

Economy Disadvantage

A. Uniqueness: Current World Economy is strong now and the plan will cause a unique decline in the world's economy. Agence Presse France 14

Chiefs of the Group of 20 economic powers said they remained confident about the global economy, despite renewed weakness in areas like the eurozone.

Meeting in Washington, G20 finance ministers and central bank governors reiterated their commitment to undertake reforms that will boost the global economy by \$2 trillion more over the next five years than otherwise expected.

Despite the malaise that has many worried that the eurozone will sink back into recession, the G20 said they still expect to achieve that goal, after talks on the side of the International Monetary Fund-World Bank annual meetings.

"We have spoken a lot about economic challenges. While some key economies are recovering, others face renewed weakness," said Australian Treasurer Joe Hockey, whose country holds the G20 presidency.

"But we have emerged with optimism. We are determined to achieve outcomes that will strengthen the recovery," Hockey said.

Besides reforms, the G20 has backed a new Global Infrastructure Initiative, aimed at supporting infrastructure development around the world as a way to boost economies and create jobs.

Hockey said developing and emerging economies need some \$8 trillion in infrastructure development over the next 10 years.

He said the G20 was confident Europe could rebound, but only if the troubled countries of the eurozone implement needed reforms.

The European Central Bank, which is straining against deflationary pressures and slowing consumption.

B. Link: Going with the offshore wind plan will directly cause a laundry list a disasters. Hanson 14

In arguing that that tax credits are needed to boost employment in the wind industry, proponents overlook what the rest of the economy gives up in exchange for them. In reality the PTC is a net jobs loser—it distracts labor and capital away from more efficient areas in the economy and slows over all growth. Wind turbine makers may be able to plump up their payrolls—just as any tax handout will boost employment in a targeted industry—but the rest of the economy suffers as a result. Any boost in employment among wind turbine makers is inherently temporary.

Compared to other forms of electricity generation, wind power is far from cost competitive. The wind PTC is an outrageously large subsidy, leading to giant disruptions in the energy market. At \$23 per megawatt-hour, the PTC is worth half (and sometimes even more) of the entire wholesale price of electricity in many parts of the country. In fact, the PTC is so lavish and anti-cost-competitive that wind power producers often bid negative prices into electrical grid, just so they can collect the subsidy. They literally pay utilities to take their electricity.

Lawmakers should oppose resurrecting this tax break for wind energy because it's costly, and increasingly so—the PTC cost \$12 billion in 2014, up from a historical average of \$5 billion per year. This is an exponential increase onto a path that will lead to ridiculous prices for subsidies.

In practice, targeted subsidies are a tried-and-terrible way to develop new energy sources, Under President Obama's direction, the federal government has tried to prop up its favorite energy sources with targeted subsidies—tax credits, grants, loan guarantees, state-based mandates, etc.—with little to show besides economic decline. Too many of these pet projects have gone bankrupt and belly-up, sticking taxpayers with the bill, and failing to get the U.S. any closer to its energy goals.

C. Impact

Hundreds of millions of people worldwide are on the brink of poverty. Their plan causes massive worldwide poverty.

Bradford 13

A recent study by the International Monetary Fund warns that as many as 900 million people could fall back into poverty in the event of an economic shock like the Great Recession. That figure is three times the size of the U.S. population.

According to the World Bank, 1.2 billion people are currently living on less than \$1.25 a day.

While the report acknowledges that progress has been made to reduce global poverty and strengthen the world economy following the financial crisis, the world is still in a vulnerable situation.

Global unemployment, for example, is the highest it's been in two decades with 40 percent of the world's population out of work, according to the report.

And things could get much worse in the event of a macroeconomic shock, of which the Europe and U.S. are dangerously close. The recent bailout of Cyprus threw the eurozone into chaos, igniting fears that the situation could lead to the next financial crisis.