

PF April 2014 Pro Analysis

The current NSDL (formerly known as NFL) Public Forum resolution is **Resolved: Prioritizing economic development over environmental protection is in the best interest of the people of India.** Today, we're going to discuss the basics of building a strong pro case for this topic.

Let's begin by looking at some of the key terms in the resolution.

First, consider the word **"prioritizing."** There are two possible ways to understand "prioritizing" in the context of this topic. The first conveys an element of sequencing: we should do economic development prior to worrying about environmental protection. The second interpretation is that they can be done at the same time, but economic development should be considered the more important imperative. The second is probably more strategic for the pro side, because it allows for more flexibility. Regardless, both interpretations are very similar, and will probably not play a major role in very many of your debates. It is important to realize, however, that *neither interpretation requires the pro to defend that environmental protection is bad or that every attempt at economic development is always good*. Rather, we are speaking in general about which outcome we ought to be most concerned about.

"Economic development" and **"environmental protection"** are pretty straight-forward. You will easily be able to find numerous definitions of these terms, all of which will be quite similar. Neither are terms of art, so your existing understanding of their meanings is probably adequate.



The term **"best interest,"** however, demands some engagement. Well-crafted cases on this topic will require some framing work about how we ought to determine "best interest." These arguments should include not only an interpretation for *how* we ought to measure best interest, but also argumentation about *why* this is the most appropriate measurement. You might want to draw inspiration from LD's value/criterion structure as you prepare this portion of your case.

Keep in mind that "best interest" refers to **"the people of India."** This is distinct from the Indian government, American (or other foreign government) interests, or the priorities of the human race as a whole. It may require you to engage in argumentation about the demographics of the Indian people: how old are they? How affluent are they? Where do they live? What kinds of jobs do they have? What pressing social problems do they face? What do they self-identify as their priorities? Etc. All of these questions can guide your research and help you arrive at a strong interpretation of "the best interest of the people of India."

In fact, your success on this topic will in many ways be tied to your working knowledge of India as a nation. You *MUST* conduct thorough background research in order to be able to intelligently discuss prioritizing competing imperatives from the perspective of a particular country. Cutting a couple of cards is not enough. If you doubt that background research is important, I encourage you to read <u>this article</u>.

Here are a few places to begin familiarizing yourself with India's demographics, economy, and political system:

Wikipedia

CIA World Factbook

Heritage Foundation's Economic Freedom Index



Once you feel like you are thoroughly informed about India, you'll want to determine your framing of "best interest," and build your case impacts around that structure.

For example, you may want to argue that "best interest" should be determined by **utilitarianism** (the greatest good for the greatest number) and win that the positive impacts of economic growth outweigh the costs (according to the needs of the people of India, as determined by your research). This is probably the most straight-forward interpretation of the topic, and the one I predict the majority of teams will use. However, you are welcome to frame your case in a different manner. The key thing to remember is that your case arguments must clearly paint a path to victory using the interpretation of "best interest" you provide. As always in debate, *it is critical that your framework supports the rest of your arguments*.

Many reasons why economic development should be a priority for India stem from the nation's rampant **poverty** and income inequality. India is home to 30% of the world's poorest people, and poverty has actually increased over the past 30 years.

Here's evidence:

(The Telegraph, "India has one third of world's poorest, says World Bank," http://www.telegraph.co.uk/news/worldnews/asia/india/10003228/India-has-one-third-ofworlds-poorest-says-World-Bank.html, April 18 2013)

<u>While</u> new figures show that <u>the number of those in extreme poverty around the world</u>surviving on 82 pence per day or less- <u>has declined significantly</u>, <u>India now has a greater share of</u> <u>the world's poorest than it did thirty years ago</u>. Then it was home to one fifth of the world's poorest people, but <u>today it accounts for one-third- 400 million</u>.



Poverty leads to a laundry list of problems, including famine, disease, social unrest, limited participation in democracy, armed conflict, and more. If this isn't your first debate, chances are that you are already highly prepared for this sort of debate. If for some reason you aren't, cards saying poverty is bad are tremendously easy to find.

With so many citizens facing such abject poverty, it should be easy to win that lifting these people out of their current situation should obviously be India's top priority.

Related to poverty is **income inequality**. Although India is home to many of the world's poorest people, some wealthy citizens have also recently experienced rapid income growth, resulting in tremendous levels of inequality.

Evidence:

(Ram Mashru, South Asia research expert, "India's Growing Urban Poverty Crisis," The Diplomat, http://thediplomat.com/2014/03/indias-growing-urban-poverty-crisis/, March 4 2014)

<u>The incumbent</u> UPA government, a coalition of left-leaning parties, <u>has long championed an</u> "inclusive" growth model. But its failure to ensure that the benefits of growth have "trickled <u>down" to the poor is well established</u>. When adjusted for variations in the cost of living, <u>32.7</u> <u>percent of India's population live below the international extreme poverty line</u> of \$1.25 per day. <u>India is home to a third of the world's poor, a third of the world's slave population, and on a</u> <u>host of other social and development indicators it continues to slip further and further behind</u> <u>other developing countries</u>.

Poverty lines are not entirely reliable measures of deprivation, instead they allow for long-term trends to be traced. According to figures compiled by the World Bank and McKinsey, <u>since the 1980s India has only lifted 35 million people out of extreme poverty</u>. In China the figure is 678 million. <u>India's poor poverty-reduction rate is matched by rapid increases in income inequality</u>.



In January India's *Business Standard* reported income inequality in urban areas across a third of India's states reached its highest point in 2011-12 since 1973-74.

Extreme income inequality, like poverty, is linked to a host of social ills. Perhaps the most significant is the threat of **class conflict and violence**.

Here is **evidence** about this:

(Kent Welton, writer/MBA in finance and economics from USC, "Limits to Wealth," OpEdNews, http://www.opednews.com/articles/Limits-To-Wealth-by-Kent-Welton-Billionaires_Creativity_Democracy_Disenfranchisement-140121-171.html, 1/21/14)

Debates over limiting wealth and power arise <u>wherever</u> enclosure, oligarchy and factor <u>imbalance create great disparities in wages</u>, venture shares, land ownerships, and societal power. <u>Wage-laboring majorities</u> exploited by capital <u>are left without natural freedom or the</u> <u>effective democracy necessary to secure greater equity</u>, and a political means to peacefully <u>"reshuffle" the deck. As a result, we are doomed to redistributive fever and revolution. Given</u> <u>such conditions it is only a matter of time before disparities reach the point where the poor and</u> <u>over-taxed middle classes have nothing lose</u>, and everything to gain, from general strikes, riots, <u>revolutions</u>, and simply killing the rich. At this stage it matters not how sophisticated are the <u>techniques of social control as nothing will save a corrupt system from implosions ignited by</u> <u>falling living standards</u>, fiat money, competitive devaluations, <u>overpopulation</u>, eco-ruin, <u>and</u> <u>unemployment</u>. If we recognize no limits to wealth and its attendant political powers, then a growthism driven by enclosure and oligarchy will create deadly disparities of riches and political influence. <u>Such social deformities lead to the collapse of natural economy</u>, <u>effective democracy</u>, <u>progressive reform</u>, and livable environments. A just and stable society then slowly evaporates as growing wealth disparities produce class conflict.

Finally, here is a card arguing that India is **currently at a key juncture**, due to increasing integration into the global economy, as well as a number of demographic factors. It says that India's development efforts



today will determine the nation's success or failure at improving its people's quality of life for years to come. You can use this **evidence** to argue that economic development is specifically of critical importance right now, and that the current opportunities must not be squandered:

(The World Bank, India Overview, http://www.worldbank.org/en/country/india/overview, 2014)

With 1.2 billion people and the world's fourth-largest economy, <u>India's recent growth and</u> <u>development has been one of the most significant achievements of our times</u>. Over the six and half decades since independence, the country has brought about a landmark agricultural revolution that has transformed the nation from chronic dependence on grain imports into a global agricultural powerhouse that is now a net exporter of food. Life expectancy has more than doubled, literacy rates have quadrupled, health conditions have improved, and a sizeable middle class has emerged. India is now home to globally recognized companies in pharmaceuticals and steel and information and space technologies, and a growing voice on the international stage that is more in keeping with its enormous size and potential.

Historic changes are unfolding, unleashing a host of new opportunities to forge a 21st-century nation. India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is in the midst of a massive wave of urbanization as some 10 million people move to towns and cities each year in search of jobs and opportunity. It is the largest rural-urban migration of this century.

The historic changes unfolding have placed the country at a unique juncture. How India develops its significant human potential and lays down new models for the growth of its burgeoning towns and cities will largely determine the shape of the future for the country and its people in the years to come.

Massive investments will be needed to create the jobs, housing, and infrastructure to meet soaring aspirations and make towns and cities more livable and green. Generating growth that lifts all boats will be key, for more than 400 million of India's people–or one-third of the world's poor–still live in poverty. And, many of those who have recently escaped poverty (53 million people between 2005-10 alone) are still highly vulnerable to falling back into it. In fact, due to population growth, the absolute number of poor people in some of India's poorest states actually increased during the last decade.



<u>Inequity in all dimensions, including region, caste and gender, will need to be addressed</u>. Poverty rates in India's poorest states are three to four times higher than those in the more advanced states. While India's average annual per capita income was \$1,410 in 2011–placing it among the poorest of the world's middle-income countries– it was just \$436 in Uttar Pradesh (which has more people than Brazil) and only \$294 in Bihar, one of India's poorest states. Disadvantaged groups will need to be brought into the mainstream to reap the benefits of economic growth, and women—who "hold up half the sky"—empowered to take their rightful place in the socioeconomic fabric of the country.

<u>Fostering greater levels of education and skills will be critical to promote prosperity in a rapidly</u> <u>globalizing world.</u> However, while primary education has largely been universalized, learning outcomes remain low. Less than 10 percent of the working-age population has completed a secondary education, and too many secondary graduates do not have the knowledge and skills to compete in today's changing job market.

Improving health care will be equally important. Although India's health indicators have improved, maternal and child mortality rates remain very low and, in some states, are comparable to those in the world's poorest countries. <u>Of particular concern is the nutrition of</u> <u>India's children whose well-being will determine the extent of India's much-awaited</u> <u>demographic dividend; at present, an overwhelming 40 percent</u> (217 million) <u>of the world's</u> <u>malnourished children are in India.</u>

The country's infrastructure needs are massive. One in three rural people lack access to an allweather road, and only one in five national highways is four-lane. Ports and airports have inadequate capacity, and trains move very slowly. An estimated 300 million people are not connected to the national electrical grid, and those who are face frequent disruptions. And, the manufacturing sector-vital for job creation-remains small and underdeveloped.

Nonetheless, a number of India's states are pioneering bold new initiatives to tackle many of India's long-standing challenges and are making great strides towards inclusive growth. Their successes are leading the way forward for the rest of the country, indicating what can be achieved if the poorer states were to learn from their more prosperous counterparts.

India now has that rare window of opportunity to improve the quality of life for its 1.2 billion citizens and lay the foundations for a truly prosperous future—a future that will impact the country and its people for generations to come.



In addition to advancing your own impacts, strong pro cases will also provide **defense against common con arguments**. Remember, this topic is asking you to weigh two imperatives and determine which one to prioritize. This requires you to engage in direct comparisons between the two. It is not enough to establish that economic development is important; you must also advance argumentation about *why it is more important than environmental protections*. Clash is king.

One idea you might find useful to this end is the <u>Environmental Kuznets Curve</u> theory, or EKC. EKC maintains that the relationship between economic growth and environmental degradation follows a U-shaped curve, in which degradation increases with growth, until a certain "turning point" is reached, at which point increased economic activity corresponds to decreased degradation. This theory finds some empirical support in the growth patterns of many developed nations in the West. You can use this idea to argue that growth always precedes environmental protection, because nations must achieve a certain base level standard of living and wealth in order to gain the ability to care about environmental protection (see <u>Maslow's hierarchy of needs</u>—it's hard to be concerned about global warming tomorrow when your children are starving today), as well as in order for political institutions to develop the capacity to pass and enforce environmental regulations.

Here is **evidence** on this:

(Kenneth Arrow, Bert Bolin, Robert Constanza, et al, Published for the Second Asko Meeting for the Beijer International Institute of Ecological Economics and the Royal Swedish Academy of Scientists, "Economic Growth, Carrying Capacity and the Environment," http://www.precaution.org/lib/06/econ_growth_and_carrying_capacity.pdf, 1995)

National and international economic policy has usually ignored the environment. In areas where the environment is beginning to impinge on policy, as in the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA), it remains a tangential concern, and the presumption is often made that economic growth and



economic liberalization (including the liberalization of international trade) are, in some sense, good for the environment. This notion has meant that economy-wide policy reforms designed to promote growth and liberalization have been encouraged with little regard to their environmental consequences, presumably on the assumption that these consequences would either take care of themselves or could be dealt with separately. In this article we discuss the relation between economic growth and environmental quality, and the link between economic activity and the carrying capacity and resilience of the environment (1). Economic Growth, Institutions, and the Environment The general proposition that economic growth is good for the environment has been justified by the claim that there exists an empirical relation between per capita income and some measures of environmental quality. It has been observed that as income goes up there is increasing environmental degradation up to a point, after which environmental quality improves. (The relation has an "inverted-U" shape.) One explanation of this finding is that people in poor countries cannot afford to emphasize amenities over material well-being. Consequently, in the earlier stages of economic development, increased pollution is regarded as an acceptable side effect of economic growth. However, when a country has attained a sufficiently high standard of living, people give greater attention to environmental amenities. This leads to environmental legislation, new institutions for the protection of the environment, and so forth. The above argument does not, however, pertain to the environmental resource basis of material wellbeing, a matter we shall return to subsequently. So far the inverted U-shaped curve has been shown to apply to a selected set of pollutants only (2, 3). However, because it is consistent with the notion that people spend proportionately more on environmental quality as their income rises, economists have conjectured that the curve applies to environmental quality generally (4).



More evidence:

(New Palgrave Dictionary of Economics 2nd edition, "environmental Kuznets curve," http://www9.georgetown.edu/faculty/aml6/pdfs&zips/PalgraveEKC.pdf, 2008)

Beyond this aggregate decomposition of the EKC<u>, some attempts have been made to formalize</u> <u>structural models that lead to inverse-U-shaped pollution-income patterns. Many describe</u> <u>economies</u> at some type of corner solution initially, <u>where residents of poor countries are willing</u> <u>to trade environmental quality for income at a faster rate</u> than possible using available technologies or resources. <u>As the model economies become wealthier</u> and their environments dirtier, <u>eventually the marginal utility of income falls and the marginal disutility from pollution</u> <u>rises, to the point where people choose</u> costly <u>abatement mechanisms</u>. After that point, the economies are at interior solutions, <u>marginal abatement costs equal marginal rates of</u> <u>substitution between environmental quality and income</u>, and pollution declines with income (see Stokey, 1998). In frameworks of this type, there is typically zero pollution abatement until <u>some threshold income level is crossed</u>, after which abatement begins and pollution starts <u>declining with income</u>.

You should be aware, however, that EKC is a controversial theory. There is plenty of evidence available to the con side that indicts EKC entirely, as well as in terms of how it applies to India. Nevertheless, the literature base is fairly split, and if you're good at debating econometrics, EKC could provide one possible route to victory.

You can also make the argument that governments cannot effectively implement and enforce environmental protection measures without the robust **tax revenues** made possible by strong economic growth. This argument is supported by the EKC, but can also be made as a stand-alone argument without reliance on EKC data, if you prefer to avoid that debate.



Here is evidence:

(George Economides & Apostolis Philippopoulos, Economics Professors at Athens University of Economics and Business, "Growth enhancing policy is the means to sustain the environment," Science Direct, pg. 207-208, http://www.theamericanmind.com/2007/04/23/the-environmentsbest-friend-economic-growth/, 2009)

Stokey (1998) has studied whether long-term growth is feasible and, in turn, optimal when pollution occurs as a by-product of output. Stokey has studied a social planner's problem (where the planner makes all choices including pollution), as well as the possibility of implementation of the first-best allocation resulting from the social planner's problem. But what happens when, for some reason, the first-best allocation is unattainable? In this case, the government has to design a second-best optimal policy. What is the best policy? Should the government give priority to environmental policies over growth-enhancing policies? Should a green government choose its policies so as to put a limit to growth? We study Ramsey secondbest optimal policy in a general equilibrium model of growth augmented with renewable natural resources. The setup, although stylized, is relatively realistic. Natural resources are depleted by private economic activity, but they can also be maintained by public policy. The government uses the collected tax revenue to finance infrastructure services and cleanup policy.1 The former (infrastructure services) provides production externalities to firms and is the engine of long-term growth. The latter (cleanup policy) improves environmental quality and produces external welfare benefits for households. Policy instruments (the tax rate on polluting activities and the allocation of tax revenue between infrastructure and cleanup policy) are chosen optimally. To the extent that there are externalities at market level and indirect policy control at government level, this is not a social planner's problem. We work in four steps. We first solve for a competitive decentralized equilibrium (CDE), which is for any feasible policy. Second, we endogenize policy by assuming that the paths of policy instruments are chosen by a benevolent government that takes into account the CDE, where the latter includes the optimal behavior of private agents. In other words, we solve for a typical Ramsey second-best allocation (RSBA). Third, to have a benchmark, we also solve for a first-best allocation (FBA). Fourth, we compare the properties of RSBA and FBA. In all cases, we study nontrivial economies where effective cleanup policy is inferior to pollution technology. Focusing on the long run, our results are as



follows. First, the Ramsey government can lead the economy to sustainable balanced growth (namely, a situation in which the economy is capable of long-term growth without damaging the environment). Thus, long-term growth is socially optimal. Second, and more interestingly, the more the representative citizen cares about the environment, the more growth-enhancing policies the Ramsey government finds it optimal to choose. Specifically, the more the citizen cares about the environment, the higher should be the share of tax revenue allocated to infrastructure vis-à-vis cleanup, the lower the income tax rate, and the higher the sustainable balanced growth rate. Third, contrary to the RSBA, in the FBA, the more the citizen cares about the environment, the more environmental friendly allocation of resources the social planner finds it optimal to choose. The intuition behind these results is as follows. In a second-best situation where private agents ignore externalities and policymakers lack lump-sum policy instruments, when private agents care about the environment, this requires extra revenue for cleanup policy and this can only be achieved by large tax bases and high growth. Ramsey-type policymakers realize all this and choose their policy instruments accordingly, in the sense that they give priority to growth. By contrast, in a first-best situation, the social planner first hits a relatively high growth rate, and in turn allocates some of the available social resources to the environment, where the degree of allocation increases with how much we value the environment relative to consumption or other goods. Therefore, not only there is no tradeoff between economic growth and environmental quality in the long run, but also only growing economies can afford to improve environmental quality. This is consistent with the general belief that to fund the governments' policy goals on health, redistribution, the environment and the rest, we need tax receipts and this can be achieved by growth-enhancing policies.212

Another good argument to leverage against con impacts is that **environmental problems can't be solved in India alone**. This is especially compelling against arguments about climate change, air pollution, or any problem that isn't confined by geopolitical borders.

The argument here is twofold. First, it is not fair to ask India to stop developing, when the rest of the world's developed countries have historically contributed as much or more pollution throughout their growth trajectories. Basically, India should be allowed to catch up. Second, without the U.S. and Europe making drastic reforms, anything India does will have no net impact on the overall environment.



However, recent negotiations tell us the West isn't serious about taking on these kinds of costly measures. So, why should India?

Here is **evidence**:

(Sunita Narain, Director of the Centre for Science and Environment and the Society for Environmental Communications, India's dilemma - Economics vs. environment, Open Knowledge, January 29, 2010, http://knowledge.allianz.com/environment/pollution/?88/indias-dilemmaeconomics-vs-environment)

India has been criticized for blocking emission reduction targets for developing nations. Will this change?

India must keep on insisting that the West has to take deep cuts. And I think India is very right in demanding a fair way to share the atmospheric space. The most difficult aspect of climate change is that it is about sharing wealth. It is about sharing economic growth. It is easy to talk about it, but it's difficult to do it. So India will keep on asking for its fair share, even if the rest of the world is blaming India for blocking.

Negotiations for a new climate treaty are underway. What do you expect of a "new Kyoto Protocol?"

<u>I</u> definitely <u>want a very firm, clear commitment from the industrialized world on how they will</u> <u>cut their emissions by 30 percent by 2020. It should be done through domestic action, not</u> <u>through offsets, which really means coming up with a clear roadmap on how to make the cuts.</u>

I also want a framework which pays countries like India and China so that they can leapfrog dirty technologies, mitigate emissions, and invest in new technologies. <u>And I want adaptation funds</u> so that the world commits itself to paying the victims of its own excesses. These three issues should get done.

<u>But I don't think we are close to it.</u> In the 1990s, Europe was with the good boys in climate, but today, when you really have to do something, <u>Europe is dragging its feet. And</u> whether it is President Obama or President Bush, <u>we know that the economic interests in the U.S. are very tough on these issues.</u>



The rich world is extremely reluctant to give up its space, and I feel that all we will get is more finger-pointing at India and China. We are the bad boys; we will need to be lectured. We know what we want. It is not unjustifiable, but everything is being made today to avoid what clearly needs to be done.

This argument is especially strong when you explain that the con should not be able to win the debate by simply claiming "climate change causes extinction" (or whatever argument they might make about why the environment is important). In order to win, they need to prove *credible internal links between Indian economic development and significant environmental problems, AND prove that environmental reforms in India could make substantial inroads towards solving the identified problems.*

In other words, for example, unless the con can win that India alone has the power to thwart global warming, they should not be able to weigh global warming impacts in the debate. The only reason it would make sense to prioritize environmental protection over economic growth would be if those environmental protections actually have a strong probability of solving a problem. If they don't, there's no reason to prefer them, *even if the con wins that environmental impacts are very large*. Since other global polluters (such as the U.S., Europe, and China) are failing to make meaningful commitments to reducing emissions, Indian policy changes towards this end would be doomed to failure. If environmental protections don't solve anything, there is no reason to prioritize them.

Finally, you may encounter some con teams who argue that "best interest" should be determined based on the will of the majority of citizens of India. It is true that a variety of Indian **opinion polls** suggest that a majority considers environmental health more important than economic growth. You should be prepared to answer this argument. One obvious answer is that what someone prefers is not necessarily always what is in their best interest. "Best interest," you'll argue, asks us to evaluate outcomes, not opinions. This will likely be persuasive to many judges.



You can also counter it with alternate opinion **evidence**. Here is some that indicates that Indian's prioritize a number of development-related concerns above the environment:

(Rory Medcalf, Director of the International Security Program at the Lowy Institute and a Nonresident Senior Fellow in Foreign Policy at the Brookings Institution, Lowy Institute for International Policy, "India Poll 2013," http://www.lowyinstitute.org/publications/india-poll-2013, May 20 2013)

Indians consider social peace and harmony to be the highest priority for domestic policy (82% consider it very important), followed by reducing corruption (78%), jobs and healthcare (76%), education (74%), infrastructure (72%), economic growth (71%), and protecting democratic rights and the environment (69%).

You should now be ready to begin work on your pro case for the April topic.

As always, remember: this guide is only an introduction to the resolution. There are numerous strategic options that aren't covered here. You are encouraged to pursue your own research and get creative!

So, go write an awesome case, and win all of your pro debates! Don't forget that you can always email completed cases to **Rachel.Stevens@NCPA.org** for a free case critique. Don't forget to also join the discussion in the comments below, and keep checking back for more Debate Central postings about this month's PF topic. Good luck!