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#### A. Interpretation - Economic engagement is long-term strategy for promoting structural linkage between two economies

**Mastanduno, 1** – professor of Government at Dartmouth College (Michael, “Economic Engagement Strategies: Theory and Practice” [http://web.archive.org/web/20120906033646/http://polisci.osu.edu/faculty/bpollins/book/Mastanduno.pdf](http://web.archive.org/web/20120906033646/http%3A/polisci.osu.edu/faculty/bpollins/book/Mastanduno.pdf)

The basic causal logic of economic engagement, and the emphasis on domestic politics, can be traced to Hirschman. He viewed economic engagement as a long-term, transformative strategy. As one state gradually expands economic interaction with its target, the resulting (asymmetrical) interdependence creates vested interests within the target society and government. The beneficiaries of interdependence become addicted to it, and they protect their interests by pressuring the government to accommodate the source of interdependence. Economic engagement is a form of structural linkage; it is a means to get other states to *want* what you want, rather than to *do* what you want. The causal chain runs from economic interdependence through domestic political change to foreign policy accommodation.

#### B. Violation – the plan is an economic inducement – engagement requires trade promotion

**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>)

Literature of liberal school points out that economic engagement policies are significantly effective tools for sender and target countries. The effectiveness leans on mutual economic and political benefits for both parties.(Garzke et al,2001).Ecenomic engagement operates with trade mechanisms where sender and target country establish intensified trade thus increase the economic interaction over time. This strategy decreases the potential hostilities and provides mutual gains. Paulson Jr (2008) states that this mechanism is highly different from carrots (inducements). Carrots work quid pro quo in short terms and for narrow goals. Economic engagement intends to develop the target country and wants her to be aware of the long term benefits of shared economic goals. Sender does not want to contain nor prevent the target country with different policies. Conversely; sender works deliberately to improve the target countries’ Gdp, trade potential, export-import ratios and national income. Sender acts in purpose to reach important goals. First it establishes strong economic ties because economic integration has the capacity to change the political choices and behaviour of target country. Sender state believes in that economic linkages have political transformation potential.(Kroll,1993)

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**Development and economic engagement policies are economic imperialism hidden by benevolence ---this encourages countervailing forces which turn the case.**

**Veltmeyer, ’11** - Professor of Development Studies at the Universidad Autónoma de Zacatecas in Mexico and Professor of Sociology and International Development Studies at St. Mary’s University, (Henry, “US imperialism in Latin America: then and now, here and there,” estudios críticos del desarrollo, vol. I, núm. 1, segundo semestre de 2011, pp. 89–123, http://estudiosdeldesarrollo.net/critical/rev1/3.pdf)//A-Berg

Finding itself in the wake of a second world war as the dominant economic power in the «free world» the US strove assiduously to consolidate this power at the level of foreign policy. Under prevailing conditions that included the potential threat posed by the USSR and the fallout from a spreading and unstoppable decolonization movement in the economically backward areas of the world, United States (US) policymakers decided on, and actively pursued, a foreign policy with three pillars. One of these pillars was a strategy of economic reconstruction of an economically devastated Europe and the capitalist development of the economies and societies on the periphery of the system. A second pillar of the post–war order was what would become known as the «Bretton woods system», composed of three institutions (a Bank of Economic Reconstruction and Development—the World Bank today; the International Monetary fund; and a General Agreement on Tariffs and Trade that would morph into the WTO 50 years on) and the mechanism of the US dollar, based on a fixed gold standard, as the currency of international trade.1 The third pillar was would become the United Nations—a system of international organizations designed to provide the necessary conditions of (capitalist) development and collective security, a system of multilateral conflict resolution. The motivating force behind this foreign policy was clear enough: to advance the geopolitical and economic interests of the US as a world power, including considerations of profit and strategic security (to make the world save for US investments and to reactivate a capital accumulation process). It was to be an empire of free trade and capitalist development, plus democracy where possible, a system of capitalist democracies backed up by a system of international organizations dominated by the US, a military alliance (NATO) focused on Europe in the protection of US interests and collective security, and a more global network of military bases to provide logistical support for its global military apparatus. Within the institutional framework of this system and international order the US was particularly concerned to consolidate its power and influence in Latin America and the Caribbean, regarded by policymakers and many politicians as a legitimate sphere of undue influence—the exercise of state power in the «national interest». This chapter will elaborate on economic and political dynamics of the efforts pursued by the US to pursue these interests via the projection of state power—and the resulting «informal empire» constructed by default. US IMPERIALISM IN LATIN AMERICA—FORMS AND DYNAMICS The US has always been imperialistic in its approach to national development in Latin America, but in the wake of World War II the situation that it found itself in—commanding, it is estimated, half of the world’s industrial capacity and 80% of its financial resources; and already an occupying power of major proportions3—awakened in US policymaking circles and its foreign policy establishment its historic mission regarding the Americas and also the dream of world domination, provoking the quest to bring it about in the preferred form of an «informal empire». A key strategy to this purpose was to institute the rules for what would later be termed «global governance»—for securing its economic and geopolitical strategic intents in a world liberated from colonial rule (id est competing empires). The resulting world order, dubbed Bretton Woods I by some,4 provided an institutional framework for advancing the geopolitical strategic interests of the US in the context of a «cold war» waged against the emerging power of the USSR, and for advancing cooperation for international development, a policy designed to ensure that the economically backward countries seeking to liberate themselves from the yoke of European colonialism would not succumb to the siren of communism, that they would undertake a nation–building and development process on a capitalist path. This development project required the US to assume the lead but also share power with its major allies, strategic partners in a common enterprise organised as the OECD and a united Europe,6 with a system of United Nations institutions to provide a multilateral response to any security threats (and that prevented any one country for embarking on the path of world domination via unilateral action. This was the price that the US had to pay for national security under conditions of an emerging threat presented by the USSR—soviet communism backed up by what was feared to be a growing if not commanding state power. In this context the US began to construct its empire, and it did so on a foundation of six pillars: 1. Consolidation of the liberal capitalist world order, renovating it on neoliberal lines in the early 1980s when conditions allowed; 2. A system of military bases strategically across the world, to provide thereby the staging point and logistics for the projection of military power when needed, and rule by military force when circumstances would dictate; 3. A project of cooperation for international development, to provide financial and technical assistance to countries and regimes willing to sign on the project—to provide a safe haven for US economic interests and pave the way for the expansion of capitalism and democracy, the bulwarks of US imperialism; 4. Implementation of a neoliberal agenda of policy reforms—to adjust the macroeconomic and development policies to the requirements of a new world order in which the forces of freedom would be released from the constraints of the welfare–development state; 5. Regional integration—construction of regional free trade agreements to cooperate with, and not discriminate against, US economic interests regarding international trade; 6. Globalization—the integration of economies across the world into the global economy in a system designed to give maximum freedom to the operating units of the global empire. Each strategy not only served as a pillar of imperial policy but provided the focal point for the projection of state power in different forms as circumstances required or permitted. Together they constituted what might be termed imperialism. Each element of the system was, and is, dynamic in its operations but ultimately unstable because of the countervailing forces that they generated. Within ruling class circles in the US since at least 2000 there is an open acceptance that theirs is an imperial state and that the US should maintain or act to restore its dominant position in the 21st century by any means available, and certainly by force if need be. The whole tenor of the debate in the past two decades over US foreign policy, Mann (2007) notes, is framed in these terms. In this connection, Richard Hass, the current director of Policy Planning in e State Department, wrote an essay in November 2000 advocating that the US adopt an «imperial» feign policy. He defined this as «a foreign policy that attempts to organise the world along certain principles affecting relations between states and conditions within them». This would not be achieved through colonization or colonies but thorough what he termed «informal control» based on a «good neighbour policy» backed up by military force if and when necessary—harking back to the «informal empire» of a previous era (McLean, 1995; Roorda, 1998). Mechanisms such as international financial markets and structural reforms in macroeconomic policy, and agencies such as the World Bank, the WTO and the IMF, would work to ensure the dominance of US interests, with the military iron fist backing up the invisible hand of the market and any failure in multilateral security arrangements. This system of «economic imperialism», maintained by US hegemony as leader of the «free world» (representing the virtues of capitalist democracy), was in place and fully functioning from the 1950s throughout 1980s and the reign of Ronald Reagan. In the 1990s, with the disappearance of the threat of the Soviet Union and international communism, this system of economic imperialism, bed as it was on the hegemony of «democracy and freedom» as well multilateralism in international security arrangements, did not as much break down as it was eclipsed by the emergence of the «new imperialism» based on the unilateral projection of military force as a means of securing world domination in «the American century».7 This conception of a «new imperialism», a «raw imperialism» that would not «hesitate to use [coercive] force if, when and where necessary» (Cooper, 2000), based on «aggressive multilateralism» or the unilateral projection, and strategic use, of state power including emphatic military force, was advanced in neoconservative circles over years of largely internal debate, and put into practice by a succession of regimes, both democratic and republican. It achieved its consummate form in George W. Bush’s White House, in the Gang of Four (Donald Rumsfeld, Paul Wolfowitz, Condoleeza Rice, Dick Cheney),8 and its maximum expression in a policy of imperial war in the Middle east and the Gulf region. Although the US also projected its military power in other theatres of imperial war such Yugoslavia9 and Colombia (viz. the covert Colombia– centered class war «on subversives» against the FARC–EP’ overt regional «war on drugs») the policy of imperial war and the strategy of military force were primarily directed towards the Gulf region (see, inter alia, Petras and Veltmeyer, 2003). In the academic world the issue as to the specific or dominant form taken by imperialism has not been generally framed as a matter of when and under what circumstances military force might be needed or legitimately used (generlly seen as a «last resort» but as the necessary part of the arsenal of force available to the state, conceived of as the only legitimate repository of the use of violence in the «national interest»). Rather, the issue of armed force in the imperialist projection of military power has been framed in terms of an understanding, or the argument. That an imperial order cannot be maintained by force and coercion; it requires «hegemony», which is to say, acquiescence by the subalterns of imperial power achieved by a widespread belief in e legitimacy of that power generated by an overarching myth or dominant ideology—the idea of freedom in the post world war II context of the «cold war» against communism and the idea of globalization in the new imperial order established in the 1980s. Power relations of domination and subordination, even when backed up by coercive or armed force, invariably give rise to resistance, and are only sustainable if and when they are legitimated by an effective ideology—ideas of «democracy» and «freedom» in the case of the American empire or «globalization» in the case of the economic imperialism that came into play in the 1990s.

#### Economic development perpetuates the commodification of the environment and North-South divide making violence inevitable

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Others, however, have criticised 'Mrs Brundtland's disenchanted cosmos' and the fact that sustainable development is still based on the capitalisation of nature, expressed through global views on nature and environment by those who rule, instead of through local respect for surrounding landscapes (Visvanathan 1991). And Sachs (1992) argues in his widely read Development Dictionary that notions of ecology are merely reduced to higher efficiency, while a development framework is still accepted as the norm. Visvanathan (1991: 384) calls for an 'explosion of imaginations' as a form of resistance to this dominant economism and essentially violent development framework: a call echoed by Peet and Watts (1996: 263-8) in their edited collection on 'liberation ecologies', which envisages 'environmental imaginaries' as primary sites of contestation, which are then articulated by social movements that contest normative visions and the 'imperialism of the imaginary'. In many ways, the very notion of development has been radically called into question, as the concept has been linked to neo-colonial intentions of the Global North to intervene in and keep control of the countries in the Global South. For Escobar (1995: 159), dominant development discourse portrays the so-called 'third world' as a space devoid of knowledge, a 'chronic pathological condition', so that the Western scientist ‘like a good doctor, has the moral obligation to intervene in order to cure the diseased (social) body'. This intervention is always a violent one: one that ruptures the cultural fabric, penetrates the colonised body, and inserts a homogeneous developmental reasoning, often extirpating resistant cultural difference. To break this cycle of violent developmentalism, Escobar (1995) calls for an era of 'post-development' as a necessary step for national projects of decolonisation and for the affirmation of truly emancipatory political projects of self-affirmation.

#### The alt is to reject US intervention in Latin America and decolonize the 1AC– this is key to interrupt the imperial underpinnings of the 1AC

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The aim of this paper is to think differently about International Relations (IR) by thinking differently about the Americas. I write this piece as a Latin Americanist, and as such, I bring a particular geographical and disciplinary perspective to the question of power in the region, drawing on the ‘‘coloniality of power’’ perspective developed by Latin American academics. This perspective has an explicit political agenda which seeks to ‘‘place knowledge at the service of decolonization’’ as the Venezuelan anthropologist Fernando Coronı ´l suggested (2005: 148). In this way, I join a struggle against gross inequalities of power, wealth, justice, and knowledge regimes on the global (and the local) stage by reflecting on IR from an intellectual place to the south and at the periphery of conventional thinking. More explicitly, I draw together insights from critical IR and coloniality theorizing in order to consider how thinking about the USA from Latin America might not only open decolonial perspectives on the country but also suggest decolonial strategies for IR. My aim is not to criticize US intervention in Latin America––many have spoken eloquently against its government’s imperialistic foreign policies––but to propose a different, perhaps complementary, strategy which aims to disturb US global hegemony from the inside out by questioning the idea of ‘‘America’’ as a unified, unproblematic, and settled settler society. It is precisely because the USA and the worldview that it promotes are central to IR that this contributes to a decolonial IR. Two important caveats are in order before I begin. Firstly, this article focuses particularly on indigenous experiences and it does not explore the equally important dynamics of injustice, racism, and inequality that emerge from the African-American experience. There are two key reasons for this. Most obviously, it would be impossible for me to do justice to both experiences in the confines of one journal article; I find myself already generalizing about indigenous societies which are extraordinarily varied. In addition, coloniality⁄ modernity theorists focus particularly on indigenous struggles and philosophies, making this the more obvious topic for discussion. For these reasons, I have decided to focus on Native American dynamics in the coloniality of power. Secondly, as a white European, I can make no claim to write from a colonized position myself. However, as a Latin Americanist, I hope to contribute insights which are anchored in intellectual activity outside the IR core––both academically and geographically––and in particular to reflect on the decolonial possibilities that Latin America presents for IR, given its relationship to the United States. Decolonial Strategies and Insights from IR What might it mean to decolonize IR? One of the most important things that we can do, according to decolonial IR scholar Branwen Gruffydd Jones, is to question the deep political, ontological, and historical foundations of the discipline, asking how it came to be configured as it is and what sort of politics and social world it produces as a consequence (2006: 7–9). Many critical and postcolonial IR scholars have taken up this challenge, writing from and about different geopolitical and intellectual places. My purpose here is to join that conversation by drawing the ‘‘coloniality of power’’ scholarship into the discussion (along with, for example, Rojas (2007) who focuses on the question of development). This body of work is highly relevant not only because it dovetails with existing critical IR but also because it refers explicitly to experiences and power relations in the Americas. Thus, coloniality scholarship makes a double contribution because it opens a way to think differently about the USA, locating its critique at the heartland of international relationships and International Relations.

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#### A deal to stall Iran’s nuclear program is coming – Obama will hold off Senate sanctions now – key to prevent Iran prolif

**Landler and Sanger 11/14**

Mark and David, New York Times, Obama Calls for Patience in Iran Talks, 11/14/13, http://www.nytimes.com/2013/11/15/us/politics/obama-iran.html?\_r=0

President Obama made a vigorous appeal to Congress on Thursday to give breathing space to his efforts to forge a nuclear deal with Iran, and the prospects for an interim agreement may have improved with the release of a report by international inspectors who said that for the first time in years, they saw evidence that the Iranians have put the brakes on their nuclear expansion.¶ The inspectors, from the International Atomic Energy Agency, said that very few new advanced centrifuges had been installed since President Hassan Rouhani of Iran took office in June, promising a new start with the West, and that little significant progress has been made on the construction of a new nuclear reactor, which became a point of contention in negotiations in Geneva last week.¶ The slowdown, according to diplomats familiar with the Iranian work, was clearly political, not driven by technical problems. But it was also easily reversible, suggesting that Iran was waiting to see what kind of relief from sanctions it could obtain from the West in the negotiations.¶ The report was immediately seized on by advocates and critics of an agreement that was almost signed in Geneva.¶ Administration officials said Iran’s restraint was the latest in a series of signals by Mr. Rouhani that he was an agent of change, and that it was an answer to skeptics who have said the Iranian leader was all talk and no action.¶ But critics in Congress and overseas dismissed the report, saying that Iran had not removed any centrifuges and continued to enrich uranium at a steady rate. Prime Minister Benjamin Netanyahu of Israel, one of the most vocal critics of a deal, said the only reason Iran had not expanded its enrichment capability was that “they don’t need to.”¶ For Mr. Obama, who has been fending off accusations that the American negotiators were giving away too much to Iran in return for concessions that critics said would scarcely slow its march to nuclear capability, the findings could fortify his argument that the Senate should hold off on new sanctions to avoid derailing the talks.¶ “Let’s test how willing they are to actually resolve this diplomatically and peacefully,” Mr. Obama said at a White House news conference. “We will have lost nothing if at the end of the day it turns out that they are not prepared to provide the international community the hard proof and assurances necessary for us to know that they’re not pursuing a nuclear weapon.”¶ The confidential report was released to the nuclear agency’s member states just minutes before Mr. Obama spoke, and he did not mention the findings. But the president made a strong case for diplomacy, trying to quell an effort in Congress to ramp up sanctions against Iran rather than modestly ease them, in return for a six-month halt in the progress of the nuclear program.¶ Negotiators plan to meet again next week in Geneva, after failing to reach an interim deal because of what Secretary of State John Kerry has described as a difference in only four or five phrases. The prospect that a deal could be reached soon has provoked a storm of protest from Israel and criticism from Republicans and some Democrats.¶ The I.A.E.A. report does not show anything close to an across-the-board freeze or rollback in Iran’s program. Iran continues to produce low-enriched uranium around the pace it has in the past. But inspectors, who completed their last visit to Iran just days ago, said that no more new, highly efficient centrifuges that the country has invested heavily in building were installed at its two main nuclear sites. Those centrifuges, called the IR-2, were particularly worrisome because they would shorten Iran’s “breakout time” to build a weapon, if they were operating.¶ The report said that Iran, at its Fordo plant near the city of Qum, had not put more of its existing 2,710 centrifuges into operation. Only 696 of the installed machines, all of the older IR-1 model, are actually enriching uranium — well below the plant’s capacity.¶ Iran’s stockpile of its most worrisome category of uranium — enriched to nearly 20 percent, close to bomb grade — increased only modestly. Since the last quarterly accounting, Iran has added roughly 10 kilograms, or about 22 pounds, of uranium enriched to 20 percent purity to its stockpile, bringing its total of the medium-enriched material to roughly 196 kilograms, or about 432 pounds. Iran is turning most of that uranium into fuel for reactors, which diminishes its threat as a bomb fuel.¶ The report also found that Iran had performed only minor work on the heavy-water reactor at Arak, a facility that has raised alarm because it could eventually produce plutonium, giving Iran a second source of bomb fuel.¶ Nader Karimi Joni, a political analyst close to the Rouhani administration, said, “It is fair to say that Iran is showing good will, just like the European Union and the United States have done.”

#### Engagement costs PC – strong political division

**Harper 10**

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Venezuela’s Formal Rejection of Ambassador-Designate Larry Palmer The long-running debate over how to deal with the irrational and impulsive strongman, Venezuelan President Hugo Chávez, has reached feverish pitch this winter. The latest casualty in this war of words has become U.S. Ambassador Larry Palmer, the Obama administration's nomination as ambassador to Venezuela. Worse yet, Chávez ultimately got what he wanted out of this latest battle: his choice of who will not be our next Ambassador in Venezuela. On Monday, Venezuela formally told the U.S. to not bother sending Larry Palmer as the next ambassador since he would be asked to return the moment he landed in Caracas. How did this all go down? Like Cuba, any U.S. move regarding Venezuela involves egos, politics and fortunately, some policy. Naturally, when Palmer went before the Senate Foreign Relations Committee over the summer, the career diplomat—characterized by some at the U.S. Department of State as "not a Washington man"—he already faced an uphill slog. Our domestic debate over Venezuela generally falls into two camps: engagement and confrontation. There are, of course, shades of gray and nuances between the two sides—though such voices are so often overpowered by the more extreme views. On one side, you have those espousing "strategic engagement," keeping in line with the Obama administration's stated foreign policy and national security objectives. In short and broadly speaking, these proponents might argue, with an irrational state, you shouldn't turn your back. Look where that got us with North Korea, Iran and Syria. Instead you want a seat at the table to start a dialogue based on mutual respect and to build on areas of mutual interest. You raise concerns discretely and express disapproval quietly or through third parties. As one person said, engagement should be “subversive," because you seek to assert positive influence by being present and through cooperation on areas such as business development, financial opportunities, or culture and sports. Indeed, Palmer was the right guy to carry out this mission. But, the engagement policy, as it is practiced with Venezuela, seems more like "appeasement," say people clamoring for a tougher approach. After all, for years now, we have witnessed a democracy's death by a thousand cuts. This past week, Hugo Chávez got one of his Christmas wishes with the approval of new decree powers, thereby further eroding the country's once well-established institutional checks and balances. Chávez threatens more than human rights and democratic norms; the U.S. has legitimate national security concerns, such as nuclear proliferation, terrorism and narcotrafficking. Yet, as Chávez runs roughshod over international norms, is the U.S. working to halt the downward spiral? Those are the broad brush strokes of the debate into which Palmer was tossed.

#### Capital key – prevents confrontation

**Cockburn 11/11**

Patrick, author of Muqtada: Muqtada Al-Sadr, the Shia Revival, and the Struggle for Iraq, Why Iran’s Concessions Won’t Lead to a Nuclear Agreement, 11/11/13, http://www.counterpunch.org/2013/11/11/why-irans-concessions-wont-lead-o-a-nuclear-agreement/

On the other hand, the decision by President Obama not to launch airstrikes against Syria, Iran’s crucial Arab ally, after the use of chemical weapons on 21 August, has to a degree demilitarised the political atmosphere. This could go into reverse if Congress adds even tougher sanctions and threats of military action by Israel resume. Much will depend on how much political capital President Obama is willing spend to prevent prospects for a deal being extinguished by those who believe that confrontation with Iran works better than diplomacy.

#### Deal key to prevent war and Iran prolif

**Shank and Gould 9/12**

Michael Shank, Ph.D., is director of foreign policy at the Friends Committee on National Legislation. Kate Gould is legislative associate for Middle East policy at FCNL, No Iran deal, but significant progress in Geneva, 9/12/13, http://communities.washingtontimes.com/neighborhood/cause-conflict-conclusion/2013/nov/12/no-iran-deal-significant-progress-geneva/

Congress should welcome, not stubbornly dismiss, diplomatic efforts to finalize the interim accord and support the continued conversation to reach a more comprehensive agreement. The sanctions that hawks on the Hill are pushing derail such efforts and increase the prospects of war. ¶ There is, thankfully, a growing bipartisan contingent of Congress who recognizes that more sanctions could undercut the delicate diplomatic efforts underway. Senator Carl Levin, D-Mich., chair of the Senate Armed Services Committee, cautioned early on that, “We should not at this time impose additional sanctions.” ¶ Senator Tim Johnson, D-S.D., chair of the Banking Committee, is still weighing whether to press forward with new sanctions in his committee. Separately, as early as next week, the Senate could vote on Iran sanctions amendments during the chamber’s debate on the must-pass annual defense authorization bill.¶ This caution against new sanctions, coming from these more sober quarters of the Senate, echoes the warnings from a wide spectrum of former U.S. military officials against new sanctions. There is broad recognition by U.S. and Israeli security officials that the military option is not the preferred option; a diplomatic one is. ¶ This widespread support for a negotiated solution was highlighted last week when 79 national security heavyweights signed on to a resounding endorsement of the Obama Administration’s latest diplomatic efforts.¶ Any member of Congress rejecting a diplomatic solution moves the United States toward another war in the Middle East. Saying no to this deal-in-the-works, furthermore, brings the world no closer toward the goal of Iran giving up its entire nuclear program. Rather, it would likely result in an unchecked Iranian enrichment program, while the United States and Iran would teeter perilously close on the brink of war. ¶ A deal to prevent war and a nuclear-armed Iran is within reach and it would be dangerous to let it slip away. Congress can do the right thing here, for America’s security and Middle East’s stability, and take the higher diplomatic road. Pandering to harsh rhetoric and campaign contributors is no way to sustain a foreign policy agenda. It will only make America and her assets abroad less secure, not more. The time is now to curb Iran’s enrichment program as well as Congress’s obstructionism to a peaceful path forward.

#### US-Iran war causes global nuclear war and collapses the global economy

**Avery 11/6**

John Scales, Lektor Emeritus, Associate Professor, at the Department of Chemistry, University of Copenhagen, since 1990 he has been the Contact Person in Denmark for Pugwash Conferences on Science and World Affairs, An Attack On Iran Could Escalate Into Global Nuclear War, 11/6/13, http://www.countercurrents.org/avery061113.htm

Despite the willingness of Iran's new President, Hassan Rouhani to make all reasonable concessions to US demands, Israeli pressure groups in Washington continue to demand an attack on Iran. But such an attack might escalate into a global nuclear war, with catastrophic consequences.¶ As we approach the 100th anniversary World War I, we should remember that this colossal disaster escalated uncontrollably from what was intended to be a minor conflict. There is a danger that an attack on Iran would escalate into a large-scale war in the Middle East, entirely destabilizing a region that is already deep in problems.¶ The unstable government of Pakistan might be overthrown, and the revolutionary Pakistani government might enter the war on the side of Iran, thus introducing nuclear weapons into the conflict. Russia and China, firm allies of Iran, might also be drawn into a general war in the Middle East. Since much of the world's oil comes from the region, such a war would certainly cause the price of oil to reach unheard-of heights, with catastrophic effects on the global economy.¶ In the dangerous situation that could potentially result from an attack on Iran, there is a risk that nuclear weapons would be used, either intentionally, or by accident or miscalculation. Recent research has shown that besides making large areas of the world uninhabitable through long-lasting radioactive contamination, a nuclear war would damage global agriculture to such a extent that a global famine of previously unknown proportions would result.¶ Thus, nuclear war is the ultimate ecological catastrophe. It could destroy human civilization and much of the biosphere. To risk such a war would be an unforgivable offense against the lives and future of all the peoples of the world, US citizens included.

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#### The Bolivarian Republic of Venezuela should:

#### --Make necessary reforms to PDVSA to encourage foreign investment and asset security

#### --Upgrade refining infrastructure

#### --Create an Oil Ministry, independent Energy Council, and National Petroleum Agency with new managerial models to encourage contractual agreements

#### --Introduce economic reforms including an export price norm, ending currency, price, and wage controls, separating fiscal and monetary policy, and changing ownership and tax laws

#### --Enact national police training standards, payroll and equipment reform, internal review procedures, and incarceration reform

#### Counterplan solves internal stability and relations – it’s a prerequisite

**Metzker 6/17** - studies American Foreign Policy at the Johns Hopkins School of Advanced International Studies, correspondent for the Inter Press Service and The Atlantic (Jared, IPS, “Analysts Say Oil Could Help Mend U.S.-Venezuela Relations,” 6/17/2013, <http://www.ipsnews.net/2013/06/analysts-say-oil-could-help-mend-u-s-venezuela-relations/>) //RGP

Over half of Venezuela’s federal budget revenues come from its oil industry, which also accounts for 95 percent of the country’s exports. Estimated at 77 billion barrels, its proven reserves of black gold are the largest of any nation in the world. Despite a troubled political relationship, its principal customer is the United States, which imports nearly a million barrels a day from Venezuela. Venezuela’s oil industry has been officially nationalised since the 1970s, and, as president, Chavez further tightened government control over its production. His government took a greater chunk of revenues and imposed quotas that ensured a certain percentage would always go directly towards aiding Venezuelans via social spending and fuel subsidies. While these measures may be popular with Venezuelans, who pay the lowest price for gasoline in the world, critics argue such policies hampered growth and led to mismanagement of Petroleos de Venezuela, S.A. (PdVSA), the main state-run oil company. The same critics also point to increasing debt levels, slowdowns in productions and accidents stemming from faulty infrastructure. In order to boost production, PdVSA agreed in May to accept a number of major loans. This includes one from Chevron, one of the largest U.S. oil companies, which will work with Venezuelans to develop new extraction sites. “The oil sector is in deep trouble in Venezuela – production is down and the economic situation is deteriorating,” explained Shifter. “They know they need foreign investment to increase production, and this is in part what has motivated Maduro to reach out.” If its economy continues to falter, Venezuela may be further tempted to embrace the United States, which has the largest, most sophisticated fossil fuel industry in the world. Kerry’s recent words suggest that the administration of President Barack Obama would be waiting with open arms. “Venezuela cannot confront its economic crisis and the United States at the same time,” Diana Villiers Negroponte, a senior fellow at the Brookings Institute, a Washington think tank, told IPS, “and we are a pragmatic country which will deal with Maduro if it is in our interests.” Indeed, Negroponte said she was “optimistic” about the possibility of rapprochement between the two countries within the next six months. She notes a “troika” of issues on which the United States is looking for Venezuelan cooperation: counter-terrorism, counter-narcotics and assistance in ridding Colombia of its FARC rebels. Nonetheless, major actions remain to be taken if normalisation is to even begin, such as the exchange of ambassadors and official U.S. recognition of the Maduro government. Shifter (who regards the Kerry-Jaua meeting as “a small step”) was not optimistic that these larger requirements will be completed in the short term. “I don’t think Washington is going to push hard to send an ambassador to Caracas,” he said. “It will probably take more time to observe the new government and see where it is going.”

#### Economic reforms key to reverse inflation – only way for stable economic recovery

**Christensen 3/9** - Chief Analyst, Head of Emerging Markets Research and Cross Asset Allocation at Danske Bank (Lars, Market Monetarist, “A modest proposal for post-Chavez monetary reform in Venezuela,” 3/9/13, <http://marketmonetarist.com/2013/03/09/a-modest-proposal-for-post-chavez-monetary-reform-in-venezuela/>) //RGP

Let’s just say it as it is – I was very positively surprised by the massive response to my post on the economic legacy of Hugo Chavez. However, as somebody who primarily wants to blog about monetary policy it is a bit frustrating that I attract a lot more readers when I write about dead authoritarian presidents rather than about my favourite topic – monetary policy. So I guess I have to combine the two themes – dead presidents and monetary policy. Therefore this post on my modest proposal for post-Chavez monetary reform in Venezuela. It is very clear that a key problem in Venezuela is the high level of inflation, which clearly has very significant negative economic and social implications. Furthermore, the high level of inflation combined with insane price controls have led to massive food and energy shortages in Venezuela in recent years. Obviously the high level of inflation in Venezuela is due to excessive money supply growth and there any monetary reform should have the purpose of bringing money supply growth under control. A Export Price Norm will bring nominal stability to Venezuela Market Monetarists generally speaking favour nominal GDP targeting or what we also could call nominal demand targeting. For large economies like the US that generally implies targeting the level of NGDP. However, for a commodity exporting economy like Venezuela we can achieve nominal stability by stabilizing the price of the main export good – in the case of Venezuela that is the price of oil measured in Venezuelan bolivar. The reason for this is that aggregate demand in the economy is highly correlated with export revenues and hence with the price of oil. I have therefore at numerous occasions suggested that commodity exporting countries implement what I have called an Export Price Norm (EPN) and what Jeff Frankel has called a Peg-the Export-Price (PEP) policy. The idea with EPN is basically that the central bank should peg the country’s currency to the price of the main export good. In the case of Venezuela that obviously would be the price of oil. However, it is not given that an one-to-one relationship between the bolivar and the oil price will ensure nominal stability. My suggestion is therefore that the bolivar should be pegged to basket of 75% US dollars and 25% oil price. That in my view would view would ensure a considerable degree of nominal stability in Venezuela. So in periods of stable oil prices the Venezuelan bolivar would be more or less “fixed” against the US dollar and that likely would lead to nominal GDP growth in Venezuela that would be slightly higher than in the US (due to catching up effects in Venezuelan productivity), but in periods of rising oil prices the bolivar would strengthen against the dollar, but keep nominal GDP growth fairly stable. EPN is preferable to a purely fixed exchange rate regime My friend Steve Hanke has suggested that Venezuela implements a currency board against the dollar and permanently peg the Venezuelan bolivar to the dollar. However, that in my view could have a rather destabilizing impact on the economy. Imagine a situation where oil prices increase by 30% in a year (that is not usual given what we have seen over the past decade). In that scenario the appreciation pressures on the bolivar would be significant, but as the central bank was pegging the exchange rate money supply growth would increase significantly to curb the strengthening of the currency. That would undoubtedly be inflationary and could potentially lead to a bubble tendencies and an increase the risk of a boom-bust in the economy. If on the other hand the bolivar had been pegged to 75-25% basket of US dollars and oil then an 30% increase in the oil prices would lead to an appreciation of the bolivar by 7.5% (25% of 30%). That would counteract the inflationary tendencies from the rise in oil prices. Similar in the case of a sharp drop in oil prices then the bolivar would “automatically” weaken as if the bolivar was freely floating and that would offset the negative demand effects of falling oil prices – contrary to what happened in Venezuela in 2008-9 where the authorities tried to keep the bolivar overly strong given the sharp drop in oil prices. This in my view is one of the main cause for the slump in Venezuelan economic activity in 2008-9. That would have been avoided had the Venezuelan central bank operated EPN style monetary regime. I should stress that I have not done detailed work on what would be the “optimal” mixed between the US dollar and the oil price in a potential bolivar basket. However, that is not the important thing with my proposal. The important thing is that such a policy would provide the Venezuelan economy with an stable nominal anchor while at the time reduce the risk of boom-bust in the Venezuelan economy – contrary to what have been the case in the Chavez years. Time to get rid of currency and price controls The massively unsustainable fiscal and monetary policy since 1999 have “forced” the Venezuelan government and central bank to implement draconian measures to control prices and the exchange rate. The currency controls have lead to a large black market for foreign currency in Venezuela and at the same time the price controls have led to massive energy and food shortages in Venezuela. Obviously one cannot fight inflation and currency depreciation with interventionist policies. Therefore, this policies will have to be abandoned sooner rather than later as the cost of these policies are massive. Furthermore, it is obvious that the arguments for these policies will disappear once monetary policy ensures nominal stability. End monetary funding of public finances A key reason for the high level of inflation in Venezuela since 1999 undoubtedly has to be explained by the fact that there is considerable monetary financing of public finances in Venezuela. To end high-inflation it is therefore necessary to stop the central bank funding of fiscal policy. That obviously requires to bring the fiscal house in order. I will not touch a lot more on that issue here, but obviously there is a lot of work to be undertaken here. A place to start would obviously be to initiate a large scale (re)privatization program. A modest proposal for monetary reform We can therefore sum up my proposal for monetary reform in Venezuela in the following four points: 1) Introduce an Export Price Norm – peg the Bolivar to a basket of 75% US dollars and 25% oil prices 2) Liberalize capital and currency controls completely 3) Get rid of all price and wage controls 4) Separate fiscal policy and monetary policy – stop monetary funding of the public budget I doubt that this post will be popular as my latest post on Venezuela, but I think that this post is significantly more important for the future well-being of the Venezuelan economy and a post-Chavez regime should move as fast as possible to implement monetary reform because without monetary reform the Venezuelan economy is unlikely to fully recover from its present crisis.

### solvency

#### Venezuela will lock out US investment

**Epperson and Domm 13 -** correspondent for CNBC covering the commodity markets and personal finance; CNBC Executive Editor, News, responsible for news coverage of the markets and economy (Sharon and Patti, Christian Science Monitor, “With Hugo Chavez gone, US oil industry eyes Venezuela,” 3/6/2013, [http://www.csmonitor.com/Environment/Latest-News-Wires/2013/0306/With-Hugo-Chavez-gone-US-oil-industry-eyes-Venezuela)](http://www.csmonitor.com/Environment/Latest-News-Wires/2013/0306/With-Hugo-Chavez-gone-US-oil-industry-eyes-Venezuela%29) //RGP

Venezuela has more oil reserves than any other country thanks to massive deposits of asphalt-like crude in what’s called the Orinoco oil belt. Development of these deposits is both technology- and capital-intensive.¶ Chávez’s push for more national control over the oil sector in 2007 led Exxon Mobil Corp. and ConocoPhillips Co. to abandon big Orinoco projects. Other international companies stayed, including firms from Russia, China and Vietnam, and the Orinoco now accounts for about 20 percent of Venezuela’s oil production.¶ Mark McNabb, director of the Emerging Markets Research Center at UTD’s Naveen Jindal School of Management, said in a phone interview that he expects U.S. firms will remain on the outside looking in.¶ “We’re kind of frozen out for the next three to five years,” he said.¶ Venezuela’s oil sector has been in decline for a decade. In 2002, PDVSA employees went on strike and joined in an anti-Chávez movement that briefly ousted the president. When he regained power, Chávez fired many of his opponents in the firm and installed thousands of supporters.¶ “PDVSA’s been drained of its professionals,” said Eric Farnsworth, a vice president with the Council of the Americas. “It’s now a political group that pumps oil.”¶ Venezuela’s Energy Minister Rafael Ramirez said Wednesday that PDVSA workers would remain on the job.¶ “The key to driving the oil industry is in the hands of the 100,000 valiant men and women who have shown their loyalty to Commander Chavez in everything we have been through,” he said, referring to PDVSA’s staff. “That situation will not change.”¶ Venezuela’s exports to the U.S. are under pressure from Canada, which produces a heavy type of crude oil from Alberta’s oil sands that is similar to Venezuela’s thick oil. Many Gulf Coast refineries prefer to use heavy oil because it can mean higher profits for gasoline, diesel and other refined products.

#### Zero chance Maduro says yes – his own statements prove

**El Universal 13 -** (“Maduro: Venezuela will have ‘zero tolerance’ for aggressions of Washington,” 7/20/2013, <http://english.eluniversal.com/nacional-y-politica/130720/maduro-venezuela-will-have-zero-tolerance-for-aggressions-of-washingto>) //RGP

Venezuelan President Nicolás Maduro on Saturday described as "terminated" his government-initiated talks with Barack Obama administration. He stressed he would implement a "zero tolerance" policy for "aggressions" on Venezuela.¶ "My policy as president is zero tolerance for gringo aggression against Venezuela. I am not going to stand any verbal aggression against Venezuela, neither political nor diplomatic. Enough is enough! Stay away with your empire. Do not mess any more with Venezuela," said Maduro during a ceremony of military promotions in Cojedes state, central Venezuela.¶ The Venezuelan president also reiterated his rejection and condemnation of the statements issued by Samantha Power, the Washington ambassador nominee to the United Nations, on Venezuela. "When she went to Congress, she went crazy and started to attack Venezuela just like that. She started to say that she is going to the UN to monitor and make clear what the repression on political and civil institutions in Venezuela is, and that she will address the lack of democracy in Venezuela."¶ Maduro mentioned a phone call US Secretary of State John Kerry made to Venezuelan Foreign Minister Elías Jaua. According to Maduro, the Venezuelan foreign minister warned the US top diplomat that Venezuela will not accept any pressures in connection with Caracas' offer to grant asylum to former CIA agent Edward Snowden, who is charged with leaking classified information on espionage programs.

#### No pragmatism – political restraints prevent

Meacham 13 - director of the Americas Program at the Center for Strategic and International Studies (Carl, CSIS, “Venezuela Post-Election: Can Maduro Govern?,” 4/16/2013, <http://csis.org/publication/venezuela-post-election-can-maduro-govern>) //RGP

Maduro's narrow victory also dashes any expectations that he might turn pragmatic when dealing with such issues as the Venezuelan economy. Maduro’s first goal will likely be to show himself in charge and to satisfy Chavistas. This will likely lead to a doubling-down of Chávez’s policies and to profligate spending on social programs within Venezuela.¶ Q4: What does the current situation mean for U.S.-Venezuela relations?¶ A4: These results likely bode ill for U.S.-Venezuela relations as well. Maduro will likely be forced to play the anti-United States card to placate Chavismo’s most ardent supporters and show himself to be a Chavista to the core.¶ Conclusion: Sunday’s result has changed the dynamics of Venezuela’s transition to its next president. The close showing signifies political uncertainty and potential conflict in the short term, as more Venezuelans seem to be tiring of the growing corruption, crime, and inflation that defined the later years of Chávez’s presidency. One thing is certain: while Maduro campaigned on inheriting the mantle from Chávez, the Venezuelan people will not overlook Venezuela’s problems as they did for the former president. Maduro described himself as the “son of Chávez,” while campaigning – but one has to believe Chávez would have been deeply disappointed with Sunday’s outcome.

### oil

#### The economy is resilient and the impact is empirically denied

**Zakaria, ‘9** - Fareed (editor of Newsweek International) December 2009 “The Secrets of Stability,” <http://www.newsweek.com/id/226425/page/2>]

One year ago, the world seemed as if it might be coming apart. The global financial system, which had fueled a great expansion of capitalism and trade across the world, was crumbling. All the certainties of the age of globalization—about the virtues of free markets, trade, and technology—were being called into question. Faith in the American model had collapsed. The financial industry had crumbled. Once-roaring emerging markets like China, India, and Brazil were sinking. Worldwide trade was shrinking to a degree not seen since the 1930s. Pundits whose bearishness had been vindicated predicted we were doomed to a long, painful bust, with cascading failures in sector after sector, country after country. In a widely cited essay that appeared in The Atlantic n this May, Simon Johnson, former chief economist of the International Monetary Fund, wrote: "The conventional wisdom among the elite is still that the current slump 'cannot be as bad as the Great Depression.' This view is wrong. What we face now could, in fact, be worse than the Great Depression." Others predicted that these economic shocks would lead to political instability and violence in the worst-hit countries. At his confirmation hearing in February, the new U.S. director of national intelligence, Adm. Dennis Blair, cautioned the Senate that "the financial crisis and global recession are likely to produce a wave of economic crises in emerging-market nations over the next year." Hillary Clinton endorsed this grim view. And she was hardly alone. Foreign Policy ran a cover story predicting serious unrest in several emerging markets. Of one thing everyone was sure: nothing would ever be the same again. Not the financial industry, not capitalism, not globalization. One year later, how much has the world really changed? Well, Wall Street is home to two fewer investment banks (three, if you count Merrill Lynch). Some regional banks have gone bust. There was some turmoil in Moldova and (entirely unrelated to the financial crisis) in Iran. Severe problems remain, like high unemployment in the West, and we face new problems caused by responses to the crisis—soaring debt and fears of inflation. But overall, things look nothing like they did in the 1930s. The predictions of economic and political collapse have not materialized at all. A key measure of fear and fragility is the ability of poor and unstable countries to borrow money on the debt markets. So consider this: the sovereign bonds of tottering Pakistan have returned 168 percent so far this year. All this doesn't add up to a recovery yet, but it does reflect a return to some level of normalcy. And that rebound has been so rapid that even the shrewdest observers remain puzzled. "The question I have at the back of my head is 'Is that it?' " says Charles Kaye, the co-head of Warburg Pincus. "We had this huge crisis, and now we're back to business as usual?"This revival did not happen because markets managed to stabilize themselves on their own. Rather, governments, having learned the lessons of the Great Depression, were determined not to repeat the same mistakes once this crisis hit. By massively expanding state support for the economy—through central banks and national treasuries—they buffered the worst of the damage. (Whether they made new mistakes in the process remains to be seen.) The extensive social safety nets that have been established across the industrialized world also cushioned the pain felt by many. Times are still tough, but things are nowhere near as bad as in the 1930s, when governments played a tiny role in national economies. It's true that the massive state interventions of the past year may be fueling some new bubbles: the cheap cash and government guarantees provided to banks, companies, and consumers have fueled some irrational exuberance in stock and bond markets. Yet these rallies also demonstrate the return of confidence, and confidence is a very powerful economic force. When John Maynard Keynes described his own prescriptions for economic growth, he believed government action could provide only a temporary fix until the real motor of the economy started cranking again—the animal spirits of investors, consumers, and companies seeking risk and profit. Beyond all this, though, I believe there's a fundamental reason why we have not faced global collapse in the last year. It is the same reason that we weathered the stock-market crash of 1987, the recession of 1992, the Asian crisis of 1997, the Russian default of 1998, and the tech-bubble collapse of 2000. The current global economic system is inherently more resilient than we think. The world today is characterized by three major forces for stability, each reinforcing the other and each historical in nature.

#### Do not evaluate their value system without first assessing the consequences of its actual implementation. Viewing ethics in isolation is irresponsible & complicit with the evil they criticize.

**Issac** **2002**.,( Jeffery C. Professor of political science at Indiana-Bloomington & Director of the Center for the Study of Democracy and Public Life. PhD Yale University. From “Ends, Means, and Politics.” Dissent Magazine. Volume 49. Issue # 2. Available online @ subscribing institutions using Proquest. Herm

As a result, the most important political questions are simply not asked. It is assumed that U.S. military intervention is an act of "aggression," but no consideration is given to the aggression to which intervention is a response. The status quo ante in Afghanistan is not, as peace activists would have it, peace, but rather terrorist violence abetted by a regime--the Taliban--that rose to power through brutality and repression. This requires us to ask a question that most "peace" activists would prefer not to ask: What should be done to respond to the violence of a Saddam Hussein, or a Milosevic, or a Taliban regime? What means are likely to stop violence and bring criminals to justice? Calls for diplomacy and international law are well intended and important; they implicate a decent and civilized ethic of global order. But they are also vague and empty, because they are not accompanied by any account of how diplomacy or international law can work effectively to address the problem at hand. The campus left offers no such account. To do so would require it to contemplate tragic choices in which moral goodness is of limited utility. Here what matters is not purity of intention but the intelligent exercise of power. Power is not a dirty word or an unfortunate feature of the world. It is the core of politics. Power is the ability to effect outcomes in the world. Politics, in large part, involves contests over the distribution and use of power. To accomplish anything in the political world, one must attend to the means that are necessary to bring it about. And to develop such means is to develop, and to exercise, power. To say this is not to say that power is beyond morality. It is to say that power is not reducible to morality. As writers such as Niccolo Machiavelli, Max Weber, Reinhold Niebuhr, and Hannah Arendt have taught, an unyielding concern with moral goodness undercuts political responsibility. The concern may be morally laudable, reflecting a kind of personal integrity, but it suffers from three fatal flaws: (1) It fails to see that the purity of one's intention does not ensure the achievement of what one intends. Abjuring violence or refusing to make common cause with morally compromised parties may seem like the right thing; but if such tactics entail impotence, then it is hard to view them as serving any moral good beyond the clean conscience of their supporters; (2) it fails to see that in a world of real violence and injustice, moral purity is not simply a form of powerlessness; it is often a form of complicity in injustice. This is why, from the standpoint of politics--as opposed to religion--pacifism is always a potentially immoral stand. In categorically repudiating violence, it refuses in principle to oppose certain violent injustices with any effect; and (3) it fails to see that politics is as much about unintended consequences as it is about intentions; it is the effects of action, rather than the motives of action, that is most significant. Just as the alignment with "good" may engender impotence, it is often the pursuit of "good" that generates evil. This is the lesson of communism in the twentieth century: it is not enough that one's goals be sincere or idealistic; it is equally important, always, to ask about the effects of pursuing these goals and to judge these effects in pragmatic and historically contextualized ways. Moral absolutism inhibits this judgment. It alienates those who are not true believers. It promotes arrogance. And it undermines political effectiveness.

#### Structural alt causes too strong to overcome – government unwillingness and expert predictions prove

**Sanchez 13** – AP correspondent (Fabiola, Yahoo News, “Outlook grim in Venezuela's essential oil industry,” 5/4/2013, <http://news.yahoo.com/outlook-grim-venezuelas-essential-oil-industry-143827999.html>) //RGP

The oil flowing from the El Palito refinery sells for more than five times what it cost when President Hugo Chavez took office in 1999. Yet when Chavez died in March he left Venezuela's cash cow, its state-run oil company, in such dire straits that analysts say $100-a-barrel oil may no longer be enough to keep the country afloat barring a complete overhaul of a deteriorating petroleum industry.¶ The situation is more urgent than ever, analysts say. The price of crude has slumped in recent weeks and Chavez's heir, Nicolas Maduro, appears to have done little to address declining production, billions in debt and infrastructure deficiencies that have caused major accidents including a blaze that killed at least 42 people at Venezuela's largest refinery last year.¶ Maduro has retained Chavez's oil minister and the head of state oil company Petroleos de Venezuela S.A., Rafael Ramirez. And he appears intent on continuing to send cut-rate oil to members of the 18-nation Petrocaribe alliance, for which Venezuela is hosting a summit on Saturday.¶ View gallery."In this April 25, 2013, motorists drive past the El …¶ In this April 25, 2013, motorists drive past the El Palito refinery, near Moron, Venezuela. The oil …¶ Ramirez said Friday that Maduro would use the meeting to propose creating a special economic zone for group members.¶ PDVSA, which accounts for 96 percent of the country's export earnings, no longer "generates enough income to cover all its costs and finance its commitments," said Pedro Luis Rodriguez Sosa, an energy expert at the Institute for Advanced Studies in Administration in Caracas.¶ He said that "you can see PDVSA is in trouble" at the $100-a-barrel level because of the many millions lost to gasoline subsidies and spending on domestic social spending and PDVSA's use as a "geopolitical tool" to maintain regional alliances.¶ Venezuela has the world's largest oil reserves but PDVSA's production, earnings and income all appear to be on a downward slide and its debts to suppliers rose 35 percent. Its debt to the Central Bank of Venezuela reached $26.19 billion last year, a nearly eight-fold increase in two years.¶ The government makes no apologies. It says it is employing the country's most important natural resource for the good of the people and promises increased production and revenues in the immediate future.¶ Ramirez said that PDVSA's efforts remained focused on developing the remote Orinoco belt, site of the world's biggest oil reserves, with the aid of oil firms from China, Russia, the U.S., Italy, Vietnam, Malaysia, Japan and Spain. Venezuela hopes to lift overall production to some 3.32 million barrels a day, 200,000 more than last year.¶ View gallery."In this April 25, 2013 photo, Zaida Eleonora Mejicano, …¶ In this April 25, 2013 photo, Zaida Eleonora Mejicano, a shop owner in the coastal town of Moron, co …¶ "We're in a process of trying to attract investment in dollars other than ours," Ramirez said, assuring reporters that PDVSA would work with private investors to not take on more debt to make new investment.¶ Outside experts, however, are deeply skeptical. They say PDVSA is badly mismanaged and that even a radical overhaul would take years to show results.¶ Rather than reinvesting enough profits in exploration and maintenance, Chavez dedicated oil revenues to social spending such as building hundreds of thousands of homes and free medical clinics for the poor, they say. Last year PDVSA said it spent $28.83 billion, nearly a quarter of its income, on various state programs.¶ PDVSA also loses billions subsidizing gasoline for Venezuelan drivers, who pay less to fill up their tanks than people anywhere else in the world.¶ "The government of Venezuela today uses PDVSA as its petty cash box to lead populist social programs," said Jorge R. Pinon, associate director of the Latin America and Caribbean Program at the University of Texas, Austin. "Whatever capital is left in PDVSA is being mismanaged, mismanaged because they're just not focused on running the company. ... They're focused on building hospitals and schools."¶ On top of that, state oil company PDVSA dedicates 42 percent of its production to favored partners in the Caribbean and to consumption inside Venezuela, where gasoline is almost free, which means it can sell less than 60 percent at market price.¶ View gallery."In this April 25, 2013 photo, people wait for transportation …¶ In this April 25, 2013 photo, people wait for transportation on a street corner in Moron, Venezuela. …¶ Ramirez said that a rise in daily domestic oil consumption to 650,000 barrels this year is expected to drive down exports by 7.8 percent to 2.36 million barrels a day, inevitably damaging revenues for PDSVA and the broader Venezuelan budget.¶ The alliance's Caribbean and Central American member nations receive hundreds of millions of dollars annually in deeply discounted oil, part of Chavez's bid to project Venezuela's influence in the region. Socialist ally Cuba is the largest recipient.¶ Maduro made his first major foreign trip as president to Cuba last weekend, recommitting to sending it some 130,000 barrels of oil a day.¶ Now, Maduro must wrestle with the consequences of Chavez's energy and economic policies, which included a campaign spending spree last year ahead of Chavez's re-election.¶ In order to control capital flight, Chavez imposed controls that require any business that wants to import goods to purchase dollars directly from the government, which rations them out in relatively small amounts at an artificially set official exchange rate.¶ Even with gasoline at roughly $100 a barrel over the last six months, the government hasn't been meeting the demand for dollars. That's created frequent and worsening shortages of staple goods such as flour, sugar and cooking oil.¶ View gallery."In this April 25, 2013 photo, a young man dives into …¶ In this April 25, 2013 photo, a young man dives into Puerto Cabello's harbor, near El Palito refiner …¶ And despite promises to increase the flow of dollars it pumps into the economy, independent economists don't see how it can be pulled off. Crude prices fell about 10 percent over the last three weeks and analysts say they could stabilize at $90 a barrel.

### rels

#### Taiwan no longer a hotspot for conflict – means no china war

**Zhang 11** -Associate Professor of Political Science and Director of the Center for Asia Pacific Studies at Lingnan University, Hong Kong July 14

Baohui, “The Security Dilemma in the U.S.-China Military Space Relationship The Prospects for Arms Control,” Asian Survey, Vol. 51, Number 2, pp. 311–332, Proquest

Until May 2008, the Taiwan Strait was a hot spot for military conflicts thatcould potentially drag China and the U.S. into a major war**.** This prospectput tremendous pressure on the PLA to search for ways to counter the massive conventional military superiority of the U.S.Now, because of Taiwan President Ma Ying-jeou’saccommodation strategy toward Beijing, a new cross-strait relationship has emerged. Militarytension and pernicious mutual mistrust have given way to institutionalizeddialogues, expanded economic integration, and greater people-to-people exchanges. Indeed, the Taiwan Strait situation has been completely altered since Ma assumed the presidency in May 2008. he Taiwan Afairs Oice of the State Council of China has declared that cross-strait relations have “achieved a historical transformation.” his new and positive assessment has drastically changed the PLA’s perception of the prospects for war in the strait, and thus the possibility of U.S. military intervention. Major GeneralPeng Guangqian of the PLA Academy of Military Sciences commented that economic integration and institutionalized political dialogues would makemilitary conflict in the Taiwan Strait “unlikely and even unthinkable.” 48 Yan Xuetong, an inluential Chinese international relations scholar with close ties to the military, has also revised his past pessimistic views. Whereas he once insisted that war in the strait was inevitable, he now believes that the probability is, currently, extremely low. 49 With minimized chances of military conlict occurring in the Taiwan Strait, the PLA should no longer be obsessed with the prospect of U.S. intervention. Indeed**,** the Taiwan Strait constitutes the only realistically plausible cause of war between China and the U.S. As noted earlier, Major General Jin Yinan recently concluded that the prospect of such a militaryconflict was extremely unlikely**.** The new Taiwan Strait situation could play a major role in improving theU.S.-China military space relationship. The fear of U.S. intervention wasonce an important reason for the PLA’s pursuit of space warfare capabilitiesNow, the Chinese military should perceive no compelling reason to developspacewarfare capabilities to level the playing field**.**

#### No impact to heg.

**Fettweis 11** Christopher J. Fettweis, Department of Political Science, Tulane University, 9/26/11, Free Riding or Restraint? Examining European Grand Strategy, Comparative Strategy, 30:316–332, EBSCO

It is perhaps worth noting that there is no evidence to support a direct relationship between the relative level of U.S. activism and international stability. In fact, the limited data we do have suggest the opposite may be true. During the 1990s, the United States cut back on its defense spending fairly substantially. By 1998, the United States was spending $100 billion less on defense in real terms than it had in 1990.51 To internationalists, defense hawks and believers in hegemonic stability, this irresponsible “peace dividend” endangered both national and global security. “No serious analyst of American military capabilities,” argued Kristol and Kagan, “doubts that the defense budget has been cut much too far to meet America’s responsibilities to itself and to world peace.”52 On the other hand, if the pacific trends were not based upon U.S. hegemony but a strengthening norm against interstate war, one would not have expected an increase in global instability and violence. The verdict from the past two decades is fairly plain: The world grew more peaceful while the United States cut its forces. No state seemed to believe that its security was endangered by a less-capable United States military, or at least none took any action that would suggest such a belief. No militaries were enhanced to address power vacuums, no security dilemmas drove insecurity or arms races, and no regional balancing occurred once the stabilizing presence of the U.S. military was diminished. The rest of the world acted as if the threat of international war was not a pressing concern, despite the reduction in U.S. capabilities. Most of all, the United States and its allies were no less safe. The incidence and magnitude of global conflict declined while the United States cut its military spending under President Clinton, and kept declining as the Bush Administration ramped the spending back up. No complex statistical analysis should be necessary to reach the conclusion that the two are unrelated. Military spending figures by themselves are insufficient to disprove a connection between overall U.S. actions and international stability. Once again, one could presumably argue that spending is not the only or even the best indication of hegemony, and that it is instead U.S. foreign political and security commitments that maintain stability. Since neither was significantly altered during this period, instability should not have been expected. Alternately, advocates of hegemonic stability could believe that relative rather than absolute spending is decisive in bringing peace. Although the United States cut back on its spending during the 1990s, its relative advantage never wavered. However, even if it is true that either U.S. commitments or relative spending account for global pacific trends, then at the very least stability can evidently be maintained at drastically lower levels of both. In other words, even if one can be allowed to argue in the alternative for a moment and suppose that there is in fact a level of engagement below which the United States cannot drop without increasing international disorder, a rational grand strategist would still recommend cutting back on engagement and spending until that level is determined. Grand strategic decisions are never final; continual adjustments can and must be made as time goes on. Basic logic suggests that the United States ought to spend the minimum amount of its blood and treasure while seeking the maximum return on its investment. And if the current era of stability is as stable as many believe it to be, no increase in conflict would ever occur irrespective of U.S. spending, which would save untold trillions for an increasingly debt-ridden nation. It is also perhaps worth noting that if opposite trends had unfolded, if other states had reacted to news of cuts in U.S. defense spending with more aggressive or insecure behavior, then internationalists would surely argue that their expectations had been fulfilled. If increases in conflict would have been interpreted as proof of the wisdom of internationalist strategies, then logical consistency demands that the lack thereof should at least pose a problem. As it stands, the only evidence we have regarding the likely systemic reaction to a more restrained United States suggests that the current peaceful trends are unrelated to U.S. military spending. Evidently the rest of the world can operate quite effectively without the presence of a global policeman. Those who think otherwise base their view on faith alone.

#### Chinese influence is not zerosum --- helps the US, and China can’t challenge US influence

**Xiaoxia, 13** – Economic Observer (Wang, “In America’s Backyard: China’s Rising Influence in Latin America”, Worldcrunch, 5/6, http://www.worldcrunch.com/china-2.0/in-america-039-s-backyard-china-039-s-rising-influence-in-latin-america/foreign-policy-trade-economy-investments-energy/c9s11647/)

The global financial crisis of 2008 was a chance for China to become an increasingly important player in Latin American. As Europe and the United States were caught in a financial quagmire, China, with nearly $3 trillion of foreign exchange reserves as backing, embarked on "funds-for-assets" transactions with Latin American countries. So what does China want exactly in entering Latin American? Is it to obtain a stable supply of energy and resources, and thus inadvertently acquire political influence? Or the other way round? Presumably most U.S. foreign policy-makers are well aware of the answer. China's involvement in the Latin American continent doesn’t constitute a threat to the United States, but brings benefits. It is precisely because China has reached "loans-for-oil" swap agreements with Venezuela, Brazil, Ecuador and other countries that it brings much-needed funds to these oil-producing countries in South America. Not only have these funds been used in the field of oil production, but they have also safeguarded the energy supply of the United States, as well as stabilized these countries' livelihood -- and to a certain extent reduced the impact of illegal immigration and the drug trade on the U.S. For South America, China and the United States, this is not a zero-sum game, but a multiple choice of mutual benefits and synergies. Even if China has become the Latin American economy’s new upstart, it is still not in a position to challenge the strong and diverse influence that the United States has accumulated over two centuries in the region.

#### Relations are impossible without reforming the entire foreign policy apparatus

**Gvosdev, 12** - former editor of the National Interest, and a frequent foreign policy commentator in both the print and broadcast media. He is currently on the faculty of the U.S. Naval War College (Nikolas, “To Reset Latin America Policy, U.S. Must Think Big,” 4/20, World Politics Review, http://www.worldpoliticsreview.com/articles/11867/the-realist-prism-to-reset-latin-america-policy-u-s-must-think-big)

More generally, Obama’s Latin America policy is suffering from a lack of what George H.W. Bush famously called “the vision thing,” compounded by how the administration organizes the U.S. foreign policy apparatus. The president had an initial opening at his first Summit of the Americas in Trinidad, in 2009, to reset what had become a very problematic relationship between the United States and most of the rest of the hemisphere during the George W. Bush administration. Most regional leaders also made it clear they understood that, given the global financial crisis and the challenges of winding down America’s involvement in two Middle Eastern wars, Obama could not immediately pivot U.S. foreign policy to the region. ¶ But as I noted two years ago, “There was insufficient follow-up to take advantage of the momentum generated by the Trinidad meeting.” Just as candidate George W. Bush’s rhetoric about the importance of Latin America understandably evaporated after Sept. 11, the Obama administration, in continuing to react to a series of crises elsewhere in the world, has also put the Western Hemisphere on the back burner.¶ As a result, according to Sean Goforth, America’s relations with the region appear to be adrift.

 “Many countries want and deserve a serious partnership with Washington. But President Obama is an unconvincing partner. . . . He has stalled on trade treaties with Latin American countries that still want preferred access to the U.S. market, and he’s made it clear that his strategic priority is a ‘pivot’ toward Asia.”¶ Worse still, no senior official within the administration, starting with the president himself, has articulated a clear, compelling and convincing vision for what a Western Hemispheric partnership would look like, beyond the expected bromides about peace, democracy and prosperity. What is the desired end state? There is no lack of compelling possibilities to choose from: free circulation for people, goods and capital from the Yukon to Tierra del Fuego; a greater push for regional independence, in terms of manufactured goods, services and energy; an arrangement that mimics the pre-Maastricht European Community.

# 2nc

#### Ending subsidies and law enforcement protocols solves stability and generates uniqueness for the Dutch disease turn

**Kirk 4/1** - security analyst at the United States Agency for International Development, graduate student at the Elliott School of International Affairs in the Latin American and Hemispheric Studies program (Jonathan, International Affairs Review, “The Path Forward in a Post-Chavez Venezuela,” 4/1/2013, <http://www.iar-gwu.org/node/480>) //RGP

Chávez’s revolution came at considerable cost, however. His untenable macroeconomic policies have left the Venezuelan government far too dependent on oil revenues to sustain its social welfare programs, leaving the country vulnerable to the whims of a volatile global marketplace. Chávez’s inability, or unwillingness, to tackle the mounting violence in Venezuela also poses a significant threat to the country’s stability. Venezuela’s murder rate has tripled in the past decade, reaching approximately 57 per 100,000 homicides in 2009, one of the world’s highest rates. The capital city of Caracas has the sixth greatest homicide rate of any large city in the world, with 98.7 homicides per 100,000 residents. Corruption has also become a major issue, with Venezuela being ranked one of the most corrupt countries on the Corruption Perceptions Index since Transparency International started the survey in 1995. In 2012, Venezuela was given an index score of 19 out of 100 (0 being highly corrupt). It is imperative that Chávez’s successor, whether it is Nicolás Maduro Moros or Henrique Capriles, tackles these issues head-on through comprehensive policy prescriptions. Regarding Venezuela’s economic imbalances, gas and food subsidies should be gradually reduced, and ideally, eventually eliminated altogether. These subsidies, in particular the gas subsidy, have become increasingly costly for the Venezuelan government. While cheap gas has boosted Venezuela’s economic growth, it has also increased consumption to such a degree that the country must now import nearly a quarter of the gas it uses. While Venezuelans would certainly feel short-term pain following normalization of gas prices, in the long-term the country would be better served if government revenues were invested in promising research and development projects instead of these market-distorting subsidies. With regards to Venezuela's skyrocketing violent crime rate, the next president must make it a priority to continue efforts to strengthen the country’s new national police force. These efforts must include enacting strict national standards for training and providing adequate funding for payrolls and equipment purchases. Rampant corruption must also be addressed. The Venezuelan minister of the interior and justice has estimated that police commit one of every five crimes; a trend, which continues to negatively impact police credibility. This trend can be reversed by bolstering internal police review boards and by supporting whistleblowers and human rights defenders. Venezuela must also overhaul and revamp its notoriously corrupt and abusive prison system. In June 2011 alone, at least 25 people were killed and over 60 seriously injured, including prisoners and National Guard members, after clashes between inmates in the El Rodeo prisons near Caracas.

#### Now, the plan is an aid policy --- their 1AC COCEF evidence --- their primary solvency advocate --- says that the plan has quote

BORDER TECHNICAL ASSISTANCE PROVIDER 25¶ Since 1995, the BECC [Border Environmental Cooperation Commission] has demonstrated a very strong capacity to manage technical ¶ assistance programs for capacity building and project development. They have ¶ administered millions of dollars in technical assistance funds for hundreds of projects ¶ across the border region

BECC provides logistical support for the work groups, assists in identifying priority areas ¶ for grant funding, reviews requests for proposals, assists in project selection and project ¶ management, and ensures quality of deliverables and compliance with work plans.

#### C) Literature consensus

**Mastanduno, 1** – professor of Government at Dartmouth College (Michael, “Economic Engagement Strategies: Theory and Practice” [http://web.archive.org/web/20120906033646/http://polisci.osu.edu/faculty/bpollins/book/Mastanduno.pdf](http://web.archive.org/web/20120906033646/http%3A/polisci.osu.edu/faculty/bpollins/book/Mastanduno.pdf)

An examination of the scholarly literature on economic engagement as an instrument of statecraft reveals a striking pattern. Albert Hirschman’s 1945 study, National Power and the Structure of Foreign Trade, is widely acknowledged today as a starting point for analysis (Hirschman, 1945/1980). Hirschman argued that the conscious cultivation of asymmetrical interdependence, if conducted strategically by the government of a powerful state, would lead weaker states to reorient not only their economies but also their foreign policies to the preferences of the stronger state. He developed a systematic framework for analysis and applied it to the trading and political relationships between Nazi Germany and its central and southeast European neighbors during the interwar period.

#### Precision is key to effective policy analysis

**Resnik, 1** – Assistant Professor of Political Science at Yeshiva University (Evan, Journal of International Affairs, “Defining Engagement” v54, n2, political science complete)

In matters of national security, establishing a clear definition of terms is a precondition for effective policymaking. Decisionmakers who invoke critical terms in an erratic, ad hoc fashion risk alienating their constituencies. They also risk exacerbating misperceptions and hostility among those the policies target. Scholars who commit the same error undercut their ability to conduct valuable empirical research. Hence, if scholars and policymakers fail rigorously to define "engagement," they undermine the ability to build an effective foreign policy.¶ The refined definition I propose as a substitute for existing descriptions of engagement is different in two important ways: First, it clarifies the menu of choices available for policymakers by allowing engagement to be distinguished from related approaches such as appeasement, containment and isolation. Second, it lays the groundwork for systematic and objective research on historical cases of engagement in order to discern the conditions under which it can be used effectively. Such research will, in turn, help policymakers acquire the information necessary to better manage the rogue states of the 21st century.

#### Institutions ensure bounce back

**Somerville 08** - Glenn . "Paulson: Economy resilient but Fed move helpful." Reuters. 22 Jan. . <http://news.yahoo.com/s/nm/20080122/bs_nm/usa_economy_paulson_dc>

Treasury Secretary Henry Paulson said on Tuesday he was confident the U.S. and global economies were resilient but welcomed an emergency rate cut by the Federal Reserve as a helpful move. ADVERTISEMENT The U.S. central bank cut benchmark U.S. interest rates by a steep three-quarters of a percentage point while Paulson while still answering questions after addressing a Chamber of Commerce breakfast meeting. Paulson had earlier acknowledged the U.S. economy has slowed "materially" in recent weeks but, despite a meltdown in global stock prices, insisted that the global economy had "underlying resiliency" that would let it weather the storm. The U.S. Treasury chief initially looked surprised when a Chamber of Commerce official said the Fed had just cut rates in a relatively rare move between meetings of its policy-setting Federal Open Market Committee, but praised the action. "This is very constructive and I think it shows this country and the rest of the world that our central bank is nimble and can move quickly in response to market conditions," Paulson said. The U.S. Treasury chief, who headed Wall Street giant Goldman Sachs before taking over Treasury in 2006, said the $145-billion short-term stimulus package that President George W. Bush was asking Congress to work on was needed to minimize the impact of a U.S. economic slowdown. "We need to do something now, because short-term risks are clearly to the downside, and the potential benefits of quick action to support our economy have become clear," Paulson said. But early signs were that Bush's call for bipartisan action -- and a relatively positive Congressional response to it -- were not calming financial markets but might actually be fanning fears that the economy was at greater risk of toppling into recession than officially acknowledged. Stock markets around the world sank sharply on Monday, when U.S. markets were closed for the holiday in observance of slain civil rights leader Martin Luther King's birthday. Paulson tried to reassure that there was reason to feel confident in the U.S. economy's long-term prospects, notwithstanding severe problems in the housing sector and other credit-market strains. "The U.S. economy is resilient and diverse," he said. "It's been remarkably robust and it will be again." He added: "The unemployment rate remains low and job creation continues, albeit at a modest pace. The structure of our economy is sound and our long term economic fundamentals are healthy."

#### Decline doesn’t cause conflict - interdependence

**Gelb 10 -**Leslie H., President Emeritus of the Council on Foreign Relations; was a senior official in the U.S. Defense Department from 1967 to 1969 and in the State Department from 1977 to 1979, November/December 2010, “GDP Now Matters More Than Force,” Foreign Affairs, Vol. 89, No. 6

To an unprecedented degree, the major powers now need one another to grow their economies, and they are loath to jeopardize this interdependence by allowing traditional military and strategic competitions to escalate into wars. In the past, U.S. enemies--such as the Soviet Union--would have rejoiced at the United States' losing a war in Afghanistan. Today, the United States and its enemies share an interest in blocking the spread of both Taliban extremism and the Afghan-based drug trade. China also looks to U.S. arms to protect its investments in Afghanistan, such as large natural-resource mines. More broadly, no great nation is challenging the balance of power in either Europe or Asia. Although nations may not help one another, they rarely oppose one another in explosive situations. Given the receding threat of great-power war, leaders around the world can afford to elevate economic priorities as never before. To be sure, leaders throughout history have pursued economic strength as the foundation of state power, but power itself was equated with military might. Today, the prevailing idea is that economic strength should be applied primarily toward achieving economic--not military--ends. Money is what counts most, so most nations limit their spending on standing armies and avoid military interventions. What preoccupies most leaders is trade, investment, access to markets, exchange rates, additional riches for the rich, and a better life for the rest. This trend is plain among the rising regional powers known as the BRIC countries (Brazil, Russia, India, and China) and among such others as Indonesia, Mexico, South Africa, and Turkey. Although these countries' leaders have major security concerns--such as India with regard to Pakistan--their paramount objective has become economic strength. For most, economic growth is their prime means of fending off internal political opposition. China makes perhaps the best case for the primacy of economics. Although it might emerge as a spoiler decades hence, Beijing currently promotes the existing economic order and does not threaten war. Because Beijing has been playing the new economic game at a maestro level--staying out of wars and political confrontations and zeroing in on business--its global influence far exceeds its existing economic strength. China gains extra power from others' expectations of its future growth. The country has become a global economic giant without becoming a global military power. Nations do not fear China's military might; they fear its ability to give or withhold trade and investments.

#### Studies go neg.

**Miller, 2k** – Professor of Administration at the University of Ottawa (Morris, Interdisciplinary Science Review, Vol. 25, No. 4, 2000, May 21st 2010, KONTOPOULOS)

The question may be reformulated. Do wars spring from a popular reaction to a sudden economic crisis that exacerbates poverty and growing disparities in wealth and incomes? Perhaps one could argue, as some scholars do, that it is some dramatic event or sequence of such events leading to the exacerbation of poverty that, in turn, leads to this deplorable denouement. This exogenous factor might act as a catalyst for a violent reaction on the part of the people or on the part of the political leadership who would then possibly be tempted to seek a diversion by finding or, if need be, fabricating an enemy and setting in train the process leading to war. According to a study under- taken by Minxin Pei and Ariel Adesnik of the Carnegie Endowment for International Peace, there would not appear to be any merit in this hypothesis. After studying ninety-three episodes of economic crisis in twenty-two countries in Latin America and Asia in the years since the Second World War they concluded that:19 Much of the conventional wisdom about the political impact of economic crises may be wrong ... The severity of economic crisis – as measured in terms of inflation and negative growth – bore no relationship to the collapse of regimes ... (or, in democratic states, rarely) to an outbreak of violence ... In the cases of dictatorships and semi-democracies, the ruling elites responded to crises by increasing repression (thereby using one form of violence to abort another).

#### Even their 1ac uniqueness author agrees – aff doesn’t resolve US demand decline or political uncertainty

**Ladislaw and Verrastro 3/6** – Ladislaw is co-director and senior fellow with the Energy and National Security Program at the CSIS and Verrastro is senior vice president and James R. Schlesinger Chair for Energy & Geopolitics at CSIS (Sarah and Frank, “Post-Chavez Outlook for Venezuelan Oil Production,” Center for Strategic and International Studies, <http://csis.org/publication/post-chavez-outlook-venezuelan-oil-production>) //RGP

Despite its enormous oil resources, Venezuela's oil production (regardless of whose figures you use) has long been in steady decline. In 2011 liquids production was 2.47 million barrels per day (mmbd) , down a million barrels per day since 1999. Some of this is reflects the changing cost and economics of Venezuelan oil production but field decline is significant and expertise and reinvestment are questionable and looking harder to come by. The internal technical and managerial capabilities of state run oil and gas company PDVSA have deteriorated since the 2002 strike and aftermath. Increasingly, PDVSA relies on contractors, as well as other private company partners, to keep the fields in production but reports state that contractors have not been paid in months and that the political uncertainty in the country has even driven routine decision making to a halt.¶ The sustained political uncertainty has also slowed investment; Russian and Indian companies were planning to invest in Venezuela's oil fields but so far have withheld incremental new money. China has not announced a new line of credit or extensions on its development-linked financing since last April.¶ At the same time that production is dropping, highly subsidized domestic consumption of oil is increasing while revenue from exports is also declining. The United States remains the largest recipient of Venezuelan oil exports at 950,000 barrels per day in 2011, roughly 40 percent, plus another 185,000 barrels per day from the Caribbean that was Venezuelan sourced but those volumes area down as U.S. demand has declined and other crudes have become available. Venezuela's next largest export destinations are the Caribbean (31 percent) and then China (around 10 percent). Venezuela sells to many of its Caribbean neighbors at below market rates due to extremely preferential financing relationships, including additional heavy subsidies for Cuban exports. All of this culminates in an outlook for continued decline in oil production and a worsening economic outlook for Venezuela during a politically difficult time.¶ However, conventional wisdom argues that maintaining oil production is in the interest of any regime. Revenue from oil production is such a large part of Venezuela’s government balance sheet that no leadership could survive for long without a sustained cash flow that oil exports bring. The converse of this argument is that revenues generated by the energy sector are such an important source of power and influence in Venezuela that there is potential for infighting over control of the sector. Moreover, the potential for strikes or instability among groups involved in the sector (some of whom have not been paid) could have additional negative impacts on production.¶ While oil markets have so far taken the news of Chavez’s demise in stride (many claim because the news was largely expected, others because the political outcome is still so uncertain) an actual disruption in Venezuelan production could add pressure to an already difficult market outlook. The last year has produced a number of supply disruptions around the world from OPEC, the Middle East North Africa region, as well as non-OPEC sources. If the economic outlook continues to improve and yield an increase global energy demand, if Iran sanctions remain in place, and if Venezuelan production be compromised, then oil prices would experience much more significant upside pressure from any new disruptions.¶ Even under the best of circumstances, reform in the energy sector will take a long time to emerge. The damage that has been done to not only PDVSA but to the institutions of the state and civil society could take years to rehabilitate. A few key reasons for this include:¶ revenue from the oil and gas sector that is diverted for political purposes and not reinvested in a way that will drive new production will be hard to direct back to useful investment in the sector,¶ much of the private sector has been driven away from investment in Venezuela and may be reluctant to return, or for the companies in country to re-invest in the short-term given their experience in the 2000s,¶ oil field mismanagement and damage may have likely occurred over the last decade and it will take time and investment to revitalize,¶ many of Venezuela’s core assets are in technologically complex and capital-intensive heavy oil projects that take time and resources to develop and must now be viewed in light of the global array of upstream options that are now on the table for international oil investors as compared to a decade ago,¶ some of Venezuela’s current commercial relationships on the upstream or export side may have to be revisited in light of a more commercially-based hydrocarbon policy,¶ Venezuela’s energy sector is dominated by the state’s decisions and management and it will take time to replace the managerial competency that once existed,¶ highly subsidized oil is a key feature of Venezuelan society and the political will to reform the entire energy sector into one that is more market-based and open to private investment will necessarily have to feed into the domestic demand-side of that equation.

#### Can’t deter conflict – evolutionary psychology.

**Thayer** **‘07** [Bradley A., Professor in the Department of Defense and Strategic Studies, Missouri State University, July, “Thinking about Nuclear Deterrence Theory: Why Evolutionary Psychology Undermines Its Rational Actor Assumptions,” Comparative Strategy, Vol. 26, No. 4]

We have such a situation today, where great advances in the life sciences, particularly genetics and cognitive neuroscience, have made possible the rise of evolutionary psychology and the related fields of biological and cognitive psychology.2 Through their combined efforts, these sciences are revolutionizing our knowledge of the causes of human behavior at genetic and somatic levels. For the first time, we are able to perceive how the brain functions and to understand, in equal parts, what a wonderful and simultaneously imperfect organ it is. But few scholars in the social sciences notice.3 Most often, the difficulty in removing academic stovepipes is not an urgent matter, and those wishing change may take heart in Paul Samuelson's famous quip about theories advancing one funeral at a time. Nonetheless, there are rare instances where academic stovepiping is a critical and time urgent problem. The great progress in evolutionary psychology is such a problem because of its implications for deterrence theory. This brief article explains how evolutionary psychology undermines rational deterrence theory. My argument is important because the key assumption of rational deterrence theory, that nuclear decision makers will make rational decisions about nuclear use due to their fundamental rationality, is so influential. This belief is widely shared among governmental decision makers, the arms control community and major media, and in academic circles. And it is wrong. Evolutionary psychology is causing a revolution in our understanding of the human brain. Comprehending the human brain is now possible due to an understanding of genetics, neural processing, and technology like the functional MRI (fMRI), which allows scientists for the first time to be able to understand how the human brain functions by identifying brain regions with increased blood flow corresponding to increased neuronal activity, after a stimulus (such as the word “cat”) is provided to a patient. Much work remains to be done by evolutionary psychologists, but the results are already impressive. The data are troubling for any discipline or theory that assumes a rational actor. As a result of advances in evolutionary psychology, we now know that the human mind is heavily influenced by the environment and body. How the brain interprets actions and makes decisions is complicated, imperfect, greatly dependent upon emotions, and varied among humans. There is tremendous variation in the human brain, with the result that threats that work in most circumstances will not work in all and that the appreciation of consequences, upon which rational deterrence theorists depend, cannot be assumed. Accordingly, it is fundamentally naïve and dangerous to assume a similar outcome (e.g. that nuclear deterrence will obtain) in all situations when there is variation in people (e.g. leaders), even when the consequences are great, as it is when nuclear weapons are involved. This finding has enormous implications for nuclear deterrence theory: the rational deterrence model's assumption of a universal rationality in the face of a nuclear deterrent threat is irredeemably flawed.

#### Only comprehensive study

**MacDonald and Parent 11**—Professor of Political Science at Williams College & Professor of Political Science at University of Miami [Paul K. MacDonald & Joseph M. Parent, “Graceful Decline? The Surprising Success of Great Power Retrenchment,” International Security, Vol. 35, No. 4 (Spring 2011), pp. 7–44]

In this article, we question the logic and evidence of the retrenchment pessimists. To date there has been neither a comprehensive study of great power retrenchment nor a study that lays out the case for retrenchment as a practical or probable policy. This article fills these gaps by systematically examining the relationship between acute relative decline and the responses of great powers. We examine eighteen cases of acute relative decline since 1870 and advance three main arguments. First, we challenge the retrenchment pessimists’ claim that domestic or international constraints inhibit the ability of declining great powers to retrench. In fact, when states fall in the hierarchy of great powers, peaceful retrenchment is the most common response, even over short time spans. Based on the empirical record, we find that great powers retrenched in no less than eleven and no more than fifteen of the eighteen cases, a range of 61–83 percent. When international conditions demand it, states renounce risky ties, increase reliance on allies or adversaries, draw down their military obligations, and impose adjustments on domestic populations. Second, we find that the magnitude of relative decline helps explain the extent of great power retrenchment. Following the dictates of neorealist theory, great powers retrench for the same reason they expand: the rigors of great power politics compel them to do so.12 Retrenchment is by no means easy, but necessity is the mother of invention, and declining great powers face powerful incentives to contract their interests in a prompt and proportionate manner. Knowing only a state’s rate of relative economic decline explains its corresponding degree of retrenchment in as much as 61 percent of the cases we examined. Third, we argue that the rate of decline helps explain what forms great power retrenchment will take. How fast great powers fall contributes to whether these retrenching states will internally reform, seek new allies or rely more heavily on old ones, and make diplomatic overtures to enemies. Further, our analysis suggests that great powers facing acute decline are less likely to initiate or escalate militarized interstate disputes. Faced with diminishing resources, great powers moderate their foreign policy ambitions and offer concessions in areas of lesser strategic value. Contrary to the pessimistic conclusions of critics, retrenchment neither requires aggression nor invites predation. Great powers are able to rebalance their commitments through compromise, rather than conflict. In these ways, states respond to penury the same way they do to plenty: they seek to adopt policies that maximize security given available means. Far from being a hazardous policy, retrenchment can be successful. States that retrench often regain their position in the hierarchy of great powers. Of the fifteen great powers that adopted retrenchment in response to acute relative decline, 40 percent managed to recover their ordinal rank. In contrast, none of the declining powers that failed to retrench recovered their relative position. Pg. 9-10

#### Their laundry list of vague impacts is academic junk – conflicts can’t just emerge

**Fettweis, 11** (Christopher J. Fettweis, Department of Political Science, Tulane University, 9/26/11, Free Riding or Restraint? Examining European Grand Strategy, Comparative Strategy, 30:316–332, EBSCO, CMR)

Assertions that without the combination of U.S. capabilities, presence and commitments instability would return to Europe and the Pacific Rim are usually rendered in rather vague language**.** If the United States were to decrease its commitments abroad, argued Robert Art, “the world will become a more dangerous place and, sooner or later, that will redound to America’s detriment.”53 From where would this danger arise? Who precisely would do the fighting, and over what issues? Without the United States, would Europe really descend into Hobbesian anarchy? Would the Japanese attack mainland China again, to see if they could fare better this time around? Would the Germans and French have another go at it? In other words, where exactly is hegemony is keeping the peace? With one exception, these questions are rarely addressed. That exception is in the Pacific Rim. Some analysts fear that a de facto surrender of U.S. hegemony would lead to a rise of Chinese influence. Bradley Thayer worries that Chinese would become “the language of diplomacy, trade and commerce, transportation and navigation, the internet, world sport, and global culture,” and that Beijing would come to “dominate science and technology, in all its forms” to the extent that soon the world would witness a Chinese astronaut who not only travels to the Moon, but “plants the communist flag on Mars, and perhaps other planets in the future.”54 Indeed China is the only other major power that has increased its military spending since the end of the Cold War, even if it still is only about 2 percent of its GDP. Such levels of effort do not suggest a desire to compete with, much less supplant, the United States. The much-ballyhooed, decade-long military buildup has brought Chinese spending up to somewhere between one-tenth and one-fifth of the U.S. level. It is hardly clear that a restrained United States would invite Chinese regional, must less global, political expansion. Fortunately one need not ponder for too long the horrible specter of a red flag on Venus, since on the planet Earth, where war is no longer the dominant form of conflict resolution, the threats posed by even a rising China would not be terribly dire. The dangers contained in the terrestrial security environment are less severe than ever before. Believers in the pacifying power of hegemony ought to keep in mind a rather basic tenet: When it comes to policymaking, specific threats are more significant than vague**,** unnamed dangers. Without specific risks, it is just as plausible to interpret U.S. presence as redundant, as overseeing a peace that has already arrived. Strategy should not be based upon vague images emerging from the dark reaches of the neoconservative imagination. Overestimating Our Importance One of the most basic insights of cognitive psychology provides the final reason to doubt the power of hegemonic stability: Rarely are our actions as consequential upon their behavior as we perceive them to be. A great deal of experimental evidence exists to support the notion that people (and therefore states) tend to overrate the degree to which their behavior is responsible for the actions of others. Robert Jervis has argued that two processes account for this overestimation, both of which would seem to be especially relevant in the U.S. case.55 First, believing that we are responsible for their actions gratifies our national ego (which is not small to begin with; the United States is exceptional in its exceptionalism). The hubris of the United States, long appreciated and noted, has only grown with the collapse of the Soviet Union.56 U.S. policymakers famously have comparatively little knowledge of—or interest in—events that occur outside of their own borders. If there is any state vulnerable to the overestimation of its importance due to the fundamental misunderstanding of the motivation of others, it would have to be the United States. Second, policymakers in the United States are far more familiar with our actions than they are with the decision-making processes of our allies. Try as we might, it is not possible to fully understand the threats, challenges, and opportunities that our allies see from their perspective. The European great powers have domestic politics as complex as ours, and they also have competent, capable strategists to chart their way forward. They react to many international forces, of which U.S. behavior is only one. Therefore, for any actor trying to make sense of the action of others, Jervis notes, “in the absence of strong evidence to the contrary, the most obvious and parsimonious explanation is that he was responsible.”57 It is natural, therefore, for U.S. policymakers and strategists to believe that the behavior of our allies (and rivals) is shaped largely by what Washington does. Presumably Americans are at least as susceptible to the overestimation of their ability as any other people, and perhaps more so. At the very least, political psychologists tell us, we are probably not as important to them as we think. The importance of U.S. hegemony in contributing to international stability is therefore almost certainly overrated. In the end, one can never be sure why our major allies have not gone to, and do not even plan for, war. Like deterrence, the hegemonic stability theory rests on faith; it can only be falsified, never proven. It does not seem likely, however, that hegemony could fully account for twenty years of strategic decisions made in allied capitals if the international system were not already a remarkably peaceful place. Perhaps these states have no intention of fighting one another to begin with, and our commitments are redundant. European great powers may well have chosen strategic restraint because they feel that their security is all but assured, with or without the United States.

#### And, No invasion of Taiwan

Watts, 11 (Senior Fellow, Center for Strategic & Budgetary Assessments (Barry, CQ Congressional Testimony, “MILITARY AND CIVIL SPACE PROGRAMS IN CHINA; COMMITTEE: SENATE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION,” 5/11, lexis. Pismarov)
The most common scenarios for a conflict between the United States and the PRC are built around a Chinese attempt to take Taiwan by military force. The first point to be made about the likelihood of such an attempt is that China has been fairly successful in pursuing the economic entanglement of Taiwan. In 2003 I participated in discussions of net assessment with senior Taiwanese national security officials held in Taipei. What struck me during that trip was the growing migration of Taiwan's advanced technologies and businesses to mainland China, lured by such incentives as lower labor costs. Since then, the indications are that the gradual economic entanglement of Taiwanhas continued, and that it is leading in the long run to Taiwan's eventual economic "capture" by the PRC.If this assessment is correct, then the chances of the PRC initiating a military takeover of Taiwan in 2012 or even 2020 appear to be quite low. Why use military force if economic entanglement leading to economic capture is succeeding?Note, too, that this approach embodies Sun Tzu's dictum that the acme of strategy is to subdue the enemy without fighting.

#### No war – economies too intertwined

**Bhakal, 12** (Maitreya- Freelance Writer at ABSAS Solutions Pvt. Ltd. “Five reasons why China will not invade Taiwan, and an analysis of Cross-strait Relation.” <http://indiaschinablog.blogspot.com/2011/08/analysing-cross-strait-relations-and-5.html>)

China has always placed economics at the forefront of most other matters**.** Despite the often-tumultuous state of Sino-Indian relations (and an unresolved border dispute), trade has touched $63 billion. China is India’s second largest trading partner. In the Senkaku island dispute with Japan, Deng Xiaoping, as soon as he came into power in 1978, proposed that China and Japan jointly explore the oil and gas deposits near the disputed islands without touching on the issue of sovereignty. China has also sought joint exploration in the resource-rich Spratlys, a solution which is the right step forward and is in fact more urgent than sovereignty, which the Philippines and Vietnam and have so far been reluctant to do. **C**hina doesn’t mind waiting and biding its time until sovereignty issues get resolved. As Deng Xiaoping famously remarked regarding the Senkaku dispute, “It does not matter if this question is shelved for some time, say, 10 years. Our generation is not wise enough to find common language on this question. Our next generation will certainly be wiser. They will certainly find a solution acceptable to all”. Unlike his predecessor Jiang Zemin, Hu Jintao has used a softer approach towards Taiwan, promoting stronger economic and cultural ties, high-level official visits and direct flights in order to reduce tensions. This pragmatic approach is on display even in the Taiwan dispute. China is Taiwan’s largest trading partner, and Taiwan is China’s seventh largest**.** Two-thirds of all Taiwanese companies have made investments in China in recent years. In 2010, China (including Hong Kong) accounted for over 29.0% of Taiwan’s total trade and 41.8% of Taiwan’s exports. The ECFA was heavily tilted in Taiwan’s favor. It cut tariffs on 539 Taiwanese exports to China and 267 Chinese products entering Taiwan. Under the agreement, approximately 16.1 % of exports to China and 10.5 % of imports to China will be tariff free by 2013. Taiwanese firms have invested $200 billion in the mainland, and trade between the two sides has exceeded $150 billion. Taiwanese trade with China. Source: Reuters Both China and Taiwan have a lot to lose by fighting with each other. Another factor to consider is the incalculable loss that an invasion will have on the Chinese economy, not to mention scaring away potential investors.

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#### Snowden, Iran and Russia proves that anti-Americanism outweighs economic incentives

**Ogrady 13** - an editor of the Wall Street Journal and member of the Wall Street Journal Editorial Board since 2005 (Mary, Wall Street Journal, “Why Venezuela Offers Asylum to Snowden,” 7/7/2013, [http://online.wsj.com/article/SB10001424127887324399404578590503856740838.html) //RGP](http://online.wsj.com/article/SB10001424127887324399404578590503856740838.html%29%20//RGP)

His offer of refuge to Mr. Snowden is most easily explained as an attempt to distract Venezuelans from the increasingly difficult daily economic grind and get them to rally around the flag by putting a thumb in Uncle Sam's eye. Yet there is something else.Venezuela has reason to fear increasing irrelevance as North America becomes more energy independent. This makes Iran crucial. Mr. Maduro may be trying to establish himself as a leader as committed to the anti-American cause

 as was his predecessor, Hugo Chávez, who had a strong personal bond with former Iranian President Mahmoud Ahmadinejad. He also needs to establish his own place in South American politics.Reaching out to Mr. Snowden is a way to send a message to the world that notwithstanding Secretary of State John Kerry's feeble attempt at rapprochement with Caracas last month, post-Chávez Venezuela has no intention of changing the course of the Bolivarian revolution. Rather, as the economy of the once-wealthy oil nation deteriorates, Mr. Maduro is signaling that Venezuela wants to become an even more loyal geopolitical ally and strategic partner of Russia and Iran.

#### China resolves their economic problems – doesn’t require US

**AVN 11** – (“China has invested over $30 billion in Venezuelan economy,” 16/9/11, [http://www.avn.info.ve/contenido/china-has-invested-over-30-billion-venezuelan-economy) //RGP](http://www.avn.info.ve/contenido/china-has-invested-over-30-billion-venezuelan-economy%29%20//RGP)

Caracas, 16 Sep. AVN .- Through financial cooperation agreements with Venezuela, China has invested over 30 billion dollars “in conditions with high advantages for our country,” highlighted the Venezuelan Foreign Affairs minister, Nicolas Maduro.Maduro underscored that strategic alliances between Caracas and Beijing “do not put in risk our economy and it is almost a miraculous financial relation.” Main cooperation is managed with two funds: the Heavy Fund and the Great Volume Fund.In addition, Maduro highlighted that there is an energy plan for the next 10 to 15 years, including the construction of three refineries in China to process the extra heavy oil extracted from the Venezuelan Orinoco Oil Belt.Chinese companies are already working in the Belt and they have signed agreements for the construction of drills and other kind of technologies.“This is a very close relation,” Maduro said.China has also contributed to boost science and technology areas in Venezuela. For example, Venezuela launched his first satellite in 2010 thanks to said alliance and it has been already agreed to launch a second satellite and the construction of a small-scale satellite factory in the South American country.