# 1NC – Other

### T : USA ≠ Just

#### Interpretation

#### The affirmative debater must defend all parts of and only the resolution. This means that any spec must not be inconsistent with the resolution. Specifically, they must defend a JUST government as the actor of the resolution

#### A just government must respect people’s right to freedom and right to be free from harm against their person or property

R.A. Hill, paper presenter at the Twentieth World Congress of Philosophy, August 1998  
“Government, Justice, and Human Rights,” The Paideia Archive, <https://www.bu.edu/wcp/MainPoli.htm> (accessed 7/7/21)

This paper explores the relationship between justice and government, examining views on the subject expressed by traditional political philosophers such as Rousseau and Locke, as well as those expressed by contemporary political theorists such as John Rawls and Robert Nozick. According to Rawls, justice is one of the fundamental concerns of a governing body; Locke and Rousseau agree that government and justice are essentially connected. Nozick and Max Weber, however, claim that the essential characteristic of government is not justice, but power. This paper argues that government, as an institution formed and controlled by human beings, is subject to the moral injunction to treat human beings as entities accorded certain rights, and included among these rights is the right to just treatment. Governments are therefore enjoined to be just because human beings, as rational agents, and therefore persons, are owed the minimal respect due a person, such as the right to freedom and the right to forbearance from harm by others to self and property.

#### Violation

#### They defend USA – USA violates the definition

1] Guantanamo bay

2] bad police officers who represent government

3] structural inequities in the usa which oppress minorities

4] immigration

#### Standards

#### Predictability – predictability is constrained by the words of the res – it’s the only thing we both have for a fair and equal playing field – by not defending the res you’re unpredictable, exploding aff ground, making the neg prep burden infinite, and mooting clash – irrecriprocal ground split decks fairness and infinite prep burden moots research destroying education

#### Ground – by allowing you to spec unjust governments, you can spec literally any government in the world, no matter how unjust – explodes ground to all countries in the world and any permutation of them

#### Fiat abuse – by fiating an unjust government like US provides an unconditional right to strike, you’re fiating the US government changes away from their paradigm now of replaceable labor – you fiat a GOVERNMENT changing which allows you to literally fiat policy solvency - impossible for me to make solvency takeouts to the plan - takes out key ground for the Neg, because I need to be able to make solvency takeouts or the Aff will always get 100% strength of link

#### Voters

#### Fairness is a voter

It’s constitituve of a competitive activity like debate – intrinsic to the nature of debate

#### Education is a voter

Only long term impact to debate

Only reasons schools fund debate

#### Drop the debater

Abuse has already been committed – deter future abuse

Time spent on theory has tainted substance – dtd only way to rectify

#### No RVIs

Illogical – you don’t win for being fair

RVIs incentivize baiting T and prepping it out which leads to maximally abusive practices and creates a chilling effect where people don’t check real abuse

#### Competing interps –

Reasonability is arbitrary and encourages judge intervention since there’s no clear norm

Creates a race to the top so we set the best norms

#### T before 1AR theory –

Norms – we only have a couple months to set T norms but can set 1AR theory norms any time

Magnitude – it impacts a larger portion of the round since the aff advocacy determines every speech after it

### CP: Arbitration

#### Counterplan Text-A just government ought to Implement a Compulsory Interest Arbitration Mechanism to settle public labor disputes and private sector workers will be allows to strike only after

#### Solves the aff-allows effective collective bargaining without destructive strikes

Alaine S. Williams, 1979, Florida Law Review, https://core.ac.uk/download/pdf/217315075.pdf//SJJK

If the legislature has enacted legislation which inadequately implements and protects the constitutional right to collectively bargain, the judiciary should be bold in declaring the law unconstitutional.5 ' Thereafter, the legislature would be compelled to enact meaningful collective bargaining-in other words, to institute compulsory interest arbitration. One reason for implementing compulsory interest arbitration is because without it "collective bargaining" in Florida lacks any meaning whatsoever. Another substantial and more positive reason •to do so is because interest arbitration is a rational alternative to strikes. 5 Private employees have a right to strike, a right believed to be significant for the maintenance of labor peace53 and essential to meaningful bargaining." Most public employees in this country have a right to collectively bargain, but because the majority of jurisdictions prohibit strikes, the right has been more accurately described as "collective begging." In a 1972 decision upholding the sentences of a group of striking teachers, a New Jersey court noted that: Jailing teachers is not the answer to school strikes .... Public employees have the right to bargain collectively as to the terms and conditions of their employment but cannot do so on equal terms with their employment unit since they have no means of negotiating from a position of strength. If the present policy prohibiting strikes by public employees is to be continued, machinery for the compulsory settlement of deadlocked labor disputes involving public employees should be established. 5 With an effective, fair method of settling contract negotiation disputes, as opposed to the one-sided factfinding system in Florida, public employee strikes, besides being illegal, would also occur less often. In addition, negotiations should be more fruitful when some form of threat-namely, forced arbitration-is present. 7 If the public employer in Florida were subject to outside arbitration in the event contract negotiations broke down, he probably would be more enthusiastic about good faith bargaining. The threat of arbitration would have the desired effect of encouraging bargaining and would motivate the parties to voluntarily agree to the contract. Although some argue that arbitration is not a substitute for strikes but rather a substitute for bargaining,18 statistics compiled under the New York arbitration law indicate that there is no evidence that compulsory interest arbitration has chilled collective bargaining. 5 9 Instead, factors such as hostility between union and management representatives, political pressure tactics by the union, and the use of outside negotiators were more likely to account for an impasse than the availability of arbitration machinery. 0

**Empowering interest arbitration is able to resolve disputes while simultaneously giving the time and consideration necessary to prevent future conflicts over labor.**

**Malin, ‘13** [Martin H. Malin is Professor of Law Emeritus at Chicago-Kent College of Law, Published: 1/14/13, “Two Models of Interest Arbitration” Ohio State Journal on Dispute Resolution, https://scholarship.kentlaw.iit.edu/cgi/viewcontent.cgi?article=1741&context=fac\_schol ]

**To develop the interest arbitration process as an extension of the collective bargaining process, policymakers should encourage arbitrators to mediate. Sufficient time should be allotted in establishing deadlines for the arbitration award to allow for mediation, and the parties should be authorized to extend those deadlines by agreement. The arbitrator should have authority to remand the dispute to the parties for further negotiations if the arbitrator determines that such a remand is appropriate.** Tri-partite arbitration boards facilitate mediation but are not essential, as effective mediation can occur even where there is a single, neutral arbitrator. Interest arbitration statutes should be designed such that the outcome of an arbitration proceeding will be unpredictable. **Where statutes specify factors for the arbitrator to consider, something that may be necessary in many states to avoid having the statute voided as an unconstitutional delegation of sovereign authority,96 the factors should be worded broadly to give the arbitrator as much discretion as possible. Prioritizing some factors over others should be avoided and the list should contain express authorization for the arbitrator to .consider factors in addition to those expressly listed.** Arbitrators should not be required to address expressly every factor; indeed, as with grievance arbitration, they should not be required to provide detailed reasons for their awards. At most, they should be required to indicate that they have considered all relevant factors in reaching the decision. Judicial review of interest arbitration awards should be extremely narrow. **As long as the arbitrator acted within the scope of his or her authority, was not biased and did not engage in willful misconduct, a reviewing court or administrative agency should defer to the award. The goal of interest arbitration should be to resolve a particular dispute, not to develop a body of precedent binding on future adjudications. When interest arbitration is situated as an extension of the collective bargaining process, the disadvantages of resolving bargaining impasses through arbitration will be mitigated. Parties are more likely to reach agreement and, in so doing, have a better chance of innovating rather than replicating the status quo, and of resolving conflict rather than diverting it to contract administration**. When parties resolve their bargaining disputes by agreement, they own the resolution and cannot avoid accountability by pushing responsibility off on the arbitrator.

### DA: Economy

#### Uniqueness

#### The stock market’s booming and interest rate concerns are lower but exist

Duguid and Rovnick 10/21 Duguid, Kate, and Naomi Rovnick. “US Stocks Recapture Momentum to Close at Record Highs.” *Financial Times*, Financial Times, 21 Oct. 2021, www.ft.com/content/b2c1779e-4ab2-41ad-94cf-c8da9205a8c1?accessToken=zwAAAXymFKuokdOywXeeSrJBrdOUz8jakgWowQ.MEQCIG\_RERXVex9eOLg6KAmDWHUS5vCQ0Xk39VZORjXz57fdAiBck3XM\_zutMicSG8KGRFGa1XDWDOgDsiv9bxBeI1m\_pw&sharetype=gift?token.

**US stocks staked out a record high on Thursday, with the S&P 500 index surpassing a previous peak** reached seven weeks ago as strong corporate earnings bolstered the mood on Wall Street.

The **US blue-chip S&P closed up 0.3 per cent, led by stocks such as Microsoft, Tesla, Netflix and Amazon. The stock price of electric vehicle maker Tesla rose to a record high after** [**beating earnings**](https://www.ft.com/content/1e084713-1506-4256-b00b-59cb6125d2c1) **late on Wednesday.**

Thursday marks the seventh consecutive day of gains for the index, the longest winning streak since June 2021. The S&P 500 ended the longest period without a new record since November 2020.

The technology-focused Nasdaq Composite added 0.6 per cent. In Europe, the Stoxx

600 index ended the session flat, remaining just over 1 per cent below its August high.

**Strengthening global equities performance comes as large consumer-facing businesses said they had passed higher input prices on to customers, adding more fuel to a debate about prolonged inflation leading to interest rate rises. On Thursday, household goods group Unilever** [**warned about inflation,**](https://www.ft.com/content/369c1596-ea3a-41d2-9f78-6377db77191e) **but said it had managed to raise product prices** in response. The consumer goods groups [Nestlé](https://www.ft.com/content/2b61265c-b8ea-4ee3-8ba5-222274426aa8) and Procter & Gamble also said this week they had lifted prices to counteract higher input costs.

**The updates alleviated concerns**, which had pressured equity markets last month, about pandemic-related supply chain bottlenecks and an oil price surge hitting companies’ profits. **But they also raised questions about how persistent consumer price inflation — which is running at a** [**13-year high**](https://www.ft.com/content/4581bd5d-0771-44ca-93ac-13c4ed2a66be) **in the US — will be and how aggressively central banks might act to contain it.**

“**Markets had presumed companies wouldn’t be able to hold their [profit] margins, so this is a good development** in one way,” said Roger Lee, head of equity strategy at Investec Bank. “**But it also looks like this inflation we are seeing is becoming more persistent as price rises are accepted by consumers.**”

**The yield on the benchmark 10-year US Treasury note rose 0.03 percentage points to 1.69 per cent. The yield, which moves inversely to the price of the security, has climbed from about 1.3 per cent a month ago as traders have sold Treasuries in anticipation of the Federal Reserve reducing its $120bn a month of pandemic-era bond purchases. High inflation has also piled pressure on Fed policymakers to US raise interest rates from their current record low.**

Sunil Krishnan, head of multi-asset funds at Aviva Investors, said he would scrutinise companies’ third-quarter earnings for “signs that **inflationary pressures are broadening out from those bottlenecks in shipping and goods into the labour market”.**

The US railroad operator Union Pacific on Thursday warned that it would do less business for the rest of the year than it had anticipated because of supply chain disruptions, including congestion at ports.

Elsewhere in financial markets, the Turkish lira fell 3.3 per cent to hit an all-time low [of TL9.53 against the dollar after the country’s central bank slashed its main interest rate by 2 percentage points to 16 per cent — a much deeper cut than analysts had](https://www.ft.com/content/53d3e970-c71e-42d5-b38b-6e8ca2d32c35) expected.

Sterling softened slightly against the dollar, losing 0.3 per cent to $1.38, as a warning by UK health secretary Sajid Javid that Covid-19 cases could hit 100,000 a day revived concerns about the nation’s economic recovery.

Brent crude, the international oil benchmark, settled 1.4 per cent lower to $84.61 a barrel, but remained close to a three-year high.

London’s FTSE 100 slipped 0.5 per cent as shares in miners exposed to China’s slowing economy dropped. Hong Kong’s Hang Seng index fell 0.5 per cent after the distressed Chinese homebuilder Evergrande [said a](https://www.ft.com/content/bb043495-fffe-4e04-a6b6-7dd1016ddd4a) planned sale of its property services division had collapsed.

#### Legalizing strikes crushes the economy – multiple warrants

#### Strikes raise interest rates causing stagflation

**Guida 6-4** Victoria Guida [an economics reporter covering the Federal Reserve, the Treasury Department and the broader economy. She has spent her Washington career writing about bank regulations, monetary policy and trade negotiations.

A Dallas native, she graduated from the University of Missouri with a double major in journalism and political science.] , 6-4-2021, "Biden’s back door to wage hikes," POLITICO, https://www.politico.com/news/2021/06/04/bidens-back-door-to-wage-hikes-491911

“The ‘shortages’ we are seeing in lower-wage jobs and the accompanying wage pressures are an early sign of success” for the president's agenda, said Julia Coronado, founder of MacroPolicy Perspectives. That success may be short-lived**. Higher wages could be among the biggest factors in pressuring the Federal Reserve to raise interest rates if clear signs of an inflation spike appear.** They also risk slowing hiring for those who will increasingly seek to return to the workforce as the pandemic subsides, as companies try to keep costs down. That’s why workers’ pay was a major focus for Fed officials in Friday's U.S. employment report for May. They want to see wage gains for the workforce — but what’s behind those raises matters. Wage growth “is positive if it reduces hardship, reduces inequality and is not eaten away or reversed by higher inflation,” said Tim Duy, an economics professor at the University of Oregon and a former U.S. Treasury economist. “**But we should be cognizant of the possibility that we’re inducing more inflation.” Income growth has been relatively strong, particularly in the last couple of months, despite disappointing overall job growth. Wages were up about 2 percent in May** compared to the year before, and that number likely underestimates the real amount of income growth for technical reasons**; lower-wage workers disproportionately lost jobs last year, making the overall average for those who kept their positions look higher then, and the opposite effect is now occurring as Americans return to the labor market. "Anyone looking at the 2.0% increase in yr/yr wages is missing the story," Jason Furman, a Harvard professor and former top economic adviser to President Barack Obama, said in a tweet. "Nominal wages up 1.2% in April/May. That is a 7.4% annual rate. That is huge."** The pressure to do more to attract employees could continue to grow in certain public-facing industries. According to the Labor Department‘s jobs report, about 2.5 million people are still being held back from looking for work because of the pandemic. Wages for non-managerial leisure and hospitality workers grew 1.3 percent last month and are up 3.7 percent compared to May 2020. **At the heart of the fight for higher pay is a desire for workers to share in a greater portion of the nation's economic rewards after decades of sluggish wage growth — the result of the weakening of labor unions, companies shifting production overseas and increased use of job-displacing automation. This would ideally show up as bigger raises as the economy expands faster. But if higher wages are instead passed along to customers at higher prices, that can create an inflationary cycle, as opposed to the one-time price increases that many experts believe the economy can absorb as people’s behavior, and global supply chains, return to normal.** “In the near term, I wouldn’t say this is necessarily a dangerous situation if we’re just raising wages for a group of people who have been traditionally disadvantaged,” Duy said. But the longer there are shortages that make employers feel more comfortable raising prices as well as wages, “that’s where you get into this potential shift in the psychology where the wage gains and the price gains become linked.” Heidi Shierholz, director of policy at the left-leaning Economic Policy Institute and a former chief economist at the Labor Department, said Americans are not seeing the type of widespread shortage-induced wage increases that would be cause for concern. “Things are re-normalizing; it’s not like things are out of whack,” she said, adding that some of the wage increases for leisure and hospitality workers might have come from a return to normal tipping practices as restaurants reopened. “I have longer-run concerns,” she added. “The wages were too low in that sector before Covid hit, so re-normalizing is not exactly where we want to be.” For its part, the Fed is pursuing a state of “full employment,” where wages rise because most people have jobs, and the central bank has said it’s willing to tolerate inflation above its 2 percent target to get there. But the hesitance by some workers to return to the labor force is only creating the illusion of that dynamic, said Adam Ozimek, chief economist at Upwork. “If employers are raising wages right now due to temporary shortages, then that risks slowing job growth when those temporary shortages are gone,” with millions still out of work, Ozimek said. “If we were at full employment, and we were seeing inflationary pressures, that wouldn’t concern me at all,” he added. “You’re getting it because of good and sustainable reasons. That’s not the same thing as inflation due to temporary supply shortages.”

#### Strikes empirically cause stock market crash

**Lee and Mas 12** [David; Princeton University and National Bureau of Economic Research; Alexandre; Princeton University and National Bureau of Economic Research; “Long-Run Impacts of Unions on Firms: New Evidence from Financial Markets, 1961–1999,” The Quarterly Journal Of Economics; February 2012; <https://academic.oup.com/qje/article-abstract/127/1/333/1834007?redirectedFrom=fulltext>] Justin

**We begin analyzing the stock market reaction to union victories using event-study methodologies**. The most distinctive feature of our data—crucial for our research design—is the long panel (up to 48 months before and after the election) of high frequency data on stock market returns for each firm. This feature allows us to use the pre-event data to test the adequacy of the benchmarks used to predict the counterfactual returns in the postevent period. The long panel also **allows us to examine returns several months beyond the event, so as to capture the long-run expected effects of new unions**, without having to rely heavily on the assumption that the stock price immediately and instantaneously adjusts to capture the expected presence of the unions.9

Our event-study analysis reveals **substantial losses in market value following a union election victory—about a 10% decline in market value, equivalent to about $40,500 per unionized worker.** According to our calculations**, if unionization represented a one-to-one transfer from investors to workers through higher wages, this magnitude would be in line with a union wage premium of 10%.** Because the total loss of market value represents the sum of transfers to workers and any other productivity impacts of unionization this implies, for example, that if the true union compensation premium were greater than 10%, there would be positive productivity effects of unions. The evidence supporting our event-study estimates is compelling: we find that these **firms’ average returns are quite close to the benchmark returns every month leading up to the election, but precisely at the time of the election, the actual and benchmark returns diverge.** The results for these firms are robust to a number of different specifications. In the sample of firms where we know that the union is a small fraction of the workforce, we donot find a similar divergence of returns from the benchmark.

Importantly, we find that the effect takes 15 to 18 months to fully materialize, a somewhat slow market reaction. As we discuss, this short-run mispricing can persist if exploiting the slow reaction is not sufficiently profitable to arbitrageurs. Indeed, our own analysis shows that strategies designed to exploit the mispricing entail a significant degree of fundamental risk. The fact that union victories are sufficiently rare and spread throughout time prevents the necessary diversification that could generate an attractive arbitrage opportunity. For example, our analysis suggests that attempts to exploit the short-lived mispricing would lead to a portfolio that would be dominated by simple buy-and hold strategies

The event-study estimate appears to average a great deal of heterogeneity in the effects. We additionally employ a regression discontinuity (RD) design, implicitly comparing close union victories to close union losses, and consistent with DiNardo and Lee (2004), we find little evidence of a significant discontinuous relationship between the vote share and market returns. If anything, **the RD point estimates show a 4% positive (though statistically insignificant) effect of union certification (vis-`a-vis union defeat). The event-study estimates vary systematically by the observed vote share, with the largest negative abnormal returns for cases where the union won the election by a large margin.**

#### Pro-union policies scare businesses

John **DiNardo** University of Michigan, Ann Arbor and NBER David S. **Lee** UC Berkeley and NBER https://www.princeton.edu/~davidlee/wp/unionbf.pdf

It is widely understood that unions raise the cost of labor by raising members’ wages above market rates.1 **Unions also impose other costs on employers - limiting discretion in hiring and firing, for example, and altering the structure of pay differentials across skill groups.** A key question for understanding the social costs of unionization is whether the wage premiums and other costs of unionism create large or small distortions in the allocation of labor.2 **These distortions can take the form of reduced employment at unionized firms, or most dramatically, an accelerated pace of business failures. The potentially adverse effects of unions on firm survival are acknowledged by employers and employees alike.** During union organizing drives, **firms routinely threaten to close a plant if the union drive is successful** [Bronfenbrenner 2000]. Employees seem to take these threats seriously: the risk of plant closure is cited as the leading cause of union withdrawal from organizing attempts [Commission for Labor Cooperation 1997]. **Such risks are arguably higher now, in light of rapidly expanding trade with low-wage countries** such as China and Mexico, and increasing international capital mobility.

#### Impact

#### This causes economic collapse

Penpoin 9/15 “Economic Collapse: Signs, Causes, and Examples.” *Penpoin.*, 15 Sept. 2021, penpoin.com/economic-collapse/.

Causes of the economic collapse

Economic collapse is usually caused by extraordinary circumstances. And it may occur when the economy enters a period of contraction or recession, which can end in an economic depression.

Economic collapse can trigger panic in the economy. Economic output falls. Unemployment has risen sharply. Household income and consumption fell. Hunger and poverty soared. In fact, it can spread to the socio-political aspects such as riots and crime and the overthrow of the government in power.

**Some of the factors leading to the economic collapse were [are]: Hyperinflation Stagflation Stock market crash War**

Hyperinflation

Hyperinflation is a period when inflation is soaring and out of control. For example, in Venezuela, [inflation reached 1,698,488%](https://en.wikipedia.org/wiki/Hyperinflation#cite_note-71) in 2018. During this period, the currency’s value fell, and its purchasing power for goods and services immediately evaporated. In this situation, money becomes worthless.

The pressure on inflation arises partly due to the increase in the amount of money in circulation. The government may have high debt levels. And, to pay it off, they might print money. That drives inflation up sharply as more money chases after fewer goods.

The government may not be able to collect higher taxes to pay debts. It usually occurs during a fall in aggregate supply, war, socio-political upheaval, or other crises.

Stagflation

Stagflation is a situation when economic growth is stagnant, but at the same time, inflation is soaring. This phenomenon is less common. Usually, the inflation rate will move in tandem with economic growth. When economic growth is high, it will push the prices of goods in the economy up along with the increase in aggregate demand.

But, stagflation is different. That’s because the source of the problem is on the supply side. The best-known cause is an increase in the price of oil.

Petroleum is used in most industries. So when the price goes up, it will increase the production cost. Producers will pass the increase in production costs to the selling price. As a result, inflation rose.

Meanwhile, in some industries, rising oil prices forced them to be more efficient. They then cut output.

The result is stagnant economic growth. And at the same time, inflation soars. Specifically, we call this type as cost-push inflation, which is caused by higher production costs.

Stagflation is a dilemma for the government. Contractionary economic policies will deepen the fall in economic output and increase unemployment, even though inflation may fall. On the other hand, an expansionary economic policy, although it may stimulate economic growth, will only result in higher inflation due to accelerated aggregate demand.

**For example, to reduce inflation, the central bank implements a**[contractionary monetary policy](https://penpoin.com/contractionary-monetary-policy/)**by raising interest rates. This move makes borrowing more expensive, and the real sector usually takes a hit. As a result, business activity decrease, and**[employment](https://penpoin.com/employment/)**shrinks.**

In general, once stagflation occurs, it is usually challenging to manage. The government must spend a lot of effort to balance the economy.

**Stock market crash**

**Various crises, including the Great Depression, started with the bursting of bubbles in the stock market. Usually, before the breakdown, the speculative activity causes the stock price to continue to soar and is no longer at its fair value fundamental.**

**When the bubble burst, investor confidence fell. As a result, prices for the same fall dramatically and drain capital from businesses. It also resulted in the loss of a large portion of household wealth, including their pension. It then creates pessimism and causes aggregate demand to fall (via the wealth effect).**

Apart from going through the stock market, bubbles can occur in other financial assets, such as real estate. How significant the impact is on the economy depends on how much money in the economy revolves around the asset. The bursting of the stock and real state bubbles had a significant impact as a portion of households and businesses’ wealth was invested in both.

#### Extinction – multiple scenarios outweighs

Harris & Burrows, 9 Mathew, PhD European History @ Cambridge, counselor of the U.S. National Intelligence Council (NIC) and Jennifer, 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

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 an**d newly emergent collections of the angry and disenfranchised that beco**me 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.