



# Debating Economics

Nordic Debate Academy



What do you find difficult  
with economics?



# What we will & won't cover today

- Economic debates
- Good & bad sides of free markets
- Developmental economics
- Not covered: financial institutions (e.g. central banks, WTO), stock market, etc.



# Approaching economics debates

- Winning economics debates doesn't require you to have a degree in economics— don't be scared of them!
- Proving economic realities in 7 minute speeches can be difficult to impossible
  - EX) TH supports a universal basic income – Opp
- Economic debates are about economics, but not exclusively won on economics arguments

# Economics motions != just economics



- THW remove all benefits from those deemed fit, but unwilling, to work

*Prop: “people who can’t work will go to the doctor and get help”*

*→ Opp: “many conservative communities have massive, overwhelming stigma surrounding mental health issues; they will lose their benefits and suffer horribly”*

- THBT the US should pay reparations to the descendants of slaves

*Opp: “reparations will be too small to help people suffering from poverty”*

*→ Gov: “so what, the state has a principle duty to compensate for the injustice it committed, regardless of economic efficacy; these descendants have a right to compensation”*



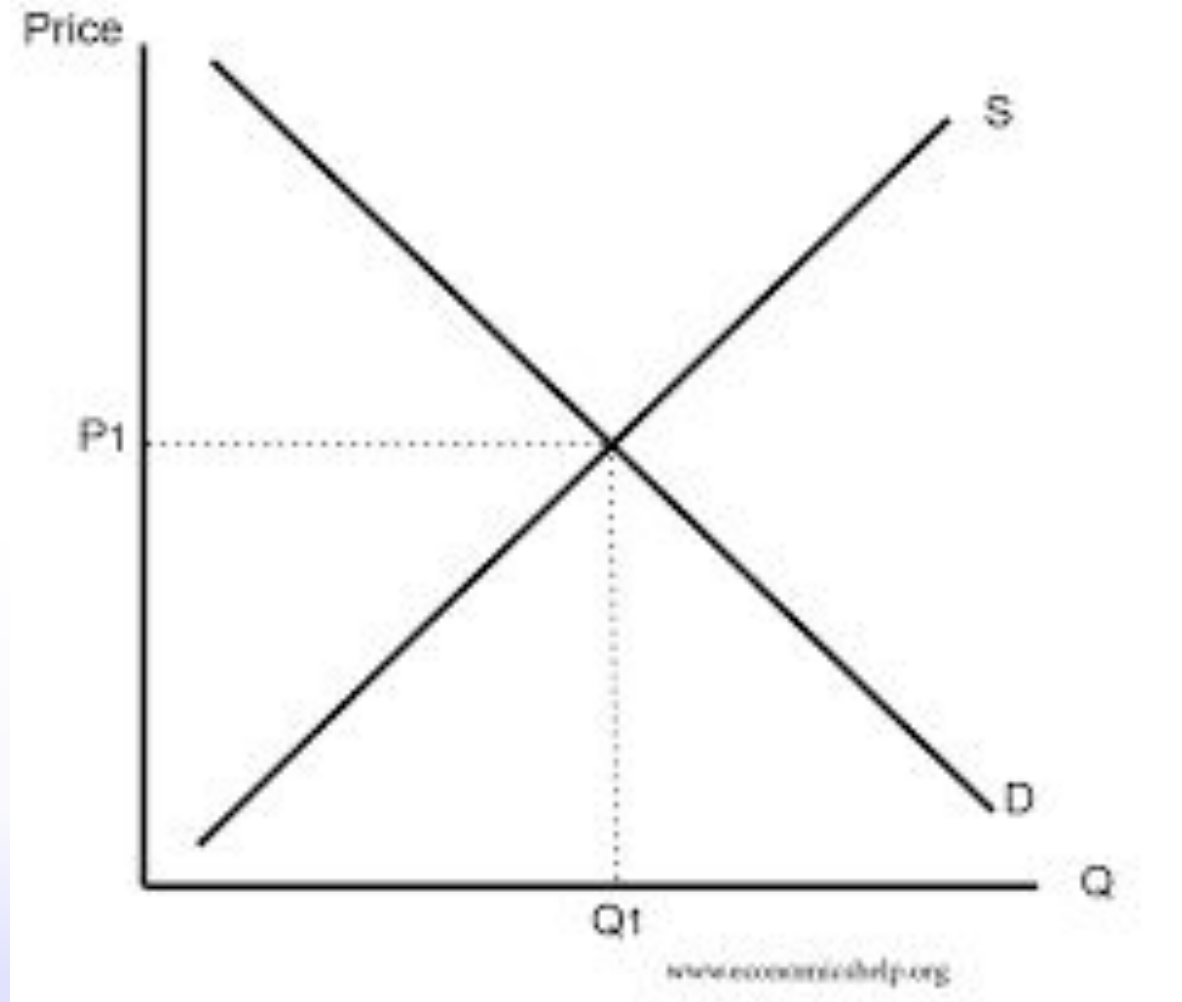
# Lesson of the previous slide

1. You're not bound or limited to only making economic arguments – feel free to run arguments that don't rely on economic mechanisms (possibly with explanations of why economic incentives don't work)
2. If you are very excited about economics and know lots, non-economic arguments can be very dangerous to ignore in economics debates – look out for them and make sure to respond!



# Microeconomics

# Supply and demand







# THS rent regulation



# Good sides of free markets

- Comparative advantages
  - Vs. absolute advantage: “even if Tony Stark would do everything better”
  - Specialisation & trade → efficiency
  - EX) global trade & China
- Competition
  - Free competition → meritocracy through rational choice
  - Better quality & prices for all
- Investment
  - Profit & investment enables innovation & expansion: EX) new products, medical research
- Self-correcting mechanisms
  - EX) stock market bubbles, opportunities in industries with lacking competition – often quick!
- *Note: characterise the alternative & their incentives!*
- THW legalise the sale of organs
- THBT the UN should hire private military corporations to carry out its peacekeeping operations
- THW introduce a system of tradable quotas for asylum seekers in the European Union



# Bad sides of free markets

- Externalities
  - Consequences to outside parties
  - Principle harm: consent
- Collective action problems
  - Bargaining power – collective vs. individual interests
  - EX) wages, medicine; unions, state
- Tragedy of commons
  - EX) international waters
- Moral hazards
  - Protection against bad outcomes can increase risk
  - EX) “too big to fail” bank bailouts
- Market power
  - Predatory pricing, dumping
- Irrationality & contingent paths
  - Flawed markets can entrench flaws
  - Information asymmetry



# Characterisation is important!

- What are companies like? What are consumers/the general public like? What are the current incentives, restrictions, etc.?
- What are governments (or other alternatives to free market) like?
- “Bad government”:
  - Bureaucratic inefficiency → slow to react (vs. for example stock market almost immediate reactions to changes)
  - Lobbying & dependencies → tendency for cronyism & corruption
  - Short-sighted & conservative → often fail to invest in future industries (e.g. technology in many countries) and generally industries that aren't already appealing/acceptable to voters



# THW create a free market for human organs



**Break (5 min)**



# Macroeconomics



# Economic growth

- Contributing factors?
- Matters because
  - Material living standard
  - Redistribution is easier when no zero-sum game





# Unemployment

- What creates unemployment?
  - Not profitable to hire (cost!)
  - Economic downturn
  - Skills not meeting demand
- Comparative
  - High job security and hard to get a job
  - Low job security and easy to get a job



# THW abolish the minimum wage



# Infrastructure & institutions

- Infrastructure: roads, energy networks, water supply, ports, etc.
  - Institutions: banks, courts, property rights, police
  - Inclusive economic & political institutions:
    - Participation
    - Accountability; vs. EX) private companies randomly targeted by government, access to credit
- RISK



# Foreign direct investment

- Foreign direct investment: good & bad
  - +: development of infrastructure & institutions, jobs for people, skill transfer
  - -: race to bottom, resource extraction & middle income trap, dumping, interactions between weak governments & strong lobbies
- Possible sources of investment?
  - IR comparatives!



# Protectionism

- Why yes?
  - Infant industry: protecting from international competition
    - Eg. South Korea's path to development
    - Eg. Chinese telecommunications
  - Resource extraction
- Why not?
  - Competition aids growth
  - No internal investment
  - Skills



# THS the Belt and Road Initiative