### Off

#### Interpretation: Economic engagement requires the promotion of trade

Celik, 11 **–** master’s student at Uppsala University (Department of Peace and Conflict Research) (Arda, Economic Sanctions and Engagement Policies <http://www.grin.com/en/e-book/175204/economic-sanctions-and-engagement-policies>)

Economic engagement policies are strategic integration behaviour which involves with the target state. Engagement policies differ from other tools in Economic Diplomacy. They target to deepen the economic relations to create economic intersection, interconnectness, and mutual dependence and finally seeks economic interdependence. This interdependence serves the sender state to change the political behaviour of target state. However they cannot be counted as carrots or inducement tools, they focus on long term strategic goals and they are not restricted with short term policy changes.(Kahler&Kastner,2006) They can be unconditional and focus on creating greater economic benefits for both parties. Economic engagement targets to seek deeper economic linkages via promoting institutionalized mutual trade thus mentioned interdependence creates two major concepts. Firstly it builds strong trade partnership to avoid possible militarized and non militarized conflicts. Secondly it gives a leeway to perceive the international political atmosphere from the same and harmonized perspective. Kahler and Kastner define the engagement policies as follows, “It is a policy of deliberate expanding economic ties with and adversary in order to change the behaviour of target state and improve bilateral relations”.(p523-abstact).It is an intentional economic strategy that expects bigger benefits such as long term economic gains and more importantly; political gains. The main idea behind the engagement motivation is stated by Rosecrance (1977) in a way that “the direct and positive linkage of interests of states where a change in the position of one state affects the position of others in the same direction.”

#### Violation: The plan is a non-trade promoting form of engagement that results in trade and an economic outcome. This only indirectly engages the country.

#### Voters-

#### Fairness: trade promotion is key to fair debates and neg strategy- affs that aren’t in the context of trade are unfair

#### Education: our interp is best for education- ensures debates that are about economic engagement. Our interpretation is grounded in lit.

#### Effects: even if they win the effect of the plan is increased trade that’s bad- it unlimits the resolution, undercuts neg ground, and makes topicality and solvency unnecessary

### Off

#### Economic Engagement is not neutral, it is an attack on enmity that attempts to create a universal system of economics, making those who disagree ‘inhuman’ and ‘against progress’

Rasch 3 (William, Associate Professor of Germanic Studies at Indiana University, Human Rights as Geopolitics, pages 120-123 aks)

The only power to emerge from the twentieth-century's first world war fresh and at the top of its game was the United States. [End Page 121] Although it took another seventy years to subdue fully all its rivals, it was already clear then that this, the twentieth, was to be the American century, perhaps the first of many such centuries. Not only was the United States a new power, but there was also something distinctly new about its power. As Schmitt recognized in 1932 (Schmitt 1988, Positionen und Begriffe, 184-203), America's legal mode of economic expansion and control of Europe—and, by extension or ambition, the rest of the globe—was qualitatively different from previous forms of imperialism. Whereas, for example, Spain in the sixteenth century and Great Britain in the nineteenth justified their imperial conquests by asserting religious and/or cultural superiority, America simply denied that its conquests were conquests. By being predominantly economic—and using, as Schmitt says, the creditor/debtor distinction rather than the more traditional Christian/non-Christian or civilized/uncivilized ones (186)—America's expropriations were deemed to be peaceful and apolitical. Furthermore, they were legal, or rather they presented themselves as the promotion and extension of universally binding legality per se. Because law ruled the United States, the rule of the United States was first and foremost the rule of law. For Schmitt, this widely accepted self-representation was neither merely "ideological" nor simply propagandistic. It was in truth an intellectual achievement, deserving respect, precisely because it was so difficult to oppose. As the American geostrategist Zbigniew Brzezinski has more recently concluded: "The American emphasis on political democracy and economic development ... combines to convey a simple ideological message that appeals to many: the quest for individual success enhances freedom while generating wealth. The resulting blend of idealism and egoism is a potent combination. Individual self-fulfillment is said to be a God-given right that at the same time can benefit others by setting an example and by generating wealth." He goes on to say: "As the imitation of American ways gradually pervades the world, it creates a more congenial setting for the exercise of the indirect and seemingly consensual American hegemony. And as in the case of the domestic American system, that hegemony involves a complex structure of interlocking institutions and procedures, designed to generate consensus and obscure asymmetries in power and influence" (Brzezinski 1997, 26-27). To sum up, Brzezinski notes that "the very multinational and exceptional character of American [End Page 122] society has made it easier for America to universalize its hegemony without letting it appear to be a strictly national one" (210). It seems, then, that to oppose American global hegemony is to oppose the universally good and common interests of all of humanity. This—the equation of particular economic and political interests with universally binding moral norms—this is the intellectual achievement Schmitt could not help but admire, even as he continuously embarked on his disastrous attempts at fighting his elusive, because nonlocalizable, enemy, which proved to be mere shadowboxing in the end.

#### In order to cope with its ontological faults, the Western Order is forced to endlessly destroy difference, creating a death drive that causes extinction

Odysseos 8 (Louiza, Senior Lecturer at the Department of International Relations at the University of Sussex, Liberalism’s War, Liberalism’s Order: Rethinking the Global Liberal Order as a ‘Global Civil War’ pages 15-18 aks)

Jean-Luc Nancy does not utilise the exact terminology of ‘global civil war’ but his conceptual exposition places his post 9/11 thinking firmly within its bounds. There are a number of interesting contributions and connections that Nancy makes towards a thinking together of the global liberal order and the concept of ‘global civil war’. First, in the vein of the analyses in Multitude and Empire, Nancy’s conceptualization also revolves around the theme of ‘internality’ but in a decisively distinct way. Rather than being internal to ‘Empire’, for Nancy the global civil war is internal to the West: The present state of the world…is a civil war: it is the internal war of an enclosed city, of a civility, of an ‘urbanity’, which are in the process of fanning out to the very limits of the world, and, because of this, spreading right to the extremity of their own concepts. (Nancy 2003a: 23; emphasis added) The reference to the ‘limits of the world’ suggests that Nancy does not conceive of the West in cultural-civilisational terms. Indeed, Nancy is keen to contest the dominant way of framing this ‘war’ as a clash of civilisations (Huntington 1996): ‘this….forbids us to speak of a “war of civilisations”, as if Western civilisation were confronting another civilisation, an Arabo-oriental one’ (Nancy 2003b: 51). Indeed, elsewhere Nancy speaks of ‘the instrumentation of religions, or the deviation, perversion, or betrayal of this or that religion (including the national theism of the United States)’ for the purposes of sustaining this dominant and influential framing (Nancy 2004: 109).14 Second, the reference to the ‘limits of the world’ and the theme of ‘internality’ itself point to Nancy’s insight that the present war is a global civil war, one internal to the West as an order, or a way of being, whose end is to create a world ‘without an exterior’, as a ‘worldwide enclosure of absolute immanence’ (Ojakangas 2007: 215; cf. Schmitt 1995a: 447; 1995b). Such enclosure or internality means, at a superficial level, that the ‘war of monotheism’ waged by/in the West must be understood as a kind of civil war: it is ‘no longer the old war of sovereign States, not since the open conflict of 1914’ suggests Nancy, consistent in this way with other accounts of the demise of Westphalia at the time of the Great War (Nancy 2003b: 51; cf. Schmitt 2003: 140). Yet, less superficially perhaps, internality or interiority also pertains to the presumed dissipation of the ‘age of the line’ [das Zeitalter des globalen Liniendenkens]: the end of both political thought structured by lines and also of the ‘Westphalian’ world ordering praxis of drawing lines, leading to a restructuring of world order and international law [die Struktur des Völkerrechts] (Schmitt 1995a: 447; cf. Odysseos 2007: 130-134 and Rasch 2005; cf. section three) that was decisive for ‘Westphalian’ world politics. Nancy’s ‘war of monotheism’, much like Hardt and Negri’s global war, is not war as such; rather, it may be best understood as that order-producing war and war-making order which is unlimited in scope, duration and space.16 Schmitt had called this a ‘borderless, global pan-interventionism’ (1995a: 446-447).17 Yet, in its claim to limitless scope and duration, this ‘war-order’ still divides space into zones of war and peace, though peace itself becomes ‘warlike’, filled with relations of force, surveillance etc., while war becomes a form of order and peace maintenance (cf. Hard and Negri 2004; Beck 2005). Peace and war ‘must be understood in accordance with a substitutive value that makes the two terms absolutely contemporary with one another, starting with the inversion both of their functions and of their “classical” relations’ (Alliez and Negri 2003: 110). Such an order is no longer ‘open’ to multifarious possibilities of determination. As Mika Ojakangas notably illustrates, it may well be the function of enmity to ‘introduce[s] a moment of transcendence, and thereby a moment of openness and freedom, into the immanence of world order’ (Ojakangas 2007: 211). This points to a third significant insight, that the global civil war amounts to the ‘disorganisation of all the Western world’s own forms of equilibrium’ (Nancy 2003b: 51), in other words, to what we in IR call ‘balance of power or threat’ (see Schmitt 2003; Waltz 1979; Walt 1987). This is not trivial, not for IR, not for Nancy, and not for possibilities of order. This is because, as the discussion of ‘Westphalia’ below indicates, to balance involves a structuring of the field of politics (cf. Laclau 2005) that requires a recognition of the other as a (procedurally) just and equal enemy, with recognised rights to existence, neutrality and resistance (see Odysseos 2007). Balancing also means that, just as war can be waged with this kind of enemy, peace can also be negotiated and accepted (Schmitt 2003). The disavowal of balancing disavows also the commitment to a distinction between war and peace and makes it possible and permissible (‘licit’ is Agamben’s legal term, see 2000: 107) to eliminate the other as enemy (cf. Odysseos 2002). Importantly, moreover, the withering of power-political forms of equilibrium is the twin process of what Nancy calls the ‘tendential obliteration of its “Western” distinction at the heart of the process of its own “globalisation”’ (Nancy 2003b: 51). The West’s ‘globalisation’ must be thought of as a replication of its normative ideological and material-economic structures, as well as the governmentalisation of its political structures, as discussed above. Yet such replication produces the world order but also life and subjects (Foucault 1997a: 59; Hardt and Negri 2000, 2004; Althusser 1971). In the process of replicating its structures – its effective globalisation – the West can no longer sustain its own distinction from others, a distinction or difference which, however, forms the very basis on which it globalises itself. ‘The West has come to encompass the world, and in this movement disappears as what was supposed to orient the course of this world’ (Nancy 2007: 34): As Enrique Dussel argued a decade earlier, the West was never ‘an independent, autopoietic, self-referential system, but instead is part of a world-system’, a system nevertheless which it has helped bring into being and which it works to police and sustain; it is ‘in fact, its center’ (1998: 4; emphasis in original; cf. Schmitt 2003: 233). But if the distinct centre – which orients the course of the order or system – can no longer remain distinct or central, it begins to tear itself apart. The result of this rupture is a situation that destabilises the splits of the old Europe and that produces, on the one hand, the American superpower, and, on the other hand, the heavy deficit of identity that is Europe’s lot, revealing to the full light of day the contradiction between its claim to rational-moral universality (i.e., in science and democracy) and the glaring injustice of the situations created by its own domination. (Nancy 2003b: 51) Thus, Nancy suggests that the West and its civilization is but a ‘work of death’ (2003a: 24) so that ‘everything takes place as if the world affected and permeated itself with a death drive that soon would have nothing else to destroy than the world itself…’ (Nancy 2007: 34).

#### Vote Negative to draw a line in the sand

#### Only our political action can create symmetrical power relations that can prevent asymmetrical forms of warfare

Rasch 5 (William, Associate Professor of Germanic Studies at Indiana University,” Lines in the Sand: Enmity as a Structuring Principle”, The South Atlantic Quarterly 104:2, pages 259-261, aks)

How is this possible? Despite its internal self-differentiation, Europe still saw itself as a unity because of a second major distinction, the one between Europe and the New World, where New World denotes the entire non-European world, but especially the newly ‘‘discovered’’ regions of the globe following Columbus’s three voyages. This distinction was asymmetrical; on the one side we find Christianity and culture, on the other only pagan ‘‘barbarians.’’ How did Europeans mark this difference between a self-differentiated ‘‘us’’ and a homogenous ‘‘them’’? Through violence. Only now, violence was regulated hierarchically by the traditional ‘‘just war’’ doctrine. Schmitt clearly marks the difference between symmetrical and asymmetrical modes of warfare (thus the difference between warfare ‘‘this side’’ versus the ‘‘other side’’ of so-called amity lines that separated Old Europe from the New World) as the difference between wars fought against ‘‘just enemies’’ and those fought for a ‘‘just cause.’’ The former recognize a commonality among combatants that allows for reciprocity; the latter does not. Wars fought against enemies one respects as occupiers of the same cultural ‘‘space,’’ no matter how subdivided, allows for the desirable constraints on the conduct of war. Wars fought against infidels, pagans, and barbarians, whether these barbarians deny the one God, the laws of nature, the truth of reason, or the higher morality of liberalism, are wars fought against those who are not to be respected or accorded the rights granted equals.8 To be in possession of truth, no matter how much that truth is debated internally, allows one to stand over against the other as a conglomerated unity. This self-differentiated unity can assume the restrained and restraining order of civilization because it has inoculated itself against outbreaks of ‘‘natural’’ and lawless violence by displacing them in the New World. America, as Hobbes and others imagined it, was the preeminent site of the feared state of nature; thus Europe was spared any recurrence of the civil wars that had previously ravaged it. What Schmitt describes as an enviable achievement—that is, the balanced order of restrained violence within Europe—presupposed the consignment of unrestrained violence to the rest of the world. That is, desired restraint was founded upon sanctioned lack of restraint. If Schmitt, by concentrating on the development of European international law after the religious civil wars, highlights an admirable local result of a disagreeable global process, this can be attributed to his explicit Eurocentrism. But even non- Eurocentrics may be dismayed by the twentieth-century reintroduction of unrestricted violence within Europe itself. The epitome of this return of the repressed may be the midcentury death camp, as Giorgio Agamben maintains, but its initial breakthrough is the Great War of the century’s second decade. For how else can one explain that a traditional European power struggle that started in 1914 as a war fought for state interest should end in 1918–19 as a war fought by ‘‘civilization’’ against its ‘‘barbarian’’ other? And how else can one explain that we have been so eager to replicate this distinction in every war we have fought ever since? If, in other words, we are rightly horrified by the distinction between civilized and uncivilized when it is used to describe the relationship of Old Europe and its colonial subjects, and if we are rightly horrified by the distinction between the human and the in- or subhuman when it is used to discriminate against blacks, Jews, Gypsies, and other so-called undesirables, then why do we persist today in using these very distinctions when combating our latest enemies? Is it merely ironic or in fact profoundly symptomatic that those who most vehemently affirm universal symmetry (equality, democracy) are also more often than not the ones who opt for the most asymmetrical means of locating enemies and conducting war—that is, just wars fought for a just cause? But how are we to respond? For those who say there is no war and who yet find themselves witnessing daily bloodshed, Adornoian asceticism (refraining from participating in the nihilism of the political) or Benjaminian weak, quasi, or other messianism (waiting for the next incarnation of the historical subject [the multitudes?] or the next proletarian general strike [the event?]) would seem to be the answer. To this, however, those who say there is a war can respond only with bewilderment. Waiting for a ‘‘completely new politics’’ 10 and completely new political agents, waiting for the event and the right moment to name it, or waiting for universal ontological redemption feels much like waiting for the Second Coming, or, more accurately, for Godot. And have we not all grown weary of waiting? The war we call ‘‘the political,’’ whether nihilist or not, happily goes on while we watch Rome burn. As Schmitt wrote of the relationship of early Christianity to the Roman Empire, ‘‘The belief that a restrainer holds back the end of the world provides the only bridge between the notion of an eschatological paralysis of all human events and a tremendous historical monolith like that of the Christian empire of the Germanic kings’’ (60).One does not need to believe in the virtues of that particular ‘‘historical monolith’’ to understand the dangers of eschatological paralysis. But as Max Weber observed firsthand, ascetic quietude leads so often, so quickly, and so effortlessly to the chiliastic violence that knows no bounds; and as we have lately observed anew, the millennial messianism of imperial rulers and nomadic partisans alike dominates the contemporary political landscape. The true goal of those who say there is no war is to eliminate the war that actually exists by eliminating those Lyons and Tygers and other Savage Beasts who say there is a war. This war is the truly savage war. It is the war we witness today. No amount of democratization, pacification, or Americanization will mollify its effects, because democratization, pacification, and Americanization are among the weapons used by those who say there is no war to wage their war to end all war. What is to be done? If you are one who says there is a war, and if you say it not because you glory in it but because you fear it and hate it, then your goal is to limit it and its effects, not eliminate it, which merely intensifies it, but limit it by drawing clear lines within which it can be fought, and clear lines between those who fight it and those who don’t, lines between friends, enemies, and neutrals, lines between combatants and noncombatants. There are, of course, legitimate doubts about whether those ideal lines could ever be drawn again; nevertheless, the question that we should ask is not how can we establish perpetual peace, but rather a more modest one: Can symmetrical relationships be guaranteed only by asymmetrical ones? According to Schmitt, historically this has been the case. ‘‘The traditional Eurocentric order of international law is foundering today, as is the old nomos of the earth. This order arose from a legendary and unforeseen discovery of a new world, from an unrepeatable historical event. Only in fantastic parallels can one imagine a modern recurrence, such as men on their way to the moon discovering a new and hitherto unknown planet that could be exploited freely and utilized effectively to relieve their struggles on earth’’ (39). We have since gone to the moon and have found nothing on the way there to exploit. We may soon go to Mars, if current leaders have their way, but the likelihood of finding exploitable populations seems equally slim. Salvation through spatially delimited asymmetry, even were it to be desired, is just not on the horizon. And salvation through globalization, that is, through global unity and equality, is equally impossible, because today’s asymmetry is not so much a localization of the exception as it is an invisible generation of the exception from within that formal ideal of unity, a generation of the exception as the difference between the human and the inhuman outlaw, the ‘‘Savage Beast, with whom Men can have no Society nor Security.’’ We are, therefore, thrown back upon ourselves, which is to say, upon those artificial ‘‘moral persons’’ who act as our collective political identities. They used to be called states. What they will be called in the future remains to be seen. But, if we think to establish a differentiated unity of discrete political entities that once represented for Schmitt ‘‘the highest form of order within the scope of human power,’’ then we must symmetrically manage the necessary pairing of inclusion and exclusion without denying the ‘‘forms of power and domination’’ that inescapably accompany human ordering. We must think the possibility of roughly equivalent power relations rather than fantasize the elimination of power from the political universe. This, conceivably, was also Schmitt’s solution. Whether his idea of the plurality of Großräume could ever be carried out under contemporary circumstances is, to be sure, more than a little doubtful, given that the United States enjoys a monopoly on guns, goods, and the Good, in the form of a supremely effective ideology of universal ‘‘democratization.’’ Still, we would do well to devise vocabularies that do not just emphatically repeat philosophically more sophisticated versions of the liberal ideology of painless, effortless, universal equality. The space of the political will never be created by a bloodless, Benjaminian divine violence. Nor is it to be confused with the space of the simply human. To dream the dreams of universal inclusion may satisfy an irrepressible human desire, but it may also always produce recurring, asphyxiating political nightmares of absolute exclusion.

### Off

#### The President of the United States of America ought to issue an executive order with a signing statement, via appropriate administrative agencies, to implement bilateral automatic exchange of information to Mexico as it pertains to money-laundering.

#### An XO is a valid mechanism for economic engagement

Stephens ‘8 (Beth [Rutger-Camden Law School]; CORPORATE LIABILITY FOR GRAVE BREACHES OF INTERNATIONAL LAW: ARTICLE: JUDICIAL DEFERENCE AND THE UNREASONABLE VIEWS OF THE BUSH ADMINISTRATION; 33 Brooklyn J. Int'l L. 773; kdf)

The administration also asserts that human rights lawsuits undermine the executive branch's decision to use "constructive engagement" to promote reform. In **an argument repeated in several corporate-defendant** **cases, the executive branch asserts that the "policy determination of whether to pursue a constructive engagement policy is precisely the type of foreign affairs question that is constitutionally vested in the Executive Branch and over which the courts lack institutional authority and ability to decide**." n184 This statement by itself is uncontroversial. The **administration proceeds**, however, **to a less obvious assertion that ATS accountability undermines the policy of constructive engagement**, defined as U.S. efforts "**to promote active economic engagement as a method of encouraging** [\*808] reform and gaining leverage." n185 As explained at length in a forth-coming article, the administration does not support its far-from-obvious conclusion that litigation undermines constructive engagement. n186 To the contrary, litigation might well complement a constructive engagement approach. Constructive engagement is based on the assumption that U.S.-based corporate investors will promote human rights and democracy. n187 A corporation that is complicit in genocide, summary execution, or torture offers nothing to the pursuit of constructive engagement, because its "engagement" is not "constructive."

#### Politics is a net benefit

**Fleishman 76** Joel Fleishman (Professor of Law & Policy Sciences at Duke University) 1976 Law & Contemporary Problems, Summer p. 38

**Several related factors, in particular, make executive orders especially attractive policymaking tools for a President. First is speed. Even if a President is reasonably confident of securing desired legislation from congress, he must wait for congressional deliberations to run their course**. Invariably, he can achieve far faster, if not immediate, results by issuing an executive order. **Moreover, when a President acts through an order, he avoids having to subject his policy to public scrutiny and debate. Second is flexibility. Executive orders have the force of law. Yet they differ from congressional legislation in that a President can alter any executive order simply with the stroke of his pen-merely by issuing another executive order**. As noted earlier, Presidents have developed the system of classifying national security documents in precisely this manner. **Finally, executive orders allow the President, not only to evade hardened congressional opposition, but also to preempt potential or growing opposition-to throw Congress off balance, to reduce its ability to formulate a powerful opposing position**.

### Off

#### CIR will pass, GOP guidelines show willingness to compromise

Gonzalez et al 1/31 (Daniel González, Erin Kelly and Rebekah Sanders, Fri Jan 31, 2014, House GOP releases plan for immigration reform, http://www.azcentral.com/news/politics/free/20140130house-republicans-immigration-plan-unveiled.html)

Republican House leaders released long-awaited guidelines for overhauling the nation’s immigration system Thursday, drawing measured praise from reform supporters for opening the door to negotiations with Democrats that could lead to passage of a bill this year.¶ But the guidelines also set off a fiery debate among immigration advocates. On one side are those who are willing to settle for the GOP’s offer of legalization for undocumented immigrants but no special pathway to citizenship. On the other are those who insist any immigration reform bill must ultimately include citizenship.¶ “I would take it for now,” said Lydia Guzman, national immigration chair for the League of United Latin American Citizens, a civil-rights and immigrant-advocacy group.¶ “No,” said Petra Falcon, executive director of the Phoenix-based advocacy group Promise Arizona.¶ The guidelines, revealed Thursday at a House Republican retreat in Maryland, show the “GOP is opening the door to have a conversation about immigration reform,” Falcon said. “It doesn’t go far enough for us and what our principles are, which begin with a pathway to citizenship. It’s not there yet.”¶ That debate is expected to grow louder as Republicans move from translating the guidelines into actual legislation that will need the support of both Republicans and Democrats to pass.¶ Democrats strongly support a pathway to citizenship for most undocumented immigrants, including those who came here as adults, and some have said they won’t support legislation that permanently bars undocumented immigrants from becoming citizens.¶ The standards represent the first concrete look at what GOP leaders are thinking as they begin their efforts to persuade rank-and-file House Republicans to take up immigration reform this year.

#### Obama’s leverage is key to pushing CIR and getting Republicans on board

Pace and Espo 2-1 (Julie Pace, David Espo, Associated Press writers, Ahead of elections, GOP wary of immigration issue, <http://bostonherald.com/news_opinion/us_politics/2014/02/ahead_of_elections_gop_wary_of_immigration_issue>, 2-1-14) aln

President Barack Obama's new declaration that he's open to legal status for many immigrants short of citizenship sounds a lot like House Speaker John Boehner and other GOP leaders, an election-year compromise that numerous Republicans as well as Democrats crave. But the drive for the first overhaul in three decades still faces major resistance from many Republicans who are wary that the divisive issue could derail what they see as a smooth glide path to winning November's congressional elections. And they deeply distrust the Democratic president to enforce the law. Just hours after Boehner pitched immigration to the GOP at a Maryland retreat, Obama suddenly indicated he would be open to legal status for many of the 11 million living here illegally, dropping his once-ironclad insistence on a special path to citizenship. Democrats, including Obama, and other immigration proponents have warned repeatedly about the creation of a two-tier class system. "If the speaker proposes something that says right away, folks aren't being deported, families aren't being separated, we're able to attract top young students to provide the skills or start businesses here, and then there's a regular process of citizenship, I'm not sure how wide the divide ends up being," Obama said in a CNN interview that was recorded Thursday and aired Friday. Obama's flexibility is a clear indication of the president's desire to secure an elusive legislative achievement before voters decide whether to hand him even more opposition in Congress. Republicans are expected to maintain their grip on the House and have a legitimate shot at grabbing the majority in the Senate. "I'm going to do everything I can in the coming months to see if we can get this over the finish line," Obama said Friday of an immigration overhaul in a Google Plus Hangout talk.

#### Economic engagement with Mexico is politically divisive despite supporters

Wilson 13 – Associate at the Mexico Institute of the Woodrow Wilson International. Center for Scholars (Christopher E., January, “A U.S.-Mexico Economic Alliance: Policy Options for a Competitive Region,” http://www.wilsoncenter.org/sites/default/files/new\_ideas\_us\_mexico\_relations.pdf)

At a time when Mexico is poised to experience robust economic growth, a manufacturing renaissance is underway in North America and bilateral trade is booming, the United States and Mexico have an important choice to make: sit back and reap the moderate and perhaps temporal benefits coming naturally from the evolving global context , or implement a robust agenda to improve the competitiveness of North America for the long term . Given that job creation and economic growth in both the United States and Mexico are at stake, the choice should be simple, but a limited understanding about the magnitude, nature and depth of the U.S.-Mexico economic relationship among the public and many policymakers has made serious action to support regional exporters more politically divisive than it ought to be.

#### Immigration is key to cyber security

McLarty ‘9 Thomas F. McLarty III, President Of McLarty Associates, Former White House Chief of Staff and Task Force Co-Chair, question asked by Frank Finelli, the Carlyle Group, “U.S. Immigration Policy: Report of a CFR-Sponsored Independent Task Force,” Council on Foreign Relations, 7/8/2009, http://www.cfr.org/immigration/us-immigration-policy-report-cfr-sponsored-independent-task-force/p19759

We have seen, when you look at the table of the top 20 firms that are H1-B visa requestors, at least 15 of those are IT firms. And as we're seeing across industry, much of the hardware and software that's used in this country is not only manufactured now overseas, but it's developed overseas by scientists and engineers who were educated here in the United States. We're seeing a lot more activity around cyber-security, certainly noteworthy attacks here very recently. It's becoming an increasingly dominant set of requirements across not only to the Department of Defense, but the Department of Homeland Security and the critical infrastructure that's held in private hands. Was there any discussion or any interest from DOD or DHS as you undertook this review on the security things about what can be done to try to generate a more effective group of IT experts here in the United States, many of which are coming to the U.S. institutions, academic institutions from overseas and often returning back? This potentially puts us at a competitive disadvantage going forward. MCLARTY: Yes. And I think your question largely is the answer as well. I mean, clearly we have less talented students here studying -- or put another way, more talented students studying in other countries that are gifted, talented, really have a tremendous ability to develop these kind of technology and scientific advances, we're going to be put at an increasingly disadvantage. Where if they come here -- and I kind of like Dr. Land's approach of the green card being handed to them or carefully put in their billfold or purse as they graduate -- then, obviously, that's going to strengthen, I think, our system, our security needs.

#### Cyber-strike escalates to nuclear war

Lawson 9 (Sean - assistant professor in the Department of Communication at the University of Utah, Cross-Domain Response to Cyber Attacks and the Threat of Conflict, 5/13, http://www.seanlawson.net/?p=477)

At a time when it seems impossible to avoid the seemingly growing hysteria over the threat of cyber war,[1] network security expert Marcus Ranum delivered a refreshing talk recently, “The Problem with Cyber War,” that took a critical look at a number of the assumptions underlying contemporary cybersecurity discourse in the United States. He addressed one issue in partiuclar that I would like to riff on here, the issue of conflict escalation–i.e. the possibility that offensive use of cyber attacks could escalate to the use of physical force. As I will show, his concerns are entirely legitimate as current U.S. military cyber doctrine assumes the possibility of what I call “cross-domain responses” to cyberattacks. Backing Your Adversary (Mentally) into a Corner Based on the premise that completely blinding a potential adversary is a good indicator to that adversary that an attack is iminent, Ranum has argued that “The best thing that you could possibly do if you want to start World War III is launch a cyber attack. [...] When people talk about cyber war like it’s a practical thing, what they’re really doing is messing with the OK button for starting World War III. We need to get them to sit the f-k down and shut the f-k up.” [2] He is making a point similar to one that I have made in the past: Taking away an adversary’s ability to make rational decisions could backfire. [3] For example, Gregory Witol cautions that “attacking the decision maker’s ability to perform rational calculations may cause more problems than it hopes to resolveÃ¢â‚Â¦ Removing the capacity for rational action may result in completely unforeseen consequences, including longer and bloodier battles than may otherwise have been.” [4] Ã¯Â»Â¿Cross-Domain Response So, from a theoretical standpoint, I think his concerns are well founded. But the current state of U.S. policy may be cause for even greater concern. It’s not just worrisome that a hypothetical blinding attack via cyberspace could send a signal of imminent attack and therefore trigger an irrational response from the adversary. What is also cause for concern is that current U.S. policy indicates that “kinetic attacks” (i.e. physical use of force) are seen as potentially legitimate responses to cyber attacks. Most worrisome is that current U.S. policy implies that a nuclear response is possible, something that policy makers have not denied in recent press reports. The reason, in part, is that the U.S. defense community has increasingly come to see cyberspace as a “domain of warfare” equivalent to air, land, sea, and space. The definition of cyberspace as its own domain of warfare helps in its own right to blur the online/offline, physical-space/cyberspace boundary. But thinking logically about the potential consequences of this framing leads to some disconcerting conclusions. If cyberspace is a domain of warfare, then it becomes possible to define “cyber attacks” (whatever those may be said to entail) as acts of war. But what happens if the U.S. is attacked in any of the other domains? It retaliates. But it usually does not respond only within the domain in which it was attacked. Rather, responses are typically “cross-domain responses”–i.e. a massive bombing on U.S. soil or vital U.S. interests abroad (e.g. think 9/11 or Pearl Harbor) might lead to air strikes against the attacker. Even more likely given a U.S. military “way of warfare” that emphasizes multidimensional, “joint” operations is a massive conventional (i.e. non-nuclear) response against the attacker in all domains (air, land, sea, space), simultaneously. The possibility of “kinetic action” in response to cyber attack, or as part of offensive U.S. cyber operations, is part of the current (2006) National Military Strategy for Cyberspace Operations [5]: (U) Kinetic Actions. DOD will conduct kinetic missions to preserve freedom of action and strategic advantage in cyberspace. Kinetic actions can be either offensive or defensive and used in conjunction with other mission areas to achieve optimal military effects. Of course, the possibility that a cyber attack on the U.S. could lead to a U.S. nuclear reply constitutes possibly the ultimate in “cross-domain response.” And while this may seem far fetched, it has not been ruled out by U.S. defense policy makers and is, in fact, implied in current U.S. defense policy documents. From the National Military Strategy of the United States (2004): “The term WMD/E relates to a broad range of adversary capabilities that pose potentially devastating impacts. WMD/E includes chemical, biological, radiological, nuclear, and enhanced high explosive weapons as well as other, more asymmetrical ‘weapons’. They may rely more on disruptive impact than destructive kinetic effects. For example, cyber attacks on US commercial information systems or attacks against transportation networks may have a greater economic or psychological effect than a relatively small release of a lethal agent.” [6] The authors of a 2009 National Academies of Science report on cyberwarfare respond to this by saying, “Coupled with the declaratory policy on nuclear weapons described earlier, this statement implies that the United States will regard certain kinds of cyberattacks against the United States as being in the same category as nuclear, biological, and chemical weapons, and thus that a nuclear response to certain kinds of cyberattacks (namely, cyberattacks with devastating impacts) may be possible. It also sets a relevant scale–a cyberattack that has an impact larger than that associated with a relatively small release of a lethal agent is regarded with the same or greater seriousness.” [7]

### Drug Trade

#### Multiple Required Internal Links to Solve Laundering-Aff Can’t Solve

Realuyo 12 Celina B. Realuyo has dedicated her career to the practice and promotion of international relations, as a U.S. diplomat, international banker with Goldman Sachs, U.S. State Department Director of Counterterrorism Finance Programs, and professor of national security and international relations at Georgetown, George Washington, and the National Defense University. She has extensive expertise in the international security, geopolitical risks, counterterrorism, globalization, illicit economies, international banking, economic competitiveness, and government relations arenas, Published May 2012, accessed 11/1/13, Woodrow Wilson International Center for Scholars Mexico Institute, “It’s All about the Money: Advancing Anti-Money Laundering Efforts in the U.S. and Mexico to Combat Transnational Organized Crime”, Pg 3-4, uwww.wilsoncenter.org/sites/default/files/Realuyo\_U.S.-Mexico\_Money\_Laundering\_0.pdf AKS

The governments of the U.S. and Mexico recognize that they must attack the economic power of

transnational criminal organizations to weaken them. Mexican President Felipe Calderon has said, “The prevention of money laundering and combating financial terrorism is a fundamental part of the state's comprehensive strategy against organized crime." In 2011, the U.S. released its Strategy to Combat Transnational Organized Crime that describes how TCOs and their activities, including money laundering, present a threat to U.S. national security. This paper outlines the use of the economic and financial instruments of national power aimed at degrading transnational criminal organizations in the U.S. and Mexico and increasing their cost of doing business. It will examine the major modes of money laundering employed by the TCOs, describe current U.S. and Mexican anti-money laundering measures, and offer some options for advancing the U.S.-Mexican fight against money laundering. Some options the U.S. and Mexico should consider going forward include:  Make combating money laundering a top priority of their strategies to combat transnational organized crime,  Establish a centralized coordinating mechanism for U.S.-Mexican anti money laundering activities, such as a TCO Finance Working Group,  Dedicate adequate human, financial, and technological resources to their agencies responsible for combating money laundering,  Enhance bilateral cooperation on money laundering investigations and prosecutions; and  Engage the private and civic sectors in the fight against money laundering and transnational organized crime.

#### Crackdown on Money Laundering Hurts Mexico’s Private Sector financially and are near impossible for small firms to comply with

Quinn 10/29 Dale Quinn is a freelance journalist in Guadalajara where he writes about technology, real estate and security issues faced by international companies, published 10/29/13, accessed 11/1/13, Quartz, “Mexico’s new anti-money laundering law is bad for business”, <http://qz.com/139570/mexicos-new-anti-money-laundering-law-is-bad-for-business/> AKS

Money laundering in Mexico is big business: $10 billion in drug money was washed there in 2012, according to global risk management firm Kroll. Even so, Mexico’s latest attempt to crack down on the crime puts a hefty burden on the private sector in a country that’s been slow to target known launderers. The law went into effect in July and focuses on “vulnerable activities,” or industries like gaming, jewelry, automobile, art and real estate that are often targets for money laundering because they handle large amounts of cash. The requirements vary per sector, but for most, cash transactions over a certain amount (pdf) must be reported to the government. In certain cases, identification is required for purchases regardless of the form of payment. Jewelers will have to maintain files for customers who make purchases valued at more than 52,000 pesos, or roughly $4,000. This create challenges for jewelers who deal with international clients, said Miguel Cotero Ochoa, the president of the state of Jalisco’s Jewelry Chamber. Those clients will likely turn to other countries that don’t require such bureaucratic entanglements, he said. “We support the authorities in their effort to combat this problem. However, some of the regulations in the law leave us out of the global competition,” Cotero Ochoa said in an interview in Spanish. A consultant in Mexico City estimated the requirements will likely cost businesses in the affected industries 3-8% of their income (link in Spanish). Businesses are required to train employees and maintain an archive of those transactions that meet the law’s requirements, said Cotero Ochoa. “The majority of our companies are small firms and the requirements and regulations the secretary of finance is placing are going to be impossible—or very complicated—to fulfill,” he said. The jewelry industry plans to work with authorities to modify the law based on some of their concerns, Cotero Ochoa said. And they’re not the only ones challenging it. Large retail chains in Mexico, including department stores like El Palacio de Hierro, Liverpool, Sears, and Sanborns, have already taken legal action (link in Spanish) claiming that the law violates their constitutional rights of equality and non-discrimination, free economic competition and tax equity. They, along with members of the real estate and automotive industries, argue that their businesses have been unfairly targeted while British bank HSBC was fined a mere $27.5 million in Mexico for its lax money-laundering controls. While the law creates some difficulty for certain industries, it does provide information that investigators can use to figure out what channels criminals use to wash their money.

#### No risk of Mexico becoming a failed state

The Economist, ’12 (11/24, “From darkness, dawn” Tom Wainwright <http://www.economist.com/news/special-report/21566773-after-years-underachievement-and-rising-violence-mexico-last-beginning>)

THE APOCALYPSE WAS on its way, and it would begin in Mexico. Where else? When archaeologists dug up Mayan calendars that ominously seemed to run out in the final days of 2012, some doomsayers predicted the end of the world. To many Mexicans it seemed like just another example of their country’s unending run of bad luck. The steepest recession on the American mainland, a plague of H1N1 swine flu and a deepening war against organised crime had made the preceding few years fairly grim. In 2009 the Pentagon had given warning that Mexico could become a “failed state”. Armageddon would be the icing on the cake. But it turns out that the Mayan glyphs were misunderstood. The men with magnifying glasses now say that the world is not about to end—in fact, it seems that the Mayans were predicting something more like a renewal or a fresh start. Could the same be true of Mexico? This special report will argue that there is a good chance of it. Some awful years are giving way to what, if managed properly, could be a prosperous period for Latin America’s second-largest economy. Big, irreversible trends, from a falling birth rate at home to rising wages in China, are starting to move in Mexico’s favour. At the same time the country’s leaders are at last starting to tackle some of the home-grown problems that have held it back. Many of the things that the world thinks it knows about Mexico are no longer true. A serially underachieving economy, repeatedly trumped by dynamic Brazil? Mexico outpaced Brazil last year and will grow twice as fast this year. Out-of-control population growth and an endless exodus to the north? Net emigration is down to zero, if not negative, and the fertility rate will soon be lower than that of the United States. Grinding poverty? Yes, but alleviated by services such as universal free health care. A raging drug war? The failure of rich countries’ anti-drugs policies means that organised crime will not go away. But Mexico’s murder rate is now falling, albeit slowly, for the first time in five years. A vast country with deeply ingrained problems and unreformed corners, Mexico could yet squander the opportunities that are coming its way. But there are signs that it is beginning to realise its potential. With luck, the dire predictions made by the Pentagon and others may turn out to be as reliable as a misread Mayan calendar. Preparing to lead Mexico into this brightening future is the party most associated with its past. The Institutional Revolutionary Party (PRI) ran Mexico without interruption for most of the 20th century, silencing opposition through a mixture of co-option, corruption and occasional violence. Only in 2000 did it give up its grip on power to the conservative National Action Party (PAN), which fielded two presidents in succession: Vicente Fox, a former executive at Coca-Cola, and Felipe Calderón, a lawyer whose father was a founding member of the party. On December 1st Mr Calderón will hand over the presidency to the PRI’s Enrique Peña Nieto, who won a clear election victory on July 1st. A handsome 46-year-old with a gift for communication, Mr Peña claims to be the opposite of the crooked party men who ran the country in its pre-democratic days. But will the change be more than superficial? Mr Peña says his priority is to make the economy grow faster in order to reduce poverty. Nearly half the population are poor, many of them in the south (see map). To achieve more rapid growth he will need to introduce a series of big economic reforms, some of which Mr Calderón attempted during his presidency, only to see them get stuck in Mexico’s cantankerous Congress. The PRI had hoped to win a majority in the summer’s elections, but it fell short by 11 in the 500-member Chamber of Deputies and by four in the 128-member Senate. In any case, some of the most important reforms will need changes to the constitution, which require a two-thirds majority in Congress. However, Mr Peña has reason to be optimistic. The opposition PAN shares much of Mr Peña’s agenda, and together the two parties have a two-thirds majority in both houses of Congress. A new power to fast-track two bills per congressional session will help. A lot will depend on who ends up leading the PAN, which is restive and rudderless after finishing third in the presidential election. The handover period between July’s election and December’s inauguration has been a model of presidential co-operation. Mr Calderón’s crackdown on Mexico’s vindictive criminals has given him a personal reason to stay on good terms with the new government, to make sure of the protection he and his family will need when he leaves office. Fighting on two fronts Mr Peña’s main problem in Congress may well be his own party. As this special report went to press Congress was about to pass a labour-law reform, which among other things would make hiring and firing easier. But linked measures to make Mexico’s over-mighty unions more transparent and democratic were voted down by congressmen from Mr Peña’s own PRI, which has strong ties to unions. If the unions cannot be tamed, Mr Peña’s other reforms—to open up the monopolised energy sector and overhaul the tax system—may be similarly diluted. The runner-up in the election was the left-winger Andrés Manuel López Obrador, known as AMLO, who came a very close second to Mr Calderón in 2006 but lost to Mr Peña by 6.8%. After both defeats he claimed fraud. The evidence is thin. The left has about a quarter of the seats in Congress, but many of its congressmen have little patience with AMLO, whose magnetic personality repels as many voters as it attracts. The government may also face opposition outside Congress. Though a majority of the political class now seems to be convinced of the need for economic reforms along the lines that Mr Peña proposes, the same may not yet be true on the street, in the public universities or in much of the press. “Mexico is a country where doctrine and principle matter more than practical considerations and results,” says Enrique Krauze, a historian. The state-run oil monopoly is the sort of sacred cow that could emit a deafening, destabilising moo if Mr Peña tried to tether it. Mexico City already sees an average of 14 protests a day. The internet is making politics more unpredictable. During the election campaign Mr Peña paid a disastrous visit to a university and fled after being heckled. This gave rise to an anti-Peña student movement calling itself YoSoy132, or “I am the 132nd” (the initial protest was led by 131 students). It is now capable of summoning large crowds via Twitter and Facebook to march against Mr Peña (and often, it seems, for AMLO). During Mexico’s independence celebrations on September 16th anonymous hackers took down several government websites. So it will not be an easy ride. Mr Krauze remembers that the optimism when the North American Free-Trade Agreement (NAFTA) came into force in 1994 was quickly punctured by the Zapatista uprising in Mexico’s south on New Year’s Day. “We thought we were there in the first world, on the final lap of our historic marathon. Then on January 1st we woke up to the astonishing news of a rebellion in Chiapas,” he says. Compare the murder rate and body count of each Mexican state against entire countries with our interactive equivalents map Mexico has form in turning triumph to disaster, and could yet do so again. Its economy remains dependent on the fortunes of the United States, and financial crises in Europe make investors jittery. Promised reforms will depend on persuading entrenched interests to accept them. Corruption and bad government, especially at the local level, may cause good initiatives to fall at the last hurdle. And the drug war is by no means over. But Mexico deserves a fresh look—not least because its economy is revving up, as the next article explains.

### Econ

#### UN standards solve organized crime

Financial Times, 12/15/2000

When people think of the United Nations, the image that comes to mind is of the organisation's traditional role in international diplomacy and peacekeeping. But this week the world body has taken a big step in defining another task for itself; it wants to be a leading force in the fight against mafia bosses, money launderers and gangs masterminding the illegal traffic in human beings. For the past two days senior government officials from more than 150 countries have converged on Palermo, the Sicilian capital, for a UN conference aimed at stepping up the fight against transnational organised crime. At the heart of proceedings is the unveiling of a UN convention against organised crime. This requires signatories to co-ordinate anti-mafia activities, commit themselves to initiatives such as the boosting of extradition arrangements and end banking secrecy. There are also new UN protocols that set out measures to combat two growing areas of mafia activity - the traffic in illegal immigrants and economic slavery of women and children. Cynics might be forgiven for wondering what value such treaties have in the gritty everyday battle against organised crime. But Pino Arlacchi, the UN's head of drug control and crime prevention and the driving force behind the event, says they set tough new standards.

#### No risk or impact to economic decline

Drezner ‘11 Daniel W. Drezner, professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University, “Please come down off the ledge, dear readers,” Foreign Policy, 8/12/11, http://drezner.foreignpolicy.com/posts/2011/08/12/please\_come\_down\_off\_the\_ledge\_dear\_readers

So, when we last left off this debate, things were looking grim. My concern in the last post was that the persistence of hard times would cause governments to take actions that would lead to a collapse of the open global economy, a spike in general riots and disturbances, and eerie echoes of the Great Depression. Let's assume that the global economy persists in sputtering for a while, because that's what happens after major financial shocks. Why won't these other bad things happen? Why isn't it 1931? Let's start with the obvious -- it's not gonna be 1931 because there's some passing familiarity with how 1931 played out. The Chairman of the Federal Reserve has devoted much of his academic career to studying the Great Depression. I'm gonna go out on a limb therefore and assert that if the world plunges into a another severe downturn, it's not gonna be because central bank heads replay the same set of mistakes. The legacy of the Great Depression has also affected public attitudes and institutions that provide much stronger cement for the current system. In terms of [public] attitudes, compare the results of this mid-2007 poll with this mid-2010 poll about which economic system is best. I'll just reproduce the key charts below: The headline of the 2010 results is that there's eroding U.S. support for the global economy, but a few other things stand out. U.S. support has declined, but it's declined from a very high level. In contrast, support for free markets has increased in other major powers, such as Germany and China. On the whole, despite the worst global economic crisis since the Great Depression, public attitudes have not changed all that much. While there might be populist demands to "do something," that something is not a return to autarky or anything so [drastic]. Another big difference is that multilateral economic institutions are much more robust now than they were in 1931. On trade matters, even if the Doha round is dead, the rest of the World Trade Organization's corpus of trade-liberalizing measures are still working quite well. Even beyond the WTO, the complaint about trade is not the deficit of free-trade agreements but the surfeit of them. The IMF's resources have been strengthened as a result of the 2008 financial crisis. The Basle Committee on Banking Supervision has already promulgated a plan to strengthen capital requirements for banks. True, it's a slow, weak-assed plan, but it would be an improvement over the status quo. As for the G-20, I've been pretty skeptical about that group's abilities to collectively address serious macroeconomic problems. That is setting the bar rather high, however. One could argue that the G-20's most useful function is reassurance. Even if there are disagreements, communication can prevent them from growing into anything worse. Finally, a note about the possibility of riots and other general social unrest. The working paper cited in my previous post noted the links between austerity measures and increases in disturbances. However, that paper contains the following important paragraph on page 19: [I]n countries with better institutions, the responsiveness of unrest to budget cuts is generally lower. Where constraints on the executive are minimal, the coefficient on expenditure changes is strongly negative -- more spending buys a lot of social peace. In countries with Polity-2 scores above zero, the coefficient is about half in size, and less significant. As we limit the sample to ever more democratic countries, the size of the coefficient declines. For full democracies with a complete range of civil rights, the coefficient is still negative, but no longer significant. This is good news!! The world has a hell of a lot more democratic governments now than it did in 1931. What happened in London, in other words, might prove to be the exception more than the rule. So yes, the recent economic news might seem grim. Unless political institutions and public attitudes buckle, however, we're unlikely to repeat the mistakes of the 1930's. And, based on the data we've got, that's not going to happen.

#### Plan Doesn’t Solve Banking Collapse-Banking Sector needs safeguards

Mishra et al 10 Dr. Rabi N. Mishra is the Regional Director, Lucknow and Ms Dimple Bhandia and Mr. S. Majumdar are General Manager and Director in the Financial Stability Unit (FSU) of Reserve Bank of India (RBI), respectively, published January 18th 2013, accessed November 1st 2013, “Banking Stability - A Precursor to Financial Stability”, VII: Broad Summary and Conclusion of the Study, <http://www.rbi.org.in/scripts/PublicationsView.aspx?id=14916> AKS

The empirical results of this paper indicate that banking instability has immediate adverse effect on the financial markets stability as well as real sector output, whereas the impact of financial market instability and real sector inefficiencies on the banking sector occurs with a certain lag. This analysis in fact provides supporting evidences that the banking stability indicator, as developed in this paper, captures the nuances of the banking sector. These results also indicate that stability in the banking sector is a necessary condition for maintaining financial stability. The paper also indicates that real sector stability, judged in terms of high growth rate, and banking sector stability are intervened. Deterioration in the banking stability indicator has adverse impact on the real sector and similarly deceleration in the real sector performance will adversely affect banking sector. These results in fact have very significant policy implications. Policy makers will need to work towards strengthening the banking sector to enable the banks to bear the shocks resulting from an adverse turn in the real sector environment. There is a need to build enough safeguard in the banking sector to avoid the negative feed-back loop between the banking sector and the real sector which could lead to the germination and aggravation of a financial crisis.

#### Royal concludes neg-economic decline forces leaders to have an inward focus on their economy instead of creating external conflict

Royal 10 (Jedidiah Royal is director of Cooperative Threat Reduction at the U.S. Department of Defense, published 2010, accessed 11/13/13, *Economics of War and Peace: Economic, Legal, and Political Perspectives*, “Economic Integration, Economic Signalling and The Problem of Economic Crises”, pg 215-219,AKS

The rationalist theory of war suggests that ‘war is costly and risky, so rational states should have incentives to locate negotiated settlements that all would prefer to the gamble of war’ (Fearon, 1995). However, states are not always able to find negotiated settlements, and inter-state war does occur, often because states are uncertain about the private information of other states, such as resolve and capabilities, which can lead to miscalculation, escalation and conflict. Costly signalling, including through the use of economic costly signals as described above, is a means of overcoming uncertainty. However, economic costly signalling theorists have not described under what conditions economic costly signals are useful for settling disputes short of the use of force. For example, how useful is signalling among divergent types of political systems (autocratic and democratic), economic systems (capitalist and socialist) and dependency levels (asymmetric and co-dependent)? Each of these conditions are worthy of further study. This section considers the impact of economic crises on the practicality of ECST. I propose that economic crises have a dichotomous effect on the utility of economic costly signals. On the one hand, crises decrease the willingness of states to undertake economic costly signals because they are relatively more costly during crises. On the other hand, the very fact that they are more costly should increase the efficacy of such signals should they be used. However, the potential for states to ‘underbalance’ against foreign threats, including by declining to send economic costly signals, also increases as a result of economic crises. This tendency undermines the practical utility of ECST during and following economic crises. As economic growth becomes scarce, its value increases to states and their societies. Negative economic shocks, therefore, increase the costs of economic costly signals, because those signals further undercut the prospects for economic growth at a time when it is scarce. A corollary of this argument would be that a state that enjoys strong economic stability can accept economic (trade and financial) costs vis-a` -vis a potential adversary with less relative repercussion than an economically weakened state. At times of general economic growth, accepting some economic costs for the sake of national security is a more palatable policy adjustment than during times of economic weakness. Along with increasing economic (monetary) costs, the political costs of economic costly signals also increase as a result of economic crises. Economic stability is a key public good for which leaders of states, particularly in open societies, are held responsible. Given that leaders desire to retain power, and given that leaders consider their political survivability when crafting foreign policies (Bueno de Mesquita, Smith, Siverson, & Morrow, 2003), leaders are thus unlikely voluntarily to undermine economic recovery during and following economic crises. In other words, domestic political interests in economic growth are relatively stronger during an economic crisis, leading to a greater probability that a political leader would be punished by an electorate or selectorate for undermining foreign trade and financial linkages that promote economic growth.6 This problem of increased costs ought to be particularly acute for states that increase their role in the economy as a mechanism of supporting economic recovery from a crisis. That is, governments have a strong interest in immediate stabilisation of the domestic economy during a crisis. They may undertake interventionist policies such as economic stimulus packages, bailouts for vulnerable industries or even nationalisation of companies that are particularly important for the country’s overall economic health. As a result, the involvement of the state in commerce, trade and financial flows tends to increase during economic crises as it takes a more activist role in directing the economy’s recovery. In the most recent economic crisis of 2007–2009, French President Nicholas Sarkozy went so far to announce that ‘laissez-faire is dead’, an emotive claim that can be attributed to political posturing rather than historical clairvoyance. Nevertheless, it does poignantly convey how an economic crisis can draw governments into new levels of engagement and commitment in the private sector. The increasing government role in the economy can lead to a blending of national and private sector interests: governments want to protect their investments. The problem for economic signalling is that states begin to act on this new set of interests in their foreign policies. The government is incentivised to ensure public funds are not lost, reducing its willingness to allow the very industries it has propped up to suffer for the sake of foreign policy posturing. The result is a further internal constraining of a state’s capacity to undertake economic costly signals. The link between changes in the amount of a government’s intervention in its domestic economy and changes in its foreign policy is an area worthy for further study in the economic-security literature. Yet another perspective of how economic crises increase the costs of signalling can be observed among the broader international audience. Where many states depend on a single system for their economic well-being, the costs of any one state signalling within that system impact the many. In periods of economic health, a costly move by one state would likely have little impact on the integrity of the system. However, during an economic crisis when the entire system is under duress, adverse economic moves by those relatively important to the functioning of the entire system could be interpreted by third-party states as undermining their own economic well-being. This external constraint is thus manifested as diplomatic audience costs. Indeed, one could posit that the aggregate level of importance of an interdependent dyad to crisis recovery would be inversely related to their willingness to take punitive economic measures. Pressure by third-party states on the dyad to support the integrity of the system through continued integration would be at a maximum during a period of economic crisis. Although states may be less inclined to undertake economic costly signals, the simple fact that they are so costly during an economic crisis should indicate that, if undertaken, the signal itself will be more credible and thus more effective. A receiving (targeted) state that recognises the severity of the cost assumed by the sending state ought to be more convinced of the genuine nature of the signal. The efficacy of the signal is made stronger by the elevated cost. One can therefore come to the conclusion that economic crises strengthen the conditions for economic costly signals to be successful. There is, however, another trend at play. Economic crises tend to fragment regimes and divide polities. A decrease in cohesion at the political leadership level and at the electorate level reduces the ability of the state to coalesce a sufficiently strong political base required to undertake costly balancing measures such as economic costly signals. Schweller (2006) builds on earlier studies (see, e.g., Christensen, 1996; Snyder, 2000) that link political fragmentation with decisions not to balance against rising threats or to balance only in minimal and ineffective ways to demonstrate a tendency for states to ‘underbalance’. Where political and social cohesion is strong, states are more likely to balance against rising threats in effective and costly ways. However, ‘unstable and fragmented regimes that rule over divided polities will be significantly constrained in their ability to adapt to systemic incentives; they will be least likely to enact bold and costly policies even when their nation’s survival is at stake and they are needed most’ (Schweller, 2006, p. 130). Papayoanou (1997) observes this tendency in British, French and American behaviour towards Germany in the 1930s. The Great Depression led states to become inward-looking, prioritising domestic economic interests above external national security threats. The inherent weakness in the disparate political outlooks that coincided with the economic crisis hindered their ability to balance effectively against Germany. Indeed, in the case of Great Britain, Papayoanou indicates that even though the political elite wanted to break Britain’s strong economic ties with Germany for fear of ‘sleeping with the enemy’, a weak political base and relatively stronger interests in domestic economic growth bound the hands of the British government. Great Britain thus elected not to undertake economic costly signals despite the presence of a clear and growing threat. Papayoanou (1997, pp. 114–115) concludes that when ‘status quo powers have strong economic links with threatening powers, weaker balancing postures and conciliatory policies by status quo powers, and aggression by aspiring revisionist powers, are more likely’. Underbalancing (in this case, by not sending economic costly signals) during economic crises is consistent with a growing body of literature on the influence of domestic ‘veto players’ on the decision to use force. Veto players are those vested interests within an electorate or selectorate that have the authority to resist change in status quo policies. The tendency to under- balance is disproportionately strong in states with large numbers of veto players, a situation more prevalent in democracies than autocracies. Where relatively higher numbers of veto players exist within a polity, the opportunity to change status quo economic and trade policies, for example, through costly signalling, decreases (Tsebelis, 2002; Mansfield, Milner, & Pevehouse, 2008; St. Marie, Hansen, & Tuman, 2006; MacIntyre, 2001; Walsh, 2007). CONCLUSION The logic of ECST supports arguments for greater economic interdependence to reduce the likelihood of conflict. This chapter does not argue against the utility of signalling theory. It does, however, suggest that when considering the occurrence of and conditions created by economic crises, ECST logic is dubious as an organising principle for security policymakers. The discussion pulls together some distinct areas of research that have not yet featured prominently in the ECST literature. Studies associating economic interdependence, economic crises and the potential for external conflict indicate that global interdependence is not necessarily a conflict- suppressing process and may be conflict-enhancing at certain points. Furthermore, the conditions created by economic crises decrease the willingness of states to send economic costly signals, even though such signals may be most effective during an economic crisis. These two points warrant further consideration in the debate over ECST and, more broadly, theories linking interdependence and peace. The debate takes on particular importance for policymakers when considering the increasingly important US–China relationship and the long-term prospects for peace in the Asia-Pacific. Recent US policy towards China, such as the ‘responsible stakeholder’ approach, assumes that greater interdependence with China should decrease the likelihood for conflict. Some have even suggested that the economic relationship is necessary to ensure strategic competition does not lead to major war (see, e.g., Kastner, 2006). If US or Chinese policymakers do indeed intend to rely on economic interdependence to reduce the likelihood of conflict, much more study is required to understand how and when interdependence impacts the security and the defence behaviour of states. This chapter contributes some thoughts to that larger debate.

#### Russia’s constrained from war

Weitz ’11 Richard Weitz, senior fellow at the Hudson Institute and a World Politics Review senior editor, “Global Insights: Putin not a Game-Changer for U.S.-Russia Ties,” 9/27/2011

Fifth, there will inevitably be areas of conflict between Russia and the United States regardless of who is in the Kremlin. Putin and his entourage can never be happy with having NATO be Europe's most powerful security institution, since Moscow is not a member and cannot become one. Similarly, the Russians will always object to NATO's missile defense efforts since they can neither match them nor join them in any meaningful way. In the case of Iran, Russian officials genuinely perceive less of a threat from Tehran than do most Americans, and Russia has more to lose from a cessation of economic ties with Iran -- as well as from an Iranian-Western reconciliation. On the other hand, these conflicts can be managed, since they will likely remain limited and compartmentalized. Russia and the West do not have fundamentally conflicting vital interests of the kind countries would go to war over. And as the Cold War demonstrated, nuclear weapons are a great pacifier under such conditions. Another novel development is that Russia is much more integrated into the international economy and global society than the Soviet Union was, and Putin's popularity depends heavily on his economic track record. Beyond that, there are objective criteria, such as the smaller size of the Russian population and economy as well as the difficulty of controlling modern means of social communication, that will constrain whoever is in charge of Russia.

#### No US-China war

Xuetong and Haixia ’12 Yan Xuetong, Dean of the Institute of Modern International Relations at Tsinghua University and the Chief Editor of The Chinese Journal of International Politics, he has his own Wikipedia page, Qi Haixia, Lecturer Ph.D in the Institute of International Studies , Tsinghua University, “Football Game Rather Than Boxing Match: China–US Intensifying Rivalry Does not Amount to Cold War,” Chinese Journal of International Politics 5(2): 105-127, Summer 2012, 10.1093/cjip/pos007

Economic globalization created a strategic need for superficial friendship between China and the United States. While scholars disagree over exactly when economic globalization began, all agree that it sped up after the end of the Cold War. This is because the Council for Mutual Economic Assistance ended after the collapse of the Soviet Union, resulting in a global market. Meanwhile, the pace of information-flow increased among states, shrinking the size of the globe and leading to popularization of the expression ‘global village’. Levels of interdependence have increased along with the growing proximity of international economic relations. That a strategy of complete confrontation can no longer effectively protect national interests is now obvious. It is for this reason that certain scholars argue that there has been a qualitative change in the nature of the security dilemma since end of the Cold War.35 Under the conditions of globalization, interdependence between China and the United States has continued to grow, and for the sake of economic interests, neither is willing to adopt a strategy of all-out confrontation. Economic interdependence, however, will not diffuse the political and security conflicts between the two states. Different interests in different spheres have thus created a foundation for superficial friendship between the United States and China.

### Model IGA’s

#### They Cannot Solve for Money Laundering-Impossible to seize profits through financial investigations

Hope 11 Alejandro Hope is a writer for insightcrime, published October 11th 2011, accessed 11/1/13, InsightCrime is a website dedicated to investigating the organized crime in the Americas, “Money Laundering and the Myth of the Ninja Accountant”, <http://www.insightcrime.org/news-analysis/money-laundering-and-the-myth-of-the-ninja-accountant>, AKS

Those who think that financial investigations are the key to unravelling organized crime are living in a fantasy world, where drug empires can be taken down with computer bytes, not bullets, argues Alejandro Hope. Combating money laundering seems to be the idea du jour. Anyone who wants to sound sophisticated in terms of security need only utter two words: financial intelligence (for examples, see here, here and here). The central assumption is that, to confront the threat from the Zetas or the Mata Zetas, the Sinaloa Cartel or the Knights Templar, does not require more police, more prosecutors and better prisons. All that is needed is an army of ninja accountants and turbo-financial analysts who, from the comfort of their desks, can track the crooks and seize their ill-gotten gains. The concept would be wonderful (so much better to fight crime with bytes, not bullets!), if only it wasn’t a total absurdity. But how? We are told that drug trafficking affects 78 percent of Mexico’s economic sectors and assets from drug trafficking represent up to 40 percent of GDP. (How Edgardo Buscaglia arrived at those numbers is a mystery wrapped in a riddle inside an enigma.) We are told that dirty money is everywhere and it will take no more than willpower and "financial intelligence" to locate these criminal profits. I have only one question: if it is so easy to locate illicit assets, why are the amounts seized globally so ridiculously small compared to the estimated income from illegal activities? In the U.S., where there are sophisticated systems to detect irregular transactions and robust legislation that allows even the most modest sheriff to confiscate property, only $2.5 billion in allegedly illicit profits was seized last year. That represents 3.8 percent of the likely value of the U.S. drug market (see the latest estimate here) and a much smaller percentage of total revenues all illicit activity (gambling, prostitution, extortion, etc.). In the UK, where illegal activities may generate several billion pounds, the government managed to seize £317 million in 2009-2010. Even the much vaunted Colombian operation to seize $250 million worth of assets allegedly linked to Chapo Guzman should be put in perspective: the likely profits from trafficking drugs in Colombia is between $3 and $7 billion annually. Why, then, is it so difficult to find and seize criminal profits? I have no complete answer, but present three tentative arguments: 1) The illegal economy is large in absolute terms, but very small in relative terms. According to a study by the RAND Corporation, gross income from Mexico’s drug exports is $6.6 billion (there are good reasons to think that Mexican cartels do not control internal distribution of drugs within the United States. See my comments here for an explanation ). From this total, we must subtract the cost of paying the Colombians for cocaine and heroin (according to UNODC, this could represent up to half of cocaine revenues). Add whatever you want as income from activities other than drug trafficking, (see my discussion of the topic here) and the figure will probably still be no greater than one percent of GDP. This is a tiny drop in the ocean of the country’s economic transactions and, furthermore, it must be distributed among several thousand participants (unevenly, of course). 2) A significant part of the proceeds of illegal activities could be go on everyday spending that is extremely difficult to trace and impossible to confiscate. (How can you seize a night of drinking with the guys or a couple of hours with some Ukrainian dancers?) 3) Most of the profits of illegal activities will be reinvested in illegal activities. This last point is subtle, but crucial. Illegal activities and especially the drug trade have two fundamental characteristics: 1) Even adjusting for risk, these activities will as a rule generate a return on investment greater than the lawful activities (if not, they would not exist) 2) These activities require a lot of working capital. Imagine you're a drug dealer. Even if you’re Chapo Guzman, you cannot be considered a good credit risk: you might be killed or arrested tomorrow, and then who will pay the debt? You will not be able to obtain a revolving line of credit, and your suppliers will not give you marijuana or cocaine on credit: you have to pay in full upon delivery. Nor can you leverage yourself using your employees’ salaries: it is not a good idea to stop attending to the payroll when your staff are armed to the teeth and know too much. Invoicing is not an option, for the obvious reason that there are no receipts. Furthermore, nobody is going to sell you an insurance policy to protect the product; therefore you have to have a financial reserve in case goods are seized, stolen or lost ( planes fall and boats sink). The only option is to finance your operations with the profits of previous deals. But you do have this; if the product meets a good fate, you will get back more (perhaps a lotmore) than 100 percent of what you invested. Given that, where you would put your money: in Cetes, on the stock market, into the production of serrano peppers, in real estate development, or in the smuggling of illegal drugs? Perhaps you would try to diversify a bit, but in all likelihood the most important part of your portfolio will be the most profitable activity. And how will you preserve your working capital? Most likely, you will want to keep it in cold, hard cash, guarded by some unfriendly thugs: In addition to known risks, you do not want to worry about your bank account being frozen, do you? So, if the majority of the profits of crime are reinvested in crime, no amount of financial intelligence unit can help: the only way to seize the money is by physically finding it (as in the case of Zhenli Ye Gon). These profits only enter the financial circuits and normal business at the time of final consumption. For that reason, it is a good idea to put certain restrictions on the use of cash (domestic or foreign): there is nothing wrong with making life a bit more difficult for criminals. And no, there’s nothing wrong with having the capacity to investigate assets when the time comes to prosecute a criminal (especially in cases of criminals, like Al Capone, is are dumb enough to have an accountant documenting their income). But anyone thinks that combating money laundering is a means of drying up the profits of organized crime, and discouraging its members from committing atrocities, lives in a fantasy world where super-accountants defeat super-villians, one Excel sheet at a time.

#### No East Asia war—interdependence and liberalization

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Some people look to China for economic and strategic interests while others still stick to the US. Since, as a human nature, change is not widely acceptable due to the high level of uncertainty. It is therefore logical to say that most of the regional leaders prefer to see the status quo of security architecture in the Asia Pacific Region in which US is the hub of security provision. But it is impossible to preserve the status quo since China needs to strategically outreach to the wider region in order to get necessary resources especially energy and raw materials to maintain her economic growth in the home country. It is understandable that China needs to have stable high economic growth of about 8 percent GDP growth per year for her own economic and political survival. Widening development gap and employment are the two main issues facing China. Without China, the world will not enjoy peace, stability, and development. China is the locomotive of global and regional economic development and contributes to global and regional peace and stability. It is understandable that China is struggling to break the so-called containment strategy imposed by the US since the post Cold War. Whether this tendency can lead to the greater strategic division is still unknown. Nevertheless, many observers agree that whatever changes may take place, a multi-polar world and multilateralism prevail. The reasons or logics supporting multilateralism are mainly based on the fact that no one country can really address the security issues embedded with international dimension, no one country has the capacity to adapt and adopt to new changes alone, and it needs cooperation and coordination among the nation states and relevant stakeholders including the private sector and civil societies. Large scale interstate war or armed conflict is unthinkable in the region due to the high level of interdependency and democratization. It is believed that economic interdependency can reduce conflicts and prevent war. Democracy can lead to more transparency, accountability, and participation that can reduce collective fears and create more confidence and trust among the people in the region. In addition, globalism and regionalism are taking the center stage of national and foreign policy of many governments in the region except North Korea. The combination of those elements of peace is necessary for peace and stability in the region and those elements are present and being improved in this region.