# nc

### 1

#### Interp – the 1AC may not get offense external to the implementation of the Plan – simply reading the Aff or affirming a deconstruction of debate is not sufficient for an affirmative ballot

#### Resolved means a policy

Words and Phrases 64 Words and Phrases Permanent Edition. “Resolved”. 1964.

Definition of the word “resolve,” given by Webster is “to express an opinion or determination by resolution or vote; as ‘it was resolved by the legislature;” It is of similar force to the word “enact,” which is defined by Bouvier as meaning “to establish by law”.

#### Violation – they specify an untopical method

#### At best they’re Extra-T, which is a voter for Limits, or Effects-T which is worse, since any small aff can spill up to the res.

#### Prefer – 1] Presumption – All the Aff does is affirm an already existing movement by the masses and an ideological orientation that leads to no material action which isn’t a distinct differential form the Status Quo, 2] Clash – We can’t engage you because you’ll just no link all our Disads, Kritiks, turns etc. by re-interpreting the 1AC since you’re not tied to any one action – destroys ability for activism since activist K v K debates rely on debates over methodologies which the Aff decks, 3] Competitive equity – debate is a competitive game which loses meaning without substantive constraints- Everybody comes to debate for different reasons, but the fact that the other team is here and has presented a 1ac means they have bought into the game, and concedes the authority of fairness, or the judge should hack against you.

#### 5] Paradigm Issues –

#### a] Topicality is Drop the Debater – it’s a fundamental baseline for debate-ability.

#### b] Use Competing Interps – 1] Topicality is a yes/no question, you can’t be reasonably topical and 2] Reasonability invites arbitrary judge intervention and a race to the bottom of questionable argumentation.

#### c] No RVI’s - 1] Forces the 1NC to go all-in on Theory which kills substance education, 2] Encourages Baiting since the 1AC will purposely be abusive, and 3] Illogical – you shouldn’t win for not being abusive

## 2

#### Pharmaceutical innovation is accelerating now – new medicines are substantially better than existing treatments.

Wills, MBA, and Lipkus, PhD, 20 – Todd J. Wills [Managing Director @ Chemical Abstracts Service, MBA from THE Ohio State University] and Alan H. Lipkus [Senior Data Analyst @ Chemical Abstracts Service, PhD Physical Chemistry from the University of Rochester], “Structural Approach to Assessing the Innovativeness of New Drugs Finds Accelerating Rate of Innovation,” ACS Medicinal Chemistry Letters, Vol. 11, 2020, <https://pubs.acs.org/doi/pdf/10.1021/acsmedchemlett.0c00319> C.VC

Despite recent concerns over an innovation crisis, this analysis shows pharmaceutical innovation has actually increased over the last several decades based on the structural novelty of approved NMEs. The higher proportion of Pioneers over the most recent decade is a sign that innovation within the industry is accelerating rather than slowing. It is also an encouraging sign for the state of innovation in drug discovery that these Pioneers are significantly more likely to be the source of promising new therapies that are expected to provide substantial clinical advantages over existing treatments. Drug hunters are discovering Pioneers in newer and less explored regions of chemical space as they are increasingly found on scaffolds first reported in the CAS REGISTRY five or less years prior to their IND year or on scaffolds populated with 50 or less other compounds at the time of IND.

As scale becomes less of a strategic advantage, Big Pharma’s share of Pioneers has decreased even though the number of Big Pharma originated Pioneers has increased. This has created a structural innovation gap between Big Pharma and the Rest of Ecosystem which has widened over the last two decades as the Rest of Ecosystem is now responsible for originating almost 3 out of every 4 Pioneers. Pioneers originated by the Rest of Ecosystem are increasingly on new scaffolds, while a majority of Big Pharma originated Pioneers have historically been on new scaffolds.

The work presented here was intended as a study of drug innovation at a macro level. As a result, it included substances of various sizes with different degrees of complexity belonging to a range of functional and drug classes. Even though it was outside the scope of the present work to study specific subsets, such focused studies could yield additional insights into how innovation at a more micro level has changed over time. Other interesting subsets of our data set are the shapes and scaffolds of the Settlers and Colonists. Many of these shapes and scaffolds are privileged in the sense that they are seemingly capable of serving as ligands for a diverse array of target proteins. A separate study of the Settlers and Colonists as well as their side chains could provide insights into possible target-specific innovation trends.

As it often takes more than 10 years after initial discovery for an experimental drug to gain FDA approval, any measure of drug innovation that relies on the time of approval incorporates a significant time lag between initial discovery and ultimate approval. However, characterizing drug innovation based on structural novelty provides a means to assess the forward-looking innovation potential of an experimental drug at the time of initial discovery by comparing its framework information (at the scaffold and shape level) with prior FDA-approved drugs. Therefore, a separate study of drug candidates with publically disclosed structures currently in clinical development could provide additional insights into innovation trends at an FDA regulatory review level and serve as a leading indicator of innovation trends at an FDA approval level.

Given the tremendous opportunity represented by the vast amount of chemical space yet to be explored, drug-hunters of all types will continue pushing the boundaries to find promising new therapies in previously unexplored areas of chemical space. The race to discover these new drugs will be fueled by further advancements in screening approaches and in-silico methods (including innovations related to machine learning algorithms and molecular representations). However, comprehensive data on known shapes and scaffolds can fast track the identification of meaningful open areas of chemical space (shapes or scaffolds that are potentially important but have never been used as the basis for a molecule) to further explore.

#### The biopharmaceutical industry is uniquely reliant on IP protections – undermining them would kill innovation by making an already expensive process completely unfeasible.

Kristina M. Lybecker, PhD, 17 [PhD Economics, Associate Professor of Economics @ Colorado College], “Intellectual Property Rights Protection and the Biopharmaceutical Industry: How Canada Measures Up,” Fraser Institute, January 2017, <https://www.fraserinstitute.org/sites/default/files/intellectual-property-rights-protection-and-the%20biopharmaceutical-industry.pdf> C.VC

The unique structure of the innovative biopharmaceutical industry necessitates a variety of intellectual property protection mechanisms. In particular, the industry is characterized by a research and development (R&D) process that is lengthy, expensive, uncertain, and risky. According to DiMasi and colleagues, the estimated cost of developing a new medicine is US$2.6 billion (DiMasi, Grabowski, and Hansen, 2016).2 In addition, the time required to develop a new drug is also significant, averaging 10 to 15 years without any guarantee of success (PhRMA, n.d.). While these figures are highly controversial, biopharmaceutical innovation is unquestionably an expensive and lengthy undertaking.3 For the biopharmaceutical industry, innovation and its protection are essential and the source of both profits and growth. As such, patent protection is disproportionally more important for ensuring that the innovator appropriates the returns to R&D for the biopharmaceutical industry than virtually any other. Extending the findings of the 1987 “Yale Survey” (Levin, Klevorick, Nelson, and Winter, 1987), the “Carnegie Mellon Survey” established that while patents are again considered “unambiguously the least effective appropriability mechanisms,” the drug industry and other scholars regard them as strictly more effective than alternative mechanisms (Cohen, Nelson, and Walsh, 1996). The industry’s disproportionate reliance on patents and other forms of intellectual property protection is confirmed in numerous other studies.4

In essence, IPR protections provide innovative biopharmaceutical firms with an assurance of some return on their investment, thus creating incentives for the development of new technologies that could otherwise be easily replicated and sold by competitors. Due to the tremendous fixed costs required to develop new treatments and cures, a significant potential exists for free riding by follower firms, a market failure that would prevent investment in innovation were it not for the patents and other forms of intellectual property protections that provide a limited period of market exclusivity or other such incentives. Fundamentally, patents amount to an efficiency tradeoff. Society provides innovators with a limited period of market exclusivity to encourage innovation in exchange for public access to this knowledge. In exchange for the temporary static loss from market exclusivity, society gains complete knowledge of the innovation through disclosure, a permanent dynamic gain. Through this tradeoff, the existing patent system corrects the market failure that would stymie innovation. In its Apotex Inc. v. Wellcome Foundation Ltd. finding, Justice Binnie wrote for the Supreme Court of Canada, “A patent, as has been said many times, is not intended as an accolade or civic award for ingenuity. It is a method by which inventive solutions to practical problems are coaxed into the public domain by the promise of a limited monopoly for a limited time. Disclosure is the quid pro quo for valuable proprietary rights to exclusivity which are entirely the statutory creature of the Patent Act” (para. 37).

The biopharmaceutical industry is characterized by a number of legal and economic issues that distinguish it from other research-intensive industries. Danzon (1999) describes three features that are particularly noteworthy. First, given that the biopharmaceutical industry is characterized by an unusually high rate of R&D, intellectual property protection provides for the potential for significant market power and monopoly pricing that raises numerous public health policy questions surrounding prices and profits. Second, virtually every aspect of the industry is heavily regulated, from safety and efficacy to promotion and advertising, to pricing and reimbursement. Danzon describes the impact of these regulations as “profound and multidimensional even within a single country, affecting consumption patterns, productivity, R&D and hence the supply of future technologies” (Danzon, 1999: 1056). Lastly, while research and development costs are borne solely by the innovator, the resulting product is a global public good. “Each country faces an incentive to adopt the regulatory policies that best control its pharmaceutical budget in the short run, free-riding on others to pay for the joint costs of R&D and ignoring cross-national spillovers of national regulatory policies through parallel trade and international price comparisons” (Danzon, 1999: 1056). The combination of these characteristics defines a set of unique economic and legal challenges for the innovation of new drugs and the public health policies that surround their production, marketing, and distribution.

Innovative companies make far greater investments in time, resources, and financial support than do generic firms. Notably, innovation-based companies spend more than 200 times that which generic companies spend on the development of a particular drug (CIPC, 2011: 10). In addition, the investment of time, from laboratory to market, is also close to double for innovative companies relative to generic producers. Table 1 highlights the differences in the drug development processes of innovative and generic companies. For innovative biopharmaceutical companies, the development process is expensive, risky, and time consuming, all of which points to the need for strong IP protection to encourage investment and ensure companies are able to recover their investments.

The risk involved in biopharmaceutical development is starkly illustrated in a recent report by Biotechnology Innovation Organization (BIO), which reports that less than one of every 10 drugs that enter clinical trials is ultimately approved by the Food and Drug Administration in the United States. The report finds a success rate of merely 9.6%, a calculation that is significantly smaller than the widely-cited 11.8% figure from a 2014 study by the Tufts University’s Center for the Study of Drug Development.5 The International Federation of Pharmaceutical Manufacturers and Associations (2012) estimates that more than 3,200 compounds were at different stages of development globally in 2011, but only 35 new medicines were launched (Dawson, 2015).

Fundamentally, research-based biopharmaceutical companies incur greater expenses and risk in the development of their products than do generic manufactures. These investments of time and financial resources should be recognized and the effective patent life should be sufficient to recoup these investments. Continued investment and innovation are contingent upon strong, effective intellectual property protection and the ability of innovative firms to recoup their investments. Patents and other forms of intellectual property protection are disproportionally important to the research-based biopharmaceutical industry. Consequently, the legal architecture necessary to foster a robust innovation-based industry is multifaceted and is a powerful force shaping the biopharmaceutical industry, its profitability, productivity, and innovative future.

#### 50% of medicine comes from IK

Eiland 08 [Dr. Eiland received a doctorate in Oriental Archaeology from Oxford University and an LLM from the Munich Intellectual Property Law Center], “Patenting Traditional Medicine”, Nomos Verlagsgesellschaft mbH & Co. KG, pg. 7-10, 2008 //SLC PK

* TM = traditional medicine

In 1982, it was estimated that about 50 % of all filled prescriptions in the US originated from drugs that were derived – one way or another – from natural substances. This generated US sales of about 20 billion.4 Another estimate found that 3/4 of the plants used in prescription drugs originally came to the attention of drug companies because of their use in TM.5 In 1995, the worldwide market value of TM derived pharmaceuticals was estimated to be $43 billon.6 While one could argue about the precise values, TM has significant pharmaceutical applications. Drug companies are interested in acquiring TM, both natural substances, as well as the knowledge about how to use them.

**Pharmaceutical innovation is key to protecting against future pandemics, bioterrorism, and antibiotic resistance.**

**Marjanovic and Fejiao ‘20** Marjanovic, Sonja, and Carolina Feijao. Sonja Marjanovic, Ph.D., Judge Business School, University of Cambridge. Carolina Feijao, Ph.D. in biochemistry, University of Cambridge; M.Sc. in quantitive biology, Imperial College London; B.Sc. in biology, University of Lisbon. "Pharmaceutical Innovation for Infectious Disease Management: From Troubleshooting to Sustainable Models of Engagement." (2020). [Quality Control]

As key actors in the healthcare innovation landscape, pharmaceutical and life sci-ences companies have been called on to develop medicines, vaccines and diagnostics for pressing public health challenges. The COVID-19 crisis is one such challenge, but there are many others. For example, MERS, SARS, Ebola, Zika and avian and swine flu are also infectious diseases that represent public health threats. Infectious agents such as anthrax, smallpox and tularemia could present threats in a **bioterrorism con-text**.1 The general threat to public health that is posed by **antimicrobial resistance** is also **well-recognised** as an area **in need of pharmaceutical innovation**. Innovating in response to these challenges does not always align well with pharmaceutical industry commercial models, shareholder expectations and compe-tition within the industry. However, the expertise, networks and infrastructure that industry has within its reach, as well as public expectations and the moral imperative, make pharmaceutical companies and the wider life sciences sector an **indispensable** partner in the search for solutions that save lives. This perspective argues for the need to establish more sustainable and scalable ways of incentivising pharmaceu-tical innovation in response to infectious disease threats to public health. It considers both past and current examples of efforts to mobilise pharmaceutical innovation in high commercial risk areas, including in the context of current efforts to respond to the COVID-19 pandemic. In global pandemic crises like COVID-19, the urgency and scale of the crisis – as well as the spotlight placed on pharmaceutical companies – mean that contributing to the search for effective medicines, vaccines or diagnostics is **essential** for socially responsible companies in the sec-tor.2 It is therefore unsurprising that we are seeing indus-try-wide efforts unfold at unprecedented scale and pace. Whereas there is always scope for more activity, industry is currently contributing in a variety of ways. Examples include pharmaceutical companies donating existing com-pounds to assess their utility in the fight against COVID-19; screening existing compound libraries in-house or with partners to see if they can be repurposed; accelerating tri-als for potentially effective medicine or vaccine candidates; and in some cases rapidly accelerating in-house research and development to discover new treatments or vaccine agents and develop diagnostics tests.3,4 Pharmaceutical companies are collaborating with each other in some of these efforts and participating in global R&D partnerships (such as the Innovative Medicines Initiative effort to accel-erate the development of potential therapies for COVID-19) and supporting national efforts to expand diagnosis and testing capacity and ensure affordable and ready access to potential solutions.3,5,6 The primary purpose of such innovation is to **benefit patients** and wider **population health**. Although there are also reputational benefits from involvement that can be realised across the industry, there are likely to be rela-tively few companies that are ‘commercial’ winners. Those who might gain substantial revenues will be under pres-sure not to be seen as profiting from the pandemic. In the United Kingdom for example, GSK has stated that it does not expect to profit from its COVID-19 related activities and that any gains will be invested in supporting research and long-term pandemic preparedness, as well as in developing products that would be affordable in the world’s poorest countries.7 Similarly, in the United States AbbVie has waived intellectual property rights for an existing com-bination product that is being tested for therapeutic poten-tial against COVID-19, which would support affordability and allow for a supply of generics.8,9 Johnson & Johnson has stated that its potential vaccine – which is expected to begin trials – will be available on a not-for-profit basis during the pandemic.10 Pharma is mobilising substantial efforts to rise to the COVID-19 challenge at hand. However, we need to consider how pharmaceutical innovation for responding to emerging infectious diseases can best be enabled beyond the current crisis. Many public health threats (including those associated with other **infectious diseases**, **bioterror-ism** agents **and antimicrobial resistance**) are **urgently in need of pharmaceutical innovation**, **even if their impacts are not as visible** to society **as COVID**-19 is in the imme-diate term. The pharmaceutical industry has responded to previous public health emergencies associated with infec-tious disease in recent times – for example those associated with Ebola and Zika outbreaks.11 However, it has done so to a lesser scale than for COVID-19 and with contribu-tions from fewer companies. Similarly, levels of activity in response to the threat of antimicrobial resistance are still **low**.12 There are important policy questions as to whether – and how – industry could engage with such public health threats to an even greater extent under improved innova-tion conditions.

#### Bioterrorism and future pandemics cause extinction.

Hamish De Bretton-Gordon, CBRN Expert @ British Army, 20 [Director @ DBG Defense, Consultant on CBRN and Biosecurity], “Biosecurity in the Wake of COVID-19: The Urgent Action Needed,” Combatting Terrorism Center Sentinel, November/December 2020, Volume 13, Issue 11, <https://ctc.usma.edu/biosecurity-in-the-wake-of-covid-19-the-urgent-action-needed/> C.VC

Policymakers around the world did not grasp just how large the impact of a bio threat could be. Beyond the enormous human and economic impact, the current pandemic has exposed the weakness, lack of preparedness, and poor responsiveness of healthcare systems of even highly developed countries like the United States and the United Kingdom. And the virus has inflicted carnage, even though SARS-CoV-2 (the virus that causes COVID-19) is not especially virulent. The world may be confronted with other viruses in the future whose combination of virulence (the harm a pathogen does to its host), transmissibility, and other characteristics pose much greater danger.

While overwhelming evidence points to SARS-CoV-2 spontaneously spreading to humans, the advances in synthetic biology and the growth in the number of Level 3 and 4 biocontainment facilities around the world storing deadly viruses1 mean there is also the very real possibility that in the future, bad actors will try to engineer or steal/obtain a highly transmissible and highly virulent virus and unleash it onto the world. Another risk is accidental releases from such biocontainment facilities.

COVID-19, a highly transmissible but not very virulent pathogen, has had a devastating global impact, a fact that will not have gone unnoticed by rogue states and terror organizations. Advances in synthetic biology have created tools that could be put to malevolent use. In the last two decades, scientists synthesized the poliovirus from its genetic sequence,2 recreated the 1918 Spanish flu virus,3 and succeeded in modifying the H5N1 avian flu virus so that it resulted (in a research laboratory) in airborne transmission among mammals.4 In the future, we should think of weaponized biology as no less of an existential threat to the planet than weaponized atomic science. It should also be noted that the fear and panic that even a medium-scale bioterror attack could create could have dangerous implications that may rival or even surpass the immediate loss of life.

The Need to Rethink Likelihood

Given the fact that in late 2019 when, as far as is known, COVID-19 cases first started emerging in China, it had been more than a century since the previous catastrophic outbreak (the 1918-1919 “Spanish flu” pandemic),d it was unsurprising that many thought of such pandemics as a one-in-a-100-year event. Such assumptions should no longer hold. The encroachment of human settlements into areas that had previously been sanctuaries for wildlife5 and the popularity in some parts of the world of markets where people and wild animals are brought into proximity have made it more likely viruses will make the species leap to human beings.e And when they do, as the COVID-19 pandemic illustrated, the interconnectedness of a world in which millions of people fly each day6 means they can spread very rapidly.

There is also growing concern about engineered viruses. Not only have advances in synthetic biology (SynBio) created growing capacity for extremely dangerous viruses to be engineered in a laboratory, but the number of people with access to potentially dangerous ‘dual use’ technology has greatly expanded and continues to expand, making malevolent use of such technology ever more likely.

In the August 2020 issue of this publication, scientists at the U.S. Military Academy at West Point warned that:

The wide availability of the protocols, procedures, and techniques necessary to produce and modify living organisms combined with an exponential increase in the availability of genetic data is leading to a revolution in science affecting the threat landscape that can be rivaled only by the development of the atomic bomb. As the technology improves, the level of education and skills necessary to engineer biological agents decreases. Whereas only state actors historically had the resources to develop and employ biological weapons, SynBio is changing the threat paradigm.

The cost threshold of engineering viruses is also lowering, with the West Point scientists warning that synthetic biology has “placed the ability to recreate some of the deadliest infectious diseases known well within the grasp of the state-sponsored terrorist and the talented non-state actor.”7

As already noted, another source of vulnerability is that deadly viruses could be stolen from or escape from a research laboratory. There are now around 50 Biosafety Level 4f facilities around the world, where the deadliest pathogens are stored and worked on, and this figure is set to increase in the next few years.g This is a large increase over the last 30 years, creating bigger risk of a breach. Of equal, if not greater concern are the thousands of Biosafety Level 3 labs globally,8 which handle deadly pathogens like COVID-19.9

Given what has been outlined above, the risk of a future destructive biological attack or another devastating global pandemic should no longer be seen as low. From this point forward, there should no higher priority for the international community than biosecurity.

## 3

#### **FDI is expected to recover but is tentative – uncertainties from pandemic and economic recovery**

UNCTAD 7/21, 6-21-2021, [United Nations Conference on Trade and Development "Global foreign direct investment set to partially recover in 2021 but uncertainty remains," UNCTAD, https://unctad.org/news/global-foreign-direct-investment-set-partially-recover-2021-uncertainty-remains]//anop

Looking ahead, global FDI flows are expected to bottom out in 2021 and recover some lost ground with an increase of 10% to 15% (Figure 2). “This would still leave FDI some 25% below the 2019 level. Current forecasts show a further increase in 2022 which, at the upper bound of projections, bring FDI back to the 2019 level,” said UNCTAD’s director of investment and enterprise, James Zhan. Figure 2 - Foreign direct investment outflows, top 20 home economies, 2017 and 2018 (Billions of dollars) Figure 2 - Foreign direct investment outflows Source: UNCTAD, World Investment Report 2021. Prospects are highly uncertain and will depend on, among other factors, the pace of economic recovery and the possibility of pandemic relapses, the potential impact of recovery spending packages on FDI, and policy pressures. The relatively modest recovery in global FDI projected for 2021 reflects lingering uncertainty about access to vaccines, the emergence of virus mutations and the reopening of economic sectors. “Increased expenditures on both fixed assets and intangibles will not translate directly into a rapid FDI rebound, as confirmed by the sharp contrast between rosy forecasts for capex and still-depressed greenfield project announcements,” Mr. Zhan said. The FDI recovery will be uneven. Developed economies are expected to drive global growth in FDI, both because of strong cross-border mergers and acquisitions (M&A) activity and large-scale public investment support. FDI inflows to Asia will remain resilient as the region has stood out as an attractive destination for international investment throughout the pandemic. A substantial recovery of FDI to Africa and to Latin America and the Caribbean is unlikely in the near term.

#### **The plan decreases foreign direct investment from lack of confidence – turns case**

Mansuri 15, Daniel E. Mr., [In Partial Fulfillment of the Requirements for the Degree of Bachelors of Science "Compulsory Licenses: Damaging Firm Value in the Short Run?" (2015). Honors Theses. 141. http://scarab.bates.edu/honorstheses/141]//anop  
The issuance of a compulsory license by a developing nation may also come with other negative consequences like divestment by large multinational pharmaceutical companies. This can be assessed by the change in total foreign direct investment (FDI) into a country. FDI is the flow of people, capital, and technology from one country to another. In the pharmaceutical industry, FDI is usually the acquisition or production of subsidiaries in the host country(R. C. C. Bird, Daniel R. , 2008). FDI has been used in the past as a metric to judge confidence in the host nation. A significant portion of pharmaceutical companies’ worry comes about due to the potential for compulsory license mishandling and very high transaction costs for both companies and nations. If a country is likely to enter into a compulsory license, it may be in the multinational firm’s best interest to avoid ventures into that country and seek a more friendly business environment rather than deal with the constant threat of a license and the high legal costs if they do come to fruition (Bird, 2009). Additionally, manufacturers tasked with production of the compulsory licensed drug may take advantage of the license and attempt to generate profit rather than alleviate the epidemic through low cost 21 medication. For example, the Washington Post in 2002 reported that “Nearly $18 million worth of reduced-price HIV drugs intended for impoverished Africans have been intercepted by profiteers and shipped back to Europe to be sold at marked-up price” (HST, 2002). While this number is not large for the bottom line of a pharmaceutical company, parallel imports / arbitrages have the potential to eat away significantly at the earnings potential of a drug and also harm the intended beneficiaries of the drug. Due to parallel imports, there is the potential for extreme negative consequences of a compulsory license for the multinational entities (MNEs) profits even if the issuing nation is a negligible market, especially since the company itself cannot control the distribution during a compulsory license. Egypt is an example of what can happen when a country seemingly oversteps their bounds with respect to a compulsory license and then suffers significant negative consequences. Egypt has, historically, been in favor of the use of compulsory licensing for drugs, although perhaps for questionable reasons (Aziz, 2003). It has cited reasons including that the current price of the drug is too high, and it does not meet demand. As unfortunate as this may be, the drug price being too high for a non-essential medication is not in itself enough to warrant the issuance of a compulsory license under the Doha declaration. Egypt’s issuance of a compulsory license on Viagra in 2002 illustrates this perfectly. While some may argue this medication is of the utmost importance, it is difficult to believe that Egypt was suffering so severely, or so much worse than the rest of the world, as to warrant considering it a public health issue. Although “local pharmaceutical manufacturers [accused] the Egyptian Ministry of Health of exploiting Egypt’s poor by granting Pfizer the exclusive right to sell Viagra within Egypt’s 22 borders,” that is not enough reason to grant a compulsory license (R. C. Bird, 2009). The issuance of the license exemplifies the potential misuse of the compulsory license system. This license was granted because of political pressure applied by small pharmaceutical companies within Egypt, not by individuals looking out for the public health of Egyptian citizens. Additionally, the argument made for the compulsory license was a financial one, and not an essential medicine one, which does not constitute a reason for a compulsory license under TRIPS and the Doha Declaration. Multinational corporations met the issuance of a compulsory license by Egypt first with harsh criticism, then with action. Their action was catalyzed by their lack of faith in Egypt’s intellectual property laws. This was highlighted when Egyptian representatives to pharmaceuticals were informed that their weak patent landscape had cost them over $300 million of investment into their pharmaceutical sector (Aziz, 2003). While the Viagra license exemplifies the potential for abuse, the weak patent landscape had already been hurting Egypt’s economy significantly. The amount of foreign direct investment into Egypt declined from about $950 million dollars in 1987 to $425 million in 2002 (R. C. C. Bird, Daniel R. , 2008). While the authors’ conclusion does seem a little ambitious and one-dimensional given Egypt’s tumultuous political scene, it is clear that when used and misused, the issuance of a compulsory license can have strong negative consequences on the non-generic pharmaceutical sector of a nation. While Egypt is a good example of the potential impacts of compulsory license misuse on foreign direct investment, other nations have dealt with similar issues as well. In the time immediately following TRIPS, the Argentine Senate forced through 23 legislation which enacted patent law inconsistent with TRIPS, causing a reduction in trust from MNE’s (R. C. Bird, 2009). For example, upon filing an appeal against a compulsory license, the license would not be suspended immediately. Rather, the patent office would wait for the ruling of the court (R. C. Bird, 2009) to require the suspension of the license. This allowed for imitation to occur easier, causing serious revenue loss for MNE’s. In the period after this new Argentine legislation, countries such as Germany and Sweden actively voiced concern and stated that the lack of IPR was the central concern of business owners considering entering into Argentina (R. C. Bird, 2009). Overall, it has been shown that the issuance of a compulsory license has the potential to cause severe negative consequences to the issuing nation. There is not much information about how the license affects the value of the company that the license was issued against. I will address this by examining how the value of a firm does or does not change after the announcement of a compulsory license.

#### **FDI is key to long term economic stability – it dictates future investments and industries**

Susic et al 17 [I Susic1 , M Stojanovic-Trivanovic2 and M Susic3 1University of Business Studies, Jovan Ducic Street, No 23A, 78000 Banja Luka, Bosnia and Herzegovina 2 Independent University Banjaluka, Veljka Mladjenovica Street No 12E, 78000 Banja Luka, Bosnia and Herzegovina 3Enterprise Fructa Trade – Kort, Marije Bursac Street No 70, 74400 Derventa, Bosnia and Herzegovina 2017 IOP Conf. Ser.: Mater. Sci. Eng. 200 012019. https://iopscience.iop.org/article/10.1088/1757-899X/200/1/012019/pdf]//anop

Foreign direct investments (FDI) represent such a form of investment in which foreign investor keeps the ownership right, provides the control and the management of the firm in which they invested the funds, in order to achieve long-term interests. These investments are the most important instrument of foreign capital inflow because they represent a direct inflow from abroad, i.e. direct inflow of the capital in the economic system of the host country. Foreign direct investment, as a form of international capital mobility, represents an important contributor to more efficient activities in the economy. They provide faster exit to the international market and as the aftermath are ensuring improved the living standard of the society. Evaluation of investment efficiency is the basis for making investment decisions from one country to another, which will consequently lead to improvement of the economy. Foreign investments are a key development factor in the modern economy, and jointly with the trade, represent the most important leverage of an enterprise, organization of production, supplying goods and services on a global scale. FDI are supporting the companies in organizing production on a global scale, providing an efficient supply of raw materials, energy, labor as the input, and are facilitating the placement of products and services as the output in the most important markets in a profitable way. On the basis of such activities, the companies can on optimal way use its advantages in technology, expertise, and economies of scale. Developing countries having high state debt and unfavorable economic situation show huge interest in gaining as higher foreign investments as possible. It has been especially important after bank loans and various financial aid ceased to arrive in some countries. Countries in transition, aiming to integrate into the world economic system, can overcome negative economic tendencies with the help of international capital inflow. Developed countries, faced with a financial crisis, have been also interested in an increased inflow of foreign capital, since the foreign investments are the most important element of development strategies in general. With foreign direct investment is not coming just the capital from one country to another, but also the investment package containing new technologies, managerial skills and new markets. In addition, bearing higher risks, FDIs are significantly increasing the opportunities for making profits. Foreign direct investments are autonomous transactions of long-term capital movements, motivated by economic interests, with the profit at the first place.\

#### **FDI is key to COVID recovery – increases employment and strengthens relations between countries.**

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Just as the adverse health effects of COVID-19 will not vanish immediately but will be resolved in stages, so too will the global economy recover in stages, across industries and around the world. As both Western economies and emerging markets consider approaches to accelerate post COVID-19 economic recovery, foreign direct investment (FDI) will be an important tool for success. FDI has been one of the primary drivers of global GDP growth in recent years. FDI not only benefits economies by creating good paying jobs, it also strengthens bilateral and regional diplomatic and commercial relations among countries. Further, FDI enables the private sector to “export” best business practices, such as good corporate governance, anti-corruption, and transparency. During the pre-COVID-19 economic boom, for example, FDI in the U.S. grew dramatically. In 2015, total foreign investment in America peaked at $477 billion. In 2018, FDI fell to $296 billion, but was still significant. Attracting FDI was also an important policy objective in emerging economies prior to the COVID-19 pandemic. According to the UNCTAD 2020 World Investment Report, in 2019, 54 countries introduced at least 107 measures affecting foreign investment, most of them focused on investment liberalization, promotion and facilitation. This effort was led by Asian developing countries and emerging economies. The goal of expanding investment incentives regimes in diverse sectors, from mining to financial services, and streamlining administrative procedures, has been to maintain and increase high volumes of FDI into developing markets. COVID-19 may lead to some changes in the tactics that countries employ to attract FDI. Governments will be under pressure to ensure that the quest for FDI is appropriately balanced with efforts to protect economic resilience and national security. Can FDI stimulate the world economy post-COVID-19? It appears likely, as many assets have seen reduced valuations that can attract foreign investment. Yet while both developed and emerging economies signal that they are open for investment, COVID-19 may lead to some changes in the tactics that countries employ to attract FDI. Governments will be under pressure to ensure that the quest for FDI is appropriately balanced with efforts to protect economic resilience and national security. This may mean increased screening by investment review agencies, such as the Committee on Foreign Investment in the United States (CFIUS). COVID-19 has exposed supply chain vulnerabilities in the U.S. and other countries and has shown how struggles to acquire the products to meet citizens’ healthcare needs can become a matter of national security. In COVID-19’s wake, the scope of transactions to be reviewed by entities like CFIUS from a national security standpoint may need to be expanded to include health care considerations, to ensure that FDI does not interfere with the ability to procure necessary supplies.

#### Continued recession causes war – stats support transition wars, resource conflicts, terrorism, and diversionary wars – other authors don’t base their analysis on global studies

Royal ’10 [Jedediah, Director of Cooperative Threat Reduction at the U.S. Department of Defense, “Economic Integration, Economic Signaling and the Problem of Economic Crises”, 2010, Economics of War and Peace: Economic, Legal and Political Perspectives, ed. Goldsmith and Brauer, p. 213-215]PM

Less intuitive is how periods of economic decline may increase the likelihood of external conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defence behaviour of interdependent slates. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow. First, on the systemic level. Pollins (2008) advances Modelski and Thompson's (19%) work on leadership cycle theory, finding that rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the often-bloody transition from one pre-eminent leader to the next. As such, exogenous shocks such as economic crises could usher in a redistribution of relative power (sec also Gilpin. 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Fearon, 1995). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflict as a rising power may seek to challenge a declining power (Werner, 1999). Separately. Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the likelihood of conflict among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remain unknown. Second, on a dyadic level. Copeland's (1996. 2000) theory of trade expectations suggests that 'future expectation of trade' is a significant variable in understanding economic conditions and security behaviour of states. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, if the expectations of future trade decline, particularly for difficult to replace items such as energy resources, likelihood for conflict increases. as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states.4 Third, others have considered the link between economic decline and external armed conflict at a national level. Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write, The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favour. Moreover, the presence of a recession lends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg & I less. 2002. p. 89) Economic decline has also been linked with an increase in the likelihood of terrorism (Blomberg. Hess. & Wccrapana. 2004). which has the capacity to spill across borders and lead to external tensions. Furthermore, crises generally reduce the popularity of a sitting government. "Diversionary theory' suggests that, when facing unpopularity arising from economic decline, sitting governments have increased incentives to fabricate external military conflicts to create a 'rally around the flag' effect. Wang (1996), DcRoucn (1995), and Blomberg. Mess, and Thacker (2006) find supporting evidence showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states, due to the fact that democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. DcRoucn (2000) has provided evidence showing that periods of weak economic performance in the United States, and thus weak Presidential popularity, are statistically linked to an increase in the use of force. In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels.5 This implied connection between integration, crises and armed conflict has not featured prominently in the economic-security debate and deserves more attention. This observation is not contradictory to other perspectives that link economic interdependence with a decrease in the likelihood of external conflict, such as those mentioned in the first paragraph of this chapter. Those studies tend to focus on dyadic interdependence instead of global interdependence and do not specifically consider the occurrence of and conditions created by economic crises. As such, the view presented here should be considered ancillary to those views.