# Aff – Econ

# 1AC – Econ

## Resolved: A just government ought to recognize an unconditional right to strike of workersFramework

#### Plan Text: The United States federal government should recognize an unconditional right of workers to strike.

#### I value morality, as per the evaluative term, ‘ought’ in the resolution.

#### The standard is maximizing expected wellbeing.

#### Prefer utilitarianism because

#### 1] State obligations –governments can only act on aggregates.

Robert **Goodin 90**, [professor of philosophy at the Australian National University college of arts and social sciences], “The Utilitarian Response,” pgs 141-142,

My larger argument turns on the proposition thatthere is something special about the situation of public officials that makes utilitarianism more probable for them than private individuals. Before proceeding with the large argument, I must therefore say what it is that makes it so special about public officials and their situations that make it both more necessary and more desirable for them to adopt a more credible form of utilitarianism.Consider, first, the argument from necessity. Public officials are obliged to make their choices under uncertainty, and uncertainty of a very special sort at that. All choices – public and private alike – are made under some degree of uncertainty, of course. But in the nature of things, private individuals will usually have more complete information on the peculiarities of their own circumstances and on the ramifications that alternative possible choices might have for them. Public officials, in contrast, are relatively poorly informed as to the effects that their choices will have on individuals, one by one. What they typically do know are generalities: averages and aggregates. They know what will happen most often to most people as a result of their various possible choices, but that is all.That is enough to allow public policy-makers to use the utilitarian calculus– assuming they want to use it at all – to choose general rules or conduct.

#### [2] Extinction outweighs

**Pummer 15** [Theron, Junior Research Fellow in Philosophy at St. Anne's College, University of Oxford. “Moral Agreement on Saving the World” Practical Ethics, University of Oxford. May 18, 2015]

There appears to be lot of disagreement in moral philosophy. Whether these many apparent disagreements are deep and irresolvable, I believe there is at least one thing it is reasonable to agree on right now, whatever general moral view we adopt: that it is very important to reduce the risk that all intelligent beings on this planet are eliminated by an enormous catastrophe, such as a nuclear war. How we might in fact try to reduce such existential risks is discussed elsewhere. My claim here is only that we – whether we’re consequentialists, deontologists, or virtue ethicists – should all agree that we should try to save the world. According to consequentialism, we should maximize the good, where this is taken to be the goodness, from an impartial perspective, of outcomes. Clearly one thing that makes an outcome good is that the people in it are doing well. There is little disagreement here. If the happiness or well-being of possible future people is just as important as that of people who already exist, and if they would have good lives, it is not hard to see how reducing existential risk is easily the most important thing in the whole world. This is for the familiar reason that there are so many people who could exist in the future – there are trillions upon trillions… upon trillions. There are so many possible future people that reducing existential risk is arguably the most important thing in the world, even if the well-being of these possible people were given only 0.001% as much weight as that of existing people. Even on a wholly person-affecting view – according to which there’s nothing (apart from effects on existing people) to be said in favor of creating happy people – the case for reducing existential risk is very strong. As noted in this seminal paper, this case is strengthened by the fact that there’s a good chance that many existing people will, with the aid of life-extension technology, live very long and very high quality lives. You might think what I have just argued applies to consequentialists only. There is a tendency to assume that, if an argument appeals to consequentialist considerations (the goodness of outcomes), it is irrelevant to non-consequentialists. But ***that is a huge mistake.*** Non-consequentialism is the view that there’s more that determines rightness than the goodness of consequences or outcomes; ***it is not the view that the latter don’t matter***. Even John Rawls wrote, “All ethical doctrines worth our attention take consequences into account in judging rightness. One which did not would simply be irrational, crazy.” ***Minimally plausible versions of deontology and virtue ethics must be concerned in part with promoting the good***, from an impartial point of view. They’d thus imply very strong reasons to reduce existential risk, at least when this doesn’t significantly involve doing harm to others or damaging one’s character. What’s even more surprising, perhaps, is that even if our own good (or that of those near and dear to us) has much greater weight than goodness from the impartial “point of view of the universe,” indeed even if the latter is entirely morally irrelevant, we may nonetheless have very strong reasons to reduce existential risk. Even egoism, the view that each agent should maximize her own good, might imply strong reasons to reduce existential risk. It will depend, among other things, on what one’s own good consists in. If well-being consisted in pleasure only, it is somewhat harder to argue that egoism would imply strong reasons to reduce existential risk – perhaps we could argue that one would maximize her expected hedonic well-being by funding life extension technology or by having herself cryogenically frozen at the time of her bodily death as well as giving money to reduce existential risk (so that there is a world for her to live in!). I am not sure, however, how strong the reasons to do this would be. But views which imply that, if I don’t care about other people, I have no or very little reason to help them are not even minimally plausible views (in addition to hedonistic egoism, I here have in mind views that imply that one has no reason to perform an act unless one actually desires to do that act). To be minimally plausible, egoism will need to be paired with a more sophisticated account of well-being. To see this, it is enough to consider, as Plato did, the possibility of a ring of invisibility – suppose that, while wearing it, Ayn could derive some pleasure by helping the poor, but instead could derive just a bit more by severely harming them. Hedonistic egoism would absurdly imply she should do the latter. To avoid this implication, egoists would need to build something like the meaningfulness of a life into well-being, in some robust way, where this would to a significant extent be a function of other-regarding concerns (see chapter 12 of this classic intro to ethics). But once these elements are included, we can (roughly, as above) argue that this sort of egoism will imply strong reasons to reduce existential risk. Add to all of this Samuel Scheffler’s recent intriguing arguments (quick podcast version available here) that most of what makes our lives go well would be undermined if there were no future generations of intelligent persons. On his view, my life would contain vastly less well-being if (say) a year after my death the world came to an end. So obviously if Scheffler were right I’d have very strong reason to reduce existential risk. ***We should also take into account moral uncertainty.*** What is it reasonable for one to do, when one is uncertain not (only) about the empirical facts, but also about the moral facts? I’ve just argued that there’s agreement among minimally plausible ethical views that we have strong reason to reduce existential risk – not only consequentialists, but also deontologists, virtue ethicists, and sophisticated egoists should agree. But even those (hedonistic egoists) who disagree should have a significant level of confidence that they are mistaken, and that one of the above views is correct. Even if they were 90% sure that their view is the correct one (and 10% sure that one of these other ones is correct), they would have pretty strong reason, from the standpoint of moral uncertainty, to reduce existential risk. Perhaps most disturbingly still, even if we are only 1% sure that the well-being of possible future people matters, it is at least arguable that, from the standpoint of moral uncertainty, reducing existential risk is the most important thing in the world. Again, this is largely for the reason that there are so many people who could exist in the future – there are trillions upon trillions… upon trillions. (For more on this and other related issues, see this excellent dissertation). Of course, it is uncertain whether these untold trillions would, in general, have good lives. It’s possible they’ll be miserable. It is enough for my claim that there is moral agreement in the relevant sense if, at least given certain empirical claims about what future lives would most likely be like, ***all minimally plausible moral views would converge on the conclusion that we should try to save the world***. While there are some non-crazy views that place significantly greater moral weight on avoiding suffering than on promoting happiness, for reasons others have offered (and for independent reasons I won’t get into here unless requested to), they nonetheless seem to be fairly implausible views. And even if things did not go well for our ancestors, I am optimistic that they will overall go fantastically well for our descendants, if we allow them to. I suspect that most of us alive today – at least those of us not suffering from extreme illness or poverty – have lives that are well worth living, and that things will continue to improve. Derek Parfit, whose work has emphasized future generations as well as agreement in ethics, described our situation clearly and accurately: “We live during the hinge of history. Given the scientific and technological discoveries of the last two centuries, the world has never changed as fast. We shall soon have even greater powers to transform, not only our surroundings, but ourselves and our successors. If we act wisely in the next few centuries, humanity will survive its most dangerous and decisive period. Our descendants could, if necessary, go elsewhere, spreading through this galaxy…. Our descendants might, I believe, make the further future very good. But that good future may also depend in part on us. If our selfish recklessness ends human history, we would be acting very wrongly.” (From chapter 36 of On What Matters)

### Advantage

#### Now onto my first advantage, increased wages.

#### Wages stagnating now – long term data and monopsonies prove

**Stec 21** (CONNOR STEC, staff writer for USC Economics Review, MARCH 28, 2021, “The Implications of American Wage Stagnation” <https://usceconreview.com/2021/03/28/the-implications-of-american-wage-stagnation/>) [Twinz]

Wage growth has long been a significant indicator of economic performance and, as such, the metric finds itself at the center of many policy debates surrounding trade, inequality, and healthcare. Until China’s recent explosive growth, the United States had for decades been the largest economy in the world. This position was maintained through 5 decades of sustained economic growth, ranging from 2-7% since 1973 (outside of recessions) before stalling out between 2-3% after 2008. Many economists and policymakers alike thought that growth for the country would benefit the whole country coming out of the Great Recession, yet many people were actually left behind in the process. Between 2009 and 2013, real wages fell for the entire bottom 90 percent of the wage distribution despite national GDP growth. With the average person’s purchasing power not increasing in almost 50 years, the United States’s Gini coefficient, a scale of income inequality ranging from a low of 0 to a high of 1, has become the highest of all developed economies at 0.39, sitting between Russia (0.33) and Turkey (0.4). With inequality on the rise and average wages seemingly stalling, there are several considerations to account for to determine the consequences for the American economy. Are Wages REALLY Stagnating? There has been some pushback on the extent of American wage stagnation for a number of reasons. One major criticism is that the American Federation of Labor and Congress of Industrial Organizations’s (AFL-CIO) calculation of inflation only considers the Consumer Price Index (CPI). The CPI is calculated by taking a “market basket” of goods and services and directly comparing how their prices are changing over time. While this method will show the direct percentage change in price, it fails to consider reasons for price change other than inflation. For example, the Personal Consumption Expenditures deflator (PCE), used by the Federal Reserve in monetary policy decisions, looks at all American households in its calculation and includes healthcare and other expenditures covered by insurance. On the other hand, the CPI surveys select urban households to determine what they spend out of pocket annually on the same goods and services. The CPI also doesn’t take into account the more comprehensive employee benefits or improvements in goods and services that have occurred in the last 50 years. With the passage of the Employee Retirement Income Security Act of 1974 (ERISA), coincidentally a year after real wages began to stall, employers were mandated to disclose their health and retirement packages to employees. In essence, companies began competing for workers by outdoing one another in fringe benefits like pension or healthcare, which now make up 19% of the average worker’s compensation (a 9% increase compared to the 1970s). Technology increased at a rapid pace over the same period, leading to vast advancements in the products and services that an average household buys: TVs today are notably bigger, cheaper, and more colorful than 50 years ago. Due to the way the CPI is computed, advanced technology that costs more than its predecessors is often counted as inflationary, which dulls or even undoes any gains in real income over the same period of time. All are valid criticisms and bring into question the AFL-CIO’s figure of 70% of earners’ wages being stagnant, but this is not nearly enough to disprove the phenomenon. Even harsh critics of that claim can prove at most 18% of real wage growth over the last 40 years using the GDP deflator. That comes out to less than half a percentage point of real wage growth every year, compounding to at most 22% growth over 40 years, and compared to the 737% GDP growth the U.S. experienced over the same period, real wage growth is all but invisible. It’s also impossible to ignore the widening wealth gap between upper- and lower-income households in the United States, which hasn’t been mitigated by any fringe benefits. A common counterargument to wage stagnation is the fact that the percentage of low-income households decreased by 8% while the proportion of households earning more than $100,000 increased by 12% since 1975. Alongside the gap in the cost of living between different locations (it costs 181% more to buy a home in Los Angeles than Orlando) the changes to American society and its economy over the last 50 years have been geographically diverse, with some places seeing more upper- or lower-income households, and others more of both. Out of 229 metropolitan areas examined from 2000 to 2014, 160 gained more lower-income adults and 172 gained upper-income adults. The middle class, meanwhile, shrank in 203 areas, or 90% of the areas in the study. With all of this data, it’s clear that wage stagnation is a real phenomenon that impacts the majority of Americans in one way or another. How Did We Get Here? As is expected for such a politically significant issue, there are many strong explanations for how 50 years of growth have missed so much of the population. Regulatory and Economic Changes From the AFL-CIO’s point of view, there are five primary causes to wage stagnation, the strongest of which is the decades of financial deregulation up to this point. Financial deregulation, which became the norm in the 1970s and 80s, was likely the catalyst for most of the other trends identified. The market makers in the financial sector gained immense financial and then political power as a result of deregulation, which they then utilized to lobby for additional deregulation and the tempering of the federal minimum wages. Not to mention the $6 trillion in foreign direct investment flowing out of the US that’s neither taxed nor spent domestically. Employer Concentration The consolidatory nature of how business is conducted today also has an oversized impact on Americans’ real wages. In many parts of the country, massive corporations like Amazon and Wal-Mart have what’s known as monopsony power. This happens when a company is the only buyer of a certain good in a region, most commonly the “good” of employment. According to researchers at Northwestern University, monopsony power alone could explain at least 30% of the United States’ wage stagnation given just how widespread and industry-agnostic it has become. In rural states like Arkansas and West Virginia, for example, Wal-Mart is the predominant employer in retail. Since a substantial proportion of people will be employed by them regardless of how much they pay, they are disincentivized from raising wages until necessary, depressing wages for the region as a whole. A more universal example is Uber. While it faces competition from other apps like Lyft, Uber is by far the most well-known ride-sharing company. By rapidly building its brand as a cheap alternative to taxis and having a fast process to become a driver, Uber was able to control the pricing for all the ride-sharing services that followed. What has been a boon for travelers has proven troubling for drivers, who often have to drive or deliver for multiple companies as more and more people are driven into the low-paying gig economy, which has added 6 million workers in the last decade.

#### RTS is key to the economy – solves monopsonies and increases union power

**Bahn 19** (Kate Bahn Director of Labor Market Policy and Interim Chief Economist Equitable Growth, AUGUST 29, 2019, “The once and future role of strikes in ensuring U.S. worker power” <https://equitablegrowth.org/the-once-and-future-role-of-strikes-in-ensuring-u-s-worker-power/>) [Twinz]

The role of monopsony power in the U.S. labor market Monopsony power is a situation in the labor market where individual employers exercise effective control over wage setting rather than wages being set by competitive forces (akin to monopoly power, where a limited number of firms exercise pricing power over their customers.) In a new Equitable Growth working paper by Mark Paul of New College of Florida and Mark Stelzner of Connecticut College, the role of collective action in offsetting employer monopsony power is examined in the context of institutional support for labor. Paul and Stelzner construct an abstract model with the assumption of monopsonistic markets and follow the originator of monopsony theory Joan Robinson’s insight that unions can serve as a countervailing power against employer power. Their model shows that institutional support for unions, such as legislation protecting the right to organize, is necessary for this dynamic process of balancing employers’ monopsony power. In an accompanying column, the two researchers write that they “find that a lack of institutional support will devastate unions’ ability to function as a balance to firms’ monopsony power, potentially with major consequences … In turn, labor market outcomes will be less socially efficient.” In short, policies and enforcement that support collective action such as strikes not only creates benefits for workers directly but also addresses a larger problem of concentrated market power. The return of strikes in the U.S. labor market Within the past few years, strikes have been revived as a bargaining tool. “Red for Ed” became the name referring to teachers strikes that took place across traditionally conservative right-to-work states. Beginning with the closure of all schools in West Virginia in 2018 following 20,000 teachers across the state walking out, this movement spread to Oklahoma, Kentucky, Arizona, and Colorado, among other places. These strikes were led by rank-and-file union members, rather than by union leadership, rendering them illegal under the Taft-Hartley Act, which prohibits so-called wildcat strikes. These strikes led to significant gains for these public-sector workers through organizing against policymakers rather than direct management. Before Red for Ed, the “Fight for Fifteen” movement starting in 2012 and “OUR Walmart” starting in 2010 exemplified labor organizing in new mediums by conducting worker-led actions against large corporations that directly employ or control the employment (as in the franchisor-franchisee model) of low-wage workers. The efforts of Fight for Fifteen directly impacted New York state’s minimum wage increase to $15 per hour and has paved the way for a national movement for a higher minimum wage. OUR Walmart led walkouts and Black Friday protests in the years leading up to Walmart’s decision to increase wages. Many structural changes, such as the fissuring of the workplace, have reduced the ability of private-sector unions to make gains against employers, yet these strikes and labor actions represent an opportunity for growth. With the U.S. labor market increasingly dominated by the services sector, these strikes were conducted by workers whose jobs cannot move elsewhere and whose work we interact with in our daily lives. Ruth Milkman of the City University of New York describes these labor actions as similar to those that existed before the Fair Labor Standards Act of 1938 protected the right strike (before these rights were subsequently chipped away by the Taft-Hartley Act 20 years later) in order to unionize. With popular and successful strikes in unexpected places, what will the role of strikes be in the future? Will workers continue recognize the strength of the strike and other labor actions, and will policymakers and enforcers make it a successful tool for increasing worker bargaining power? Research by Alex Hertel-Fernandez, Suresh Naidu, and Adam Reich of Columbia University looked at the response to strikes following the Red for Ed movement in conservative states and found that residents of areas affected by the teacher walkouts broadly supported the strikes, with 39 percent saying they strongly supported the walkouts and another 27 percent somewhat in support of the walkouts, including half of self-identified Republicans supporting the strikes. What’s more, the three researchers found that families that learned about them from their teachers or directly from the union had even stronger support for the strikes, compared to those who learned about them from other sources, such as talk radio. First-hand knowledge of strikes increases support for them. In addition to Hertel-Fernandez’s work showing broad support for unions generally and increasing support for bold labor actions, more policymakers and advocates are providing much-needed proposals on how to foster a robust U.S. labor market and strengthen institutions that would make collective action more successful. Emblematic of this is Harvard Law’s Labor and Worklife Program’s Clean Slate Project, led by Sharon Block and Ben Sachs of Harvard University, which gathers academic experts and labor organizers to develop strong proposals that would increase worker bargaining power. Multiple 2020 presidential campaigns have followed suit, with new proposals to boost unions. Conclusion Unions in the United States are at their lowest level of density since they became legal around 80 years ago, with 6.4 percent of private-sector workers in unions today. Yet there is increasing energy for bringing back this crucial force to balance the power of capital and ensure the fruits of economic growth are more broadly shared among everyone who creates it. Strikes are a compelling tool for dealing with rising U.S. income and wealth inequality—just as they were in an earlier era of economic inequality, when unions first gained their legal stature in the U.S. labor market.

#### RTS is key to wage increases - Public sector proves

**Myall 19** (James Myall, staff writer for Maine Center for Economic Policy, April 17, 2019, “Right to strike would level the playing field for public workers, with benefits for all of us” <https://www.mecep.org/blog/right-to-strike-would-level-the-playing-field-for-public-workers-with-benefits-for-all-of-us/>) [Twinz]

The right of workers to organize and bargain with their employer benefits all Mainers. Collective bargaining leads to better wages, safer workplaces, and a fairer and more robust economy for everyone — not just union members. The right to strike is critical to collective organizing and bargaining. Without it, Maine’s public employees are unable to negotiate on a level playing field. Maine’s Legislature is considering a bill that would give public-sector workers the right to strike. MECEP supports the legislation, and is urging legislators to enact it. The right to strike would enable fairer negotiations between public workers and the government. All of us have reason to support that outcome. Research shows that union negotiations set the bar for working conditions with other employers. And as the largest employer in Maine, the state’s treatment of its workers has a big impact on working conditions in the private sector. Unions support a fairer economy. Periods of high union membership are associated with lower levels of income inequality, both nationally and in Maine. Strong unions, including public-sector unions, have a critical role to play in rebuilding a strong middle class. Source: MECEP analysis of U.S. Centers for Medicare & Medicaid Services, National Health Expenditure Survey data (spending by state of residence, 1991-2014). Adjusted for inflation using the Consumer Price Index, and for population using the U.S. Census Bureau’s population estimates. 2018 spending estimate from Maine Health Data Organization. Unions help combat inequities within work places. Women and people of color in unions face less wage discrimination than those in nonunion workplaces. On average, wages for nonunionized white women in Maine are 18 percent less than of those of white men. Among unionized workers, that inequality shrinks to just 9 percent. Similarly, women of color earn 26 percent less than men in nonunionized jobs; for unionized women of color, the wage gap shrinks to 17 percent.[i] All of us have a stake in the success of collective bargaining. But a union without the right to strike loses much of its negotiating power. The right to withdraw your labor is the foundation of collective worker action. When state employees or teachers are sitting across the negotiating table from their employers, how much leverage do they really have when they can be made to work without a contract? It’s like negotiating the price of a car when the salesman knows you’re going to have to buy it — whatever the final price is. Research confirms that public-sector unions are less effective without the right to strike. Public employees with a right to strike earn between 2 percent and 5 percent more than those without it.[ii] While that’s a meaningful increase for those workers, it also should assuage any fears that a right to strike would lead to excessive pay increases or employees abusing their new right.

#### Rising wages are key to economic growth

**Manyika et al. 18** (James Manyika is the chairman of the McKinsey Global Institute (MGI), the business and economics research arm of McKinsey & Company. Jaana Remes is a partner at the McKinsey Global Institute (MGI), McKinsey’s business and research arm. based in San Francisco. Jan Mischke is a partner at the McKinsey Global Institute and is based in Zurich. February 22, 2018, “The U.S. Economy Is Suffering from Low Demand. Higher Wages Would Help” <https://hbr.org/2018/02/the-u-s-economy-is-suffering-from-low-demand-higher-wages-would-help>) [Twinz]

A little over a century ago, Henry Ford doubled the minimum pay of his workers to $5 a day. When other employers followed suit, it became clear that Ford had sparked a chain reaction. Higher pay throughout the industry helped lead to more sales, creating a virtuous cycle of growth and prosperity. Could we be at another Henry Ford moment? Some major companies have announced plans to boost employee pay. Target raised its minimum wage to $11 this past fall and committed to $15 by 2020. More recently, Walmart announced plans to match that increase to $11. In banking, Wells Fargo and Fifth Third Bancorp also announced pay increases for minimum wage employees. These pay increases have occurred against a backdrop of weak economic growth and rising income inequality. Economic growth has been stuck in low gear for almost a decade now, averaging around 2% a year since 2010 while productivity growth, the key to increasing living standards, has been languishing near historic lows since the financial crisis. But more recently there has been a glimmer of hope. After stagnating for years, wages have begun picking up slightly, as has productivity growth, while corporate profits remain near record highs. SERIES The Economy in 2018 Are these recent wage increases merely necessary in light of a tightening labor market, or could they start a broader trend that may change our economic growth trajectory? After a year-long analysis of seven developed countries and six sectors, we have concluded that demand matters for productivity growth and that increasing demand is key to restarting growth across advanced economies. The impact of demand on productivity growth is often underappreciated. Looking closer at the period following the financial crisis, 2010 to 2014, we find that weak demand played a key role in the recent productivity growth decline to historic lows. In fact, about half of the slowdown in productivity growth — from an average of 2.4% in the United States and Western Europe in 2000 to 2004 to 0.5% a decade later — was due to weak demand and uncertainty. For example, in the mid-1990s to the mid-2000s, rising consumer purchasing power boosted productivity growth in both the retail and the auto sector, by encouraging a shift to higher-value goods that can be supplied at higher productivity levels. In the auto sector, as customers in the early 2000s purchased higher value-added SUVs and premium vehicles in both the United States and Germany, they spurred incremental productivity growth of 0.4 to 0.5 percentage points. Today, that trend has slowed slightly in both countries, contributing only 0.3 percentage points to productivity growth in the period 2010 to 2014. Similarly, in retail, we estimate that consumers shifting to higher-value goods, for example higher-value wines or premium yogurts, contributed 45% to the 1995-2000 retail productivity acceleration in the United States. This subsequently waned, dragging down productivity growth. To put it simply, when consumers have more to spend, they buy more sophisticated things. That’s good not just for consumers and producers, but for the overall economy, because making more sophisticated, higher-value things makes everyone involve more productive, and therefore helps increase overall standards of living. In addition, we found two other ways weak demand hurt productivity growth in the aftermath of the financial crisis: a reduction in economies of scale and weak investment. First, the economies of scale effect. In finance, productivity growth declined particularly in the United States, United Kingdom, and Spain due to contractions in lending volumes that banks were unable to fully offset with staff cuts due to the need for fixed labor (for example to support branch networks and IT infrastructure or to deal with existing loans and bad debt). The utilities sector, which has seen flattening demand growth due to both energy efficiency policies as well as a decline in economic activity during the crisis, was similarly not able to downsize labor due to the need for labor to support electricity distribution and the grid infrastructure, and here, too, productivity growth fell. Second, the effect of weak investment. We have found from our global surveys of businesses that almost half of companies that are increasing their investment budgets are doing so because of an increase in demand. Demand is the single most important factor driving corporate investment decisions. Investment, in turn, is critical for productivity growth, as it equips workers with more – and with more recent and innovative – equipment, software, and structures. But we have seen capital intensity growth fall to the lowest levels in post-WWII history. Weaker demand leads to weaker investment and creates a vicious cycle for productivity and income growth. Of course, the financial crisis is long since over, and the economy has recovered, at least by some measures. So what’s to worry about? Won’t demand return to pre-recession levels, and thereby increase productivity? Unfortunately, there is reason to believe that some of the drags on demand for goods and services may be more structural than crises-related. Slowing population growth means less rapid expansion of the pool of consumers. And rising income inequality is shifting purchasing power from those most likely to spend to those more likely to save. This is reflected in slowing growth expectations in many markets. For example, across our sectors and countries studied, in the decade from 1995 to 2004, growth in demand for goods and services averaged 4.6%, slowed to 2.3% in 2010 to 2014, and is forecast to slightly increase to 2.8% in 2014 to 2020. Today, there is concern about where the next wave of growth will come from. Some prominent economists worry that we may be stuck in a vicious cycle of economic underperformance for some time. Our analyses strongly suggest that supporting sustained demand growth needs to be part of the answer. Demand may deserve attention to help boost productivity growth not only during the recovery from the financial crisis but also in terms of longer-term structural leakages and their impact on productivity. Suitable tools for this longer-term situation include: focusing on productive investment as a fiscal priority, growing the purchasing power of low-income consumers with the highest propensity to consume, unlocking private business and residential investment, and supporting worker training and transition programs to ensure that periods of transition do not disrupt incomes. Companies play a key role in promoting growth through investment and innovation as well as supporting their workforce through training programs. Yet companies may also want to consider the words of Ford when he said: “The owner, the employees, and the buying public are all one and the same, and unless an industry can so manage itself as to keep wages high and prices low it destroys itself, for otherwise it limits the number of its customers. One’s own employees ought to be one’s own best customers.” While this is certainly not true for individual companies, it is true for the broader economy, and we might be at a rare point where the representatives of employees and employers alike share a common interest in healthy wage growth.

#### Econ collapse causes extinction – multiple scenarios

**Duncan ’12** (Richard Duncan, Former IMF consultant, Financial sector specialist for the World Bank, Chief Economist Blackhorse Asset Management, The New Depression: The Breakdown of the Paper Money Economy, Page 12, Ebooks, 2012)

The political battle over America’s future would be bitter, and quite possibly bloody. It cannot be guaranteed that the U.S. Constitution would survive. Foreign affairs would also confront the United States with enormous challenges. During the Great Depression, the United States did not have a global empire. Now it does. The United States maintains hundreds of military bases across dozens of countries around the world. Added to this is a fleet of 11 aircraft carriers and 18 nuclear-armed submarines. The countryspends more than $650 billion a year on its military. If the U.S. economy collapsesinto a New Great Depression,the United States could not afford to maintain its worldwide military presence or to continue in its role as global peacekeeper.Or, at least, it could not finance its military in the same way it does at present. Therefore, either the United States would have to find an alternative funding method for its global military presence or else it would have to radically scale it back. Historically, empires were financed with plunder and territorial expropriation. The estates of the vanquished ruling classes were given to the conquering generals, while the rest of the population was forced to pay imperial taxes. The U.S. model of empire has been unique. It has financed its global military presence by issuing government debt, thereby taxing future generations of Americans to pay for this generation’s global supremacy. That would no longer be possible if the economy collapsed. Cost–benefit analysis would quickly reveal that much of America’s global presence was simply no longer affordable. Many—or even most—of the outposts that did not pay for themselves would have to be abandoned. Priority would be given to those places that were of vital economic interests to the United States. The Middle East oil fields would be at the top of that list. The United States would have to maintain control over them whatever the price**.** In this global depression scenario, the price of oil could collapse to $3 per barrel**.** Oil consumption would fall by half and there would be no speculators left to manipulate prices higher. Oil at that level would impoverish the oil-producing nations, with **extremely destabilizing** political consequences**.** Maintaining control over the Middle East oil fields would become much more difficult for the United States. It would require a much larger military presence than it does now. On the one hand, it might become necessary for the United States to reinstate the draft (which would possibly meet with violent resistance from draftees, as it did during the Vietnam War). On the other hand, America’s all-volunteer army might find it had more than enough volunteers with the national unemployment rate in excess of 20 percent. The army might have to be employed to keep order at home, given that mass unemployment would inevitably lead to a sharp spike in crime. Only after the Middle East oil was secured would the country know how much more of its global military presence it could afford to maintain. If international trade had broken down, would there be any reason for the United States to keep a military presence in Asia when there was no obvious way to finance that presence?In a global depression, the United States’ allies in Asia would most likely be unwilling or unable to finance America’s military bases there or to pay for the upkeep of the U.S. Pacific fleet**.** Norwould the United States have the strength to force them to pay for U.S. protection**.** Retreat from Asia might become unavoidable. And Europe?What would a cost–benefit analysis conclude about the wisdom of the United States maintaining military bases there? What valued added does Europe provide to the United States? Necessity may mean Europe will have to defend itself**.** Should a New Great Depression put an end to the Pax Americana, the world would become a much more dangerous place**.** When the Great Depression began, Japan was the rising industrial power in Asia. It invaded Manchuria in 1931 and conquered much of the rest of Asia in the early 1940s. Would China, Asia’s new rising power, behave the same way in the event of a new global economic collapse? Possibly. China is the only nuclear power in Asia east of India (other than North Korea, which is largely a Chinese satellite state). However**,** in this disaster scenario, it is not certain that China would survive in its current configuration.Its economy would be in ruins. Most of its factories and banks would be closed. Unemployment could exceed 30 percent**.** There would most likely be starvation both in the cities and in the countryside. The Communist Party could lose its grip on power, in which case the country **could break apart,** as it has numerous times in the past. It was less than 100 years ago that China’s provinces, ruled by warlords, were at war with one another.United or divided, China’s nuclear arsenal would make it Asia’s undisputed superpower if the United States were to withdrawfrom the region. From Korea and Japan in the North to New Zealand in the South to Burma in the West,all of Asia would be at China’s mercy**.** And hunger among China’s population of 1.3 billion people could necessitate **territorial expansion** into Southeast Asia. In fact, the central government might not be able to prevent mass migration southward, even if it wanted to. In Europe, severe economic hardship would revive the centuries-old struggle between the left and the right**.** During the 1930s, the Fascists movement arose and imposed a police state on most of Western Europe. In the East, the Soviet Union had become a communist police state even earlier. The far right and the far left of the political spectrum converge in totalitarianism**.** It is difficult to judge whether Europe’s democratic institutions would hold up better this time that they did last time. England had an empire during the Great Depression. Now it only has banks. In a severe worldwide depression, the country—or, at least London—could become ungovernable. Frustration over poverty and a lack of jobs would erupt into anti-immigration riots not only in the United Kingdom but also across most of Europe. The extent to which Russia would menace its European neighbors is unclear. On the one hand,Russia would be impoverished by the collapse in oil prices and might be too preoccupied with internal unrest to threaten anyone. On the other hand, it could **provoke a war** with the goal of maintaining internal order through emergency wartime powers**.** Germany is very nearly demilitarized today when compared with the late 1930s. Lacking a nuclear deterrent of its own, it could be subject to Russian intimidation. While Germany could appeal for protection from England and France, who do have nuclear capabilities, it is uncertain that would buy Germany enough time to remilitarize before it became a victim of Eastern aggression. As for the rest of the world, its prospects in this disaster scenario can be summed up in only a couple of sentences. Global economic output could fall by as much as half, from $60 trillion to $30 trillion.Not all of the world’s seven billion people would survive in a $30 trillion global economy. Starvation would be widespread. Food riots would provoke political upheaval and myriad big and small conflicts **around the world**. It would be a humanitarian catastrophe so extreme as to be unimaginablefor the current generation, who, at least in the industrialized world, has known only prosperity**.** Nor would there be reason to hope that theNew GreatDepression would end quickly**.** The Great Depression was only ended by an even more calamitous global war that killed approximately **60 million** people.

**Next, the structural violence advantage.**

**Currently businesses have a hard time finding employees because they do not want to return to a toxic work environment.**

**Olen 21** (Olen, Helaine. Member of the advisory board of the Economic Hardship Reporting Project and writer for Slate, the Nation, the New York Times, and the Atlantic. “Americans’ work conditions are terrible. No wonder many don’t want to go back.” Washington Post. 2 June 2021. <https://www.washingtonpost.com/opinions/2021/06/02/another-way-think-about-worker-crisis-americans-work-conditions-are-terrible/>) [RP]

Unhappiness has been building for some time over low pay, uncertain hours, and few protections against bullying bosses or workplace abuse. Recall that the Fight for $15 movement emerged in 2012 against low pay, poor workplace conditions and the right to organize. What started with fast-food workers branched into retail, leisure and other sectors. The #MeToo movement revealed the continuing mistreatment of women in a variety of workplaces. Meanwhile, the United States, unlike other first-world economies, mandates no vacation days. Some 23 percent of American workers have no paid vacation and 22 percent lack paid holidays. Pushback against organized labor and state right-to-work laws mean most Americans can easily be fired at any time. Little wonder that burnout is a societal phenomenon. The pandemic amplified some of these pressures — and has prompted some workers to demand better. Support for unions is up, with even Hollywood producers trying to form one. Other workers are voting with their feet. Prudential’s annual Pulse of the American Worker survey, published in April, found that one in five respondents had changed professions since covid-19 hit. Half don’t plan to return to their previous field. The top reasons? A search for better life balance and pay. As Anthony Klotz, anassociate professor of management at Texas A&M University, recently told Bloomberg, it’s possible a “great resignation is coming.” So far, attention has been focused on the low-wage, high-pressure jobs hit hard by last year’s shutdowns — dining establishments, ride-sharing. Restaurant owners across the nation are claiming they can’t find enough help. Taxis for hailing are few and far between in New York, D.C. and other cities. Uber is offering bonuses in an effort to lure back drivers. Extended unemployment benefits, including a $300 weekly federal supplement — generous by American standards — are likely playing a role in many workers’ reluctance to return. Several Republican governors and corporate CEOs have argued this. Many people “don’t particularly feel like going back to work,” JPMorgan Chase CEO Jamie Dimon recently told the Senate Finance Committee. Why should that surprise anyone? In the restaurant and hospitality industry, many workers still receive the tipped federal minimum wage of $2.13 an hour. The restaurant industry accounts for more sexual harassment claims than any other sector, with incidents citing customers and co-workers. In recent years, top chefs including Momofuku’s David Chang were revealed to rage at workers on the job. “People are forgetting that restaurant workers have actually experienced decades of abuse and trauma. The pandemic is just the final straw,”Crystal Maher, a restaurant worker in Austin, recently told The Post.

**Strikes against sexual harassment have incited positive change.**

**Campbell 19** (Campbell, Alexia. Politics and policy reporter for Vox. “McDonald’s workers are striking and suing the company — in the same week.” Vox. 21 May 2019.

<https://www.vox.com/policy-and-politics/2019/5/21/18633995/mcdonalds-workers-strike-sexual-harassment>) [RP]

Long before the #MeToo movement became a force to contend with, women who work at McDonald’s have been complaining about rampant sexual harassment at the fast-food chain. Women say they are fed up with supervisors who grope them, ask for sex, and expose themselves on the job. When they report the behavior, managers ignore them, they say, or even punish them. In 2015, women who work at McDonald’s went on strike in Chicago to express their frustration. In September, they went on strike again, this time in 10 cities. Female McDonald’s employees have filed more than 50 sexual harassment lawsuits and EEOC complaints in the past three years, according to the Fight for $15 labor movement, which was launched by the Service Employees International Union back in 2012. Some of the cases are still under investigation by the EEOC, which is part of the process before workers can sue. The company is currently trying to settle some of the lawsuits that have made it to court. Meanwhile, not much has changed for women who work at the iconic fast-food chain.

“For three years, we’ve been speaking out, filing charges, and even going on strike to get McDonald’s to confront its sexual harassment problem,” Tanya Harrell, a McDonald’s worker from Louisiana, said in a statement. “We cannot wait any longer for action. McDonald’s, it’s time to sit down with the workers who help make your $6 billion in profits possible so, together, we can stamp out harassment once and for all.” In the latest round of complaints, workers as young as 16 are accusing supervisors of serious misconduct, including attempted rape, indecent exposure, groping, and sexual offers. The women said they were ignored, mocked, or punished when they reported it. Some had their hours cut back and others were fired. Before the strike in September, a spokesperson for McDonald’s told the AP that the company had several policies and training programs in place to help franchises prevent harassment, and that they’ve hired experts to help “evolve” those procedures. On Monday, in response to recent complaints, McDonald’s CEO Steve Easterbrook said that the company began offering sexual harassment prevention training to franchise owners and general managers in the fall, and about 90 percent of them have gone through it, according to the Chicago Tribune. He also said the company is launching an anonymous hotline to report complaints this summer and will start offering the harassment training to non-managers in August.

**Sexual harassment has life-long mental and economic consequences especially for young workers.**

**Houle et al. 11** (Houle, Jason et al. Associate Professor of Sociology, Dartmouth College. “The Impact of Sexual Harassment on Depressive Symptoms During the Early Occupational Career.” NCBI. 11 November 30. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3227029/>) [RP]

An important unanswered question is whether harassment has long-term consequences for mental health and well-being. Although most harassment research has focused on adult workers, workplace sexual harassment is common in adolescence and young adulthood (Fineran 2002) in part because younger workers have little power in the workplace and are perceived as easier targets (Blackstone, Uggen, and McLaughlin 2009; Uggen and Blackstone 2004). As such, harassment in early life may have long term implications for adult depressive symptoms. Fitzgerald’s integrated model does not fully explore the potential long-term effects of sexual harassment on adult mental health. Prior work merging stress theory with the life course perspective provides more insight into this relationship and identifies pathways by which early life stressors may affect later-life mental health (e.g. Elder, George, and Shanahan 1996; George 1999; Pearlin, Schieman, Fazio, and Meersman 2005). We focus on three of these pathways: (1) stress proliferation (2) stability of depressive symptoms over time and (3) depletion of resources. One way that early life stressors can affect later mental health is through stress proliferation, which occurs when stressful experiences lead to additional stressors (Pearlin et al. 2005:210). Early life stressors can have long-term effects on mental health because stressful experiences at one point increase the risk of stressful experiences at a later point. There is evidence that sexual harassment proliferates across the life course. Early targets are more likely than non-targets to be targeted again later in life (Uggen and Blackstone 2004). As such, early career sexual harassment may affect later-life depressive symptoms through subsequent experiences of sexual harassment. Another pathway by which early sexual harassment could influence later life depressive symptoms is through the stability of depressive symptoms. If sexual harassment heightens depressed mood among young workers, and if depressive symptoms are stable over time, then early targeting could contribute to poor long-term mental health, irrespective of harassment in adulthood. Poor mental health also increases the likelihood of exposure to social stressors (Turner and Turner 2005). Thus, early harassment could increase depressive symptoms, which could in turn increase the risk of later harassment and depressive symptoms in adulthood. Finally, early life sexual harassment may affect later life depressive symptoms through diminished resources. Sexual harassment is associated with work withdrawal, job turnover, and career instability (Coles 1986; Gutek and Koss 1993), all of which can threaten adult socioeconomic status and increase depressive symptoms. Based on this extant research and theory, we ask whether early career sexual harassment is associated with depressive symptoms in adulthood. If so, is the association explained by (a) sexual harassment later in the career; (b) prior depressive symptoms; or, (c) adult socioeconomic status and employment status