked by nationalist sentiments. The environmental fallouts of critical infrastructure (CI) breakdowns loom like a Sword of Damocles over this decade.

GEOPOLITICAL

The primary catalyst behind WWII was the Great Depression. Since history often repeats itself, expect familiar bogeymen to reappear in societies roiling with impoverishment and ideological clefts. Anti-Semitism – a societal risk on its own – may reach alarming proportions in the West (Reuters, 2019), possibly forcing Israel to undertake reprisal operations inside allied nations. If that happens, how will affected nations react? Will security resources be reallocated to protect certain minorities (or the Top 1%) while larger segments of society are exposed to restive forces? Balloon effects like these present a classic VUCA problematic.

Contemporary geopolitical risks include a possible Iran-Israel war; US-China military confrontation over Taiwan or the South China Sea; North Korean proliferation of nuclear and missile technologies; an India-Pakistan nuclear war; an Iranian closure of the Straits of Hormuz; fundamentalist-driven implosion in the Islamic world; or a nuclear confrontation between NATO and Russia. Fears that the Jan 3 2020 assassination of Iranian Maj. Gen. Qasem Soleimani might lead to WWIII were grossly overblown. From a systems perspective, the killing of Soleimani did not fundamentally change the actor-interconnection-interaction adaptivity equation in the Middle East. Soleimani was simply a cog who got replaced.