# Inflation DA

## DA – Top Level

#### Post-pandemic recovery is fragile and risks spilling over internationally, new economic crises risks plunging us over the edge

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Responses to the pandemic have caused new domestic and geopolitical tensions that threaten stability. Digital division and a future “lost generation” are likely to test social cohesion from within borders—exacerbating geopolitical fragmentation and global economic fragility. With stalemates and flashpoints increasing in frequency, GRPS respondents rated “state collapse” and “multilateralism collapse” as critical long-term threats. Middle powers—influential states that together represent a greater share of the global economy than the US and China combined—often champion multilateral cooperation in trade, diplomacy, climate, security and, most recently, global health. However, if geopolitical tensions persist, middle powers will struggle to facilitate a global recovery—at a time when international coordination is essential—and reinforce resilience against future crises. GRPS respondents signal a challenging geopolitical outlook marked by “interstate relations fracture”, “interstate conflict” and “resource geopolitization”—all forecasted as critical threats to the world in three to five years. A polarized industrial landscape may emerge in the post-pandemic economy As economies emerge from the shock and stimulus of COVID-19, businesses face a shakeout. Existing trends have been given fresh momentum by the crisis: nationally focused agendas to stem economic losses, technological transformation and changes in societal structure—including consumer behaviors, the nature of work and the role of technology both at work and at home. The business risks emanating from these trends have been amplified by the crisis and include stagnation in advanced economies and lost potential in emerging and developing markets, the collapse of small businesses, widening the gaps between major and minor companies and reducing market dynamism, and exacerbation of inequality; making it harder to achieve long-term sustainable development.

#### Strikes trigger inflation snowball, collapsing the economy

Moore, 10-30, 21, Stephen Moore is a senior fellow at FreedomWorks. He is also a co-founder of the Committee to Unleash Prosperity and a Washington Examiner columnist., North State Journal, OORE: Will all of America go on strike?, https://nsjonline.com/article/2021/10/moore-will-all-of-america-go-on-strike/

We already have nearly 11 million unfilled jobs thanks to super-generous welfare benefits. The shortage of dockworkers, truckers and factory workers is inciting higher inflation due to shortages. Now, **if thousands of more workers in critical industries go on strike, havoc could prevail.** The worker shortages only give more leverage to the unions to walk off the job for higher pay and benefits. **The John Deere workers balked at a proposed 5% raise — and not without cause. With inflation running closer to 6%, a 5% raise could mean a loss in real income to the rank-and-file workers.** Here’s the vicious cycle we could be looking at in due time**. Inflation means higher prices at the stores, which means workers want higher pay, which means companies have higher costs, which means the firms have to raise their prices further. And the process repeats. *Six percent inflation could snowball into 8% to 10% inflation by the end of the year.*** Yikes. History proves that mismanagement of the money supply and a dollar that loses value causes convulsions in the labor market. E.J. Antoni, an economist at the Texas Public Policy Foundation, recently ran the numbers. Annual inflation spiked to 7.9% for 1951, and a record 470 strikes occurred the following year. In the late 1960s, inflation rose to 5.4%, and the number of strikes rose above 400 in a single year. But as price volatility moderated, starting in the Ronald Reagan years, so did strikes. A stable dollar that was “as good as gold” retained its value and allowed labor and management to reach mutually agreeable contracts on wage increases. From 1947 to 1982, a period of many strikes, inflation rose and fell wildly, with the annual rate changing as much as 8.7 percentage points in a single year and having a 14.5 percentage point range from -1% to 13.5%. Suddenly, it feels as though we are in a “Back to the Future” sequel with Michael J. Fox. Rising prices and a slowdown in the economy — the worst of all worlds. I predict that there will be many more strikes in the months ahead. Unions will flex their muscles in part because they have Joe Biden in the White House, who genuflects in front of the union bosses who spent hundreds of millions of dollars on his campaign. Reagan famously fired illegally striking air-traffic controllers in 1981. Does anyone believe Biden would ever have the backbone to do that? **Bottlenecks now squeeze a supply chain that was once the hallmark of American economic efficiency at every turn. It’s getting worse, and the unions and their rank-and-file workers paying higher bills aren’t happy. Nor should they be. History shows that strikes are a form of mutually assured destruction. Both sides generally lose in the long term from work stoppages — and so does America**. **The best way for Washington to ensure long-term worker** gains, for union or nonunion workers, **is to get inflation, which is a de facto wage tax, under control.**

## Scenario 1: Recession + Nuke War

#### Inflation guarantees recession- responsible governmental policy now is key

Long 2021. Heather Long, economics correspondent for The Washington Post. “The economy isn’t going back to February 2020. Fundamental shifts have occurred.” WaPo June 20, 2021. <https://www.washingtonpost.com/business/2021/06/20/us-economy-changes/> Accessed 6/26/21. ARJH/msdi2021

“This is an extraordinarily unusual time. And we really don’t have a template or any experience of a situation like this,” Powell said Wednesday. “We have to be humble about our ability to understand the data.” There’s dispute, among other things, about how many of these changes are temporary and how many are true fundamental shifts that will stick around for years and reshape behaviors. But many people agree, at least, the changes are proving very disruptive. There are obvious changes, like the realization that working from home is possible for a sizable part of the labor force and the widespread adoption of online ordering for daily necessities like groceries. These will remain significant parts of work and commerce going forward. Nearly a quarter of workers are likely to work at least a day or two from home each week, the McKinsey Global Institute predicts. And e-commerce, which grew three times faster last year than in prior years, shows few signs of ebbing. Then there are new dynamics emerging as home prices soar in many parts of the country that are unaccustomed to seeing such extremes. While millions of American homeowners suddenly find themselves “house rich,” the surge in prices is exacerbating the affordability crisis as first-time buyers are getting priced out. Experts fear a rental crisis could be next. Then there is inflation, which hit a 13-year high in May, and is widely viewed as the biggest risk that could sink — or at least stall — the recovery’s progress. Although the Fed predicts this will be a short-lived phenomenon, businesses and consumers are already changing some behaviors. Many companies are shrinking the size of how many paper towels are in a package or how much cat food is in a can and still charging the same amount. Home builders are refusing to guarantee prices in fear that material costs will jump further, and investors are suddenly reviving interest in Treasury Inflation-Protected Securities. “Because there are now so many retirees, I think there will be more political pressure to tame any inflation,” said Lisa Cook, an economics professor at Michigan State University. “The general public has gotten used to low inflation.” All of this is coming at a time when workers are increasingly demanding more pay and better working conditions. They want more flexibility, more opportunities for workers of color and more understanding from employers of mental health and child care needs. Businesses are paying attention, largely because they are desperate for workers. There are an estimated 9.7 million job openings right now, according to job site Indeed. That’s a record, and several million more than the nation has seen before. How all of this will play out remains uncertain. In housing, prices in many markets are up 10 percent or more from a year ago, a very different dynamic than what the nation experienced coming out of the Great Recession. Many of the fastest growing prices are in smaller cities as Americans are relocating to places with more green space and sense of community. A major concern is what happens now that so many first-time home buyers are being priced out because they can’t afford the hefty down payments. They will have to stay as renters. Susan Wachter, co-director of the University of Pennsylvania’s Penn Institute for Urban Research, predicts the nation is on the verge of a rental housing crisis. At the end of this month, the national eviction moratorium expires, and many landlords are eager to bump up rent and force out tenants who lost jobs in the crisis. At the same time, investors have scooped up cheap single-family homes in the hopes of renting them out for good profits. Single-family home rents were already up 5.3 percent a year as of April, according to research firm CoreLogic. “I see this coming year as a year where rents will increase by a surprisingly high amount,” Wachter said. “The affordability problem is going to extend out into more places, especially second and third-tier cities.” In a worst-case scenario, it could lead to more homelessness, even in such a hot economy. It will almost certainly reinforce the divides between the haves and have nots. The same is true of the rise of automation during the pandemic. As companies looked for ways to reduce the number of people in an office, hotel or factory, they turned to robots and telework. They invested heavily in technology, which economists predict could result in one of the biggest boosts to worker productivity in years. This higher productivity forecast is one of the reasons the McKinsey Global Institute says the United States could see an economy that’s $3,500 per person bigger by 2024. But those gains are unlikely to be evenly distributed. Automation also has downsides, especially layoffs for workers without college degrees. “This is not a sure thing that we reap the benefits of faster growth without negative side effects. There are real worries about inequality,” said Susan Lund, head of the McKinsey Global Institute. “Are we able to create real opportunities for people who have been in low-wage, low skilled jobs?” In addition to equality and housing questions, policymakers are also grappling with what will happen with inflation. The nation hasn’t seen sustained high inflation in 30 years. It’s unclear how Americans will react. There is perhaps no better illustration of the disruptive price and supply chain issues than lumber prices, which hit an eye-popping record of $1,670 per thousand board feet in May. There was a sigh of relief on Wall Street and in the White House as lumber prices on the commodities exchanges fell about $600 in the past two weeks. The price is still about three times higher than pre-pandemic norms, but it is trending down. But home builder Jerry Konter in Savannah, Ga., says reality on the ground is a lot different than charts on a Wall Street trading terminal. Sky-high prices for lumber remain at stores and many suppliers because they still have to sell all the wood they bought at the top. Konter doesn’t expect retail prices to change until August or September. For the first time in his 44-year career building homes, Konter altered his standard contract to no longer guarantee a firm date or price. He has to explain to buyers that the price could jump and items like cabinets that used to arrive in 10 days now take four months. While hopeful for improvement, he’s preparing for high prices and supply bottlenecks to last. His expectations — and behaviors — have shifted. “I personally believe we are about to kill the golden goose in the economy with these supply issues,” Konter said, adding, “There are so many people that are being left out of getting a home because of the additional input costs. It’s almost impossible to build an entry-level home.” While many economists and Wall Street traders believe the Fed’s prediction that inflation will subside later this year, they are quick to say their biggest fear is that the Fed is wrong. If a lot of people start believing inflation of 5 percent a year is here to stay, then they will demand higher pay and businesses will respond by raising consumer prices again, igniting a vicious cycle. The Fed would have to respond to that cycle by hiking interest rates quickly, a tactic that typically causes recessions. “In the next few months, we’ll have very high inflation numbers. It’s unlikely to persist, but it’s a real risk that it does. That risk is higher now than it has been for decades,” said former Fed official Randall Kroszner. “Will consumers accept it as temporary? We really don’t know. In some ways, this is faith-based monetary policy.”

#### Economic crises break down international order necessary for keeping peace, increasing the risk of conflict and nuclear escalation

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Growing nationalism The economic downturn is accelerating a greater pivot inward for many governments as they seek to maintain fragile domestic political and social stability. GPRS respondents rank “livelihood crises” and “prolonged stagnation” as top short-term risks, and economic concerns figure in four out of the top five medium-term risks (see Figure I: Global Risks Horizon). These economic pressures and concomitant deepening nationalism could result in middle power governments being unwilling or unable to contribute to global risk mitigation. In many countries, regardless of governance approach, nationalistic impulses have paralleled the pandemic-induced centralization of power.15 Policy decisions taken in 2020 may persist beyond the pandemic, enabling some governments to use repressive measures to control restive populations and allowing leaders with autocratic tendencies to pursue broader, longer-term agendas. “Political entrepreneurs” could seek to leverage growing nationalism to move governments away from globalization and cooperation.16 Restrictions on migration that were imposed during the pandemic may not be quickly eased.17 Stifled influence and weakened world order The drivers outlined above, while universal, will reinforce specific challenges to middle power influence. In advanced middle power economies, widening defence and technology gaps are hindering leadership potential on critical transnational issues. Large, emerging markets are similarly hamstrung, with the ravages of COVID-19 further increasing vulnerability to superpower influence. The risks facing these countries could translate to more global conflict and a weaker system in which to mediate it. Caught in the middle Middle powers are uniquely positioned to offer alternative pathways for the world on trade, security and technology. However, growing capability gaps may force a choice between two rival blocs rather than allowing the middle powers to develop a diverse network of mutually beneficial agreements. For example, either the European Union (EU) (which accounts for nearly a third of global merchandise trade)18 or India (which is projected to become the world’s most populated country in 2027)19 could provide a counterbalance in the evolving geopolitical order in areas such as manufacturing and trade, but they will struggle to stand apart in digital and defence realms.20 Growing competition between the United States and China may also hinder other regional powers that might otherwise wish to pursue a balancing strategy. Middle Eastern governments could be thrust into a tug of war, with renewed US diplomacy efforts juxtaposed against increased Chinese economic initiatives in the region.21 In Latin America and Africa, China’s deepening economic ties could potentially rival historic security-based alliances and cultural connections with the United States.22 Forced to choose sides, governments may face economic or diplomatic consequences, as proxy disputes play out in control over economic or geographic resources. The deepening of geopolitical fault lines and the lack of viable middle power alternatives make it harder for countries to cultivate connective tissue with a diverse set of partner countries based on mutual values and maximizing efficiencies. Instead, networks will become thick in some directions and non-existent in others. The COVID-19 crisis has amplified this dynamic, as digital interactions represent a “huge loss in efficiency for diplomacy” compared with face-to-face discussions.23 With some alliances weakening, diplomatic relationships will become more unstable at points where superpower tectonic plates meet or withdraw. At the same time, without superpower referees or middle power enforcement, global norms may no longer govern state behaviour. Some governments will thus see the solidification of rival blocs as an opportunity to engage in regional posturing, which will have destabilizing effects.24 Across societies, domestic discord and economic crises will increase the risk of autocracy, with corresponding censorship, surveillance, restriction of movement and abrogation of rights.25 Economic crises will also amplify the challenges for middle powers as they navigate geopolitical competition. ASEAN countries, for example, had offered a potential new manufacturing base as the United States and China decouple, but the pandemic has left these countries strapped for cash to invest in the necessary infrastructure and productive capacity.26 Economic fallout is pushing many countries to debt distress (see Chapter 1, Global Risks 2021). While G20 countries are supporting debt restructure for poorer nations,27 larger economies too may be at risk of default in the longer term;28 this would leave them further stranded—and unable to exercise leadership—on the global stage. Multilateral meltdown Middle power weaknesses will be reinforced in weakened institutions, which may translate to more uncertainty and lagging progress on shared global challenges such as climate change, health, poverty reduction and technology governance. In the absence of strong regulating institutions, the Arctic and space represent new realms for potential conflict as the superpowers and middle powers alike compete to extract resources and secure strategic advantage.29 If the global superpowers continue to accumulate economic, military and technological power in a zero-sum playing field, some middle powers could increasingly fall behind. Without cooperation or access to important innovations, middle powers will struggle to define solutions to the world’s problems. In the long term, GRPS respondents forecasted “weapons of mass destruction” and “state collapse” as the two top critical threats: in the absence of strong institutions or clear rules, clashes— such as those in Nagorno-Karabakh or the Galwan Valley—may more frequently flare into full-fledged interstate conflicts,30 which is particularly worrisome where unresolved tensions among nuclear powers are concerned. These conflicts may lead to state collapse, with weakened middle powers less willing or less able to step in to find a peaceful solution.

#### Nuclear war would causes extinction: massive death, destruction of food production, and massive climate shifts

Dodds 2019. Walter Dodds is a University Distinguished Professor at Kansas State University. “Chapter 6 Nuclear Weapons” *The World’s Worst Problems,* Springer Nature Switzerland AG 2019. <https://doi.org/10.1007/978-3-030-30410-2\_6> Accessed 6/23/21. ARJH/msdi2021

Atmospheric scientists knew of these effects before development of extensive nuclear arsenals and predicted that nuclear war could lead to similar conditions. More recently, scientists have used global circulation models (the models used to predict global warming from greenhouse gas emissions) to calculate the effects of nuclear war [59]. The models suggest that all-out nuclear war would lead to an average global cooling of about 14 °F for several years and even a decade later the cooling would be about half that. This extreme cooling (more extreme than the last global ice age) would kill many plants around the world not adapted to the colder temperatures. Iowa and the Ukraine would freeze for an entire year. Agriculture would become extremely difficult in the mid-latitudes that are currently the bread- basket of the world. Three years after the explosions, cooling would still shorten growing season in most of the United States and Europe by 3 months. Even a limited nuclear exchange would cause global cooling and some crop failure. Global starvation would result in parts of the world where people were able to survive the initial effects of the nuclear explosions and subsequent radiation poisoning. The drastic decreases in temperature would probably kill many plants on Earth. Tropical plants that are not able to withstand freezing would certainly die. Temperate plants would either be completely frozen or experience freezing temperatures at times of year they are not adapted to. Ultimately, the climate would warm as the particulate material settled out of the atmosphere, and the dead vegetation would start to decompose. The decomposition would result in carbon dioxide production. Usually carbon dioxide release by decomposition is balanced by uptake during the process of photosynthesis. However, if many of the plants are killed by cold, or injured by increases in ultraviolet from ozone depletion, there is limited photosynthesis, and there would be a strong increase in carbon dioxide in the atmosphere. Additionally, the huge fires from the nuclear explosions would lead to the primary product of combustion, carbon dioxide. The fires would immediately increase atmospheric carbon dioxide, and this would take decades to leave the atmosphere. In a nutshell, increases in atmospheric carbon dioxide would cause the entire atmosphere of Earth to warm and lead to increased surface temperatures (I will discuss this in more detail in the next chapter). Thus, once the soot particles settled out of the upper atmosphere, and nuclear winter eased, the globe would warm drastically. This nuclear summer would follow the nuclear winter. One can imagine ice and snow building up for a decade and then a very rapid warming leading to catastrophic flooding. Post-fusion World? Given the drastic effects of full-scale nuclear war, the resulting world would be very different from the Earth we inhabit today. Only the hardiest plants and insects would be able to survive the radioactive radiation, the increased exposure to ultraviolet rays from the sun, and the drastic swings in temperatures. Essentially all large animals and most large plants would disappear. If some people were able to hole up for several decades until the Earth once again became habitable, there would be little capacity for food production, and the Earth would be a very desolate place. It is not likely that humanity would survive full-scale nuclear war.

## Scenario 2: Unemployment + Poverty

#### Inflation increases unemployment—empirically proven.

Pento 12 — Michael Pento, President and Founder of Pento Portfolio Strategies—a Registered Investment Advisory Firm that provides money management services and research for individual and institutional clients, regular guest on CNBC, Bloomberg, FOX Business News and other national media outlets, 2012 (“Why Higher Inflation Destroys Jobs,” *Forbes*, May 1st, Available Online at http://www.forbes.com/sites/michaelpento/2012/05/01/why-higher-inflation-destroys-jobs/, Accessed 06-30-2012)

What strikes me the most is that neither the Nobel Prize winner nor the Chairman of the Federal Reserve had the sagacity to completely repudiate the idea that inflation can in any way reduce the unemployment rate. Even a cursory look at the data throughout economic history proves that inflation is a destroyer of jobs. All they would have to do is look at the most salient periods of inflation that occurred over the last 40 years and see how negatively it affected the unemployment rate.

From 1971 (the year Nixon broke the gold window) through 1974, the annual percentage change on the Consumer Price Index (CPI) increased from 4.4% to 11.0%. According to Krugman and Bernanke, this should have sent the unemployment rate crashing. However, the unemployment rate increased from 6.1% at the end of 1971 to 7.2% in 1974. And since the unemployment rate is a lagging indicator, that figure increased even further to 8.2% in December of 1975.

In 1977 the CPI was 6.5% and it shot all the way up to 13.5% in 1980. Just as it did in the early part of the decade, the unemployment rate increased yet again to 7.2% in 1980 and hit 10.8% by the end of 1982! Finally, the other salient increase in the rate of inflation occurred between 1986 and 1990. The annual percentage change of inflation in ’86 was 1.9;, that shot up to 5.4% in 1990. The unemployment rate started that period at 6.6% and climbed to 7.3% at the end of 1991.

Therefore, I have to ask our dear Fed Chairman and Nobel Prize winner where the evidence is that inflation causes people to find work. In reality, it’s the exact opposite that occurs. Inflation robs the middle class of their purchasing power and sends them onto the government dole. Inflation also destroys investment in an economy because savers have no idea what interest rate is necessary to charge in order to profitably lend out their money over an extended period of time. And inflation causes tremendous economic imbalances, as capital is diverted into ephemeral asset bubbles instead of being allocated in a more viable manner.

If Krugman and Bernanke were correct in believing inflation has a positive influence on the workforce, Zimbabwe and Argentina would both be paragons of how to achieve full employment. The truth is that a high unemployment rate is the simply the result of a weak economy. And an economy can suffer through a recession while experiencing either inflation or deflation. But when an economy experiences a significant increase in the rate of inflation, it nearly always ends up with an unemployment rate that goes along for the ride. We can only hope that central bankers in the developed world assent to that principle very soon. Unfortunately, the ECB, BOJ and Fed continue to believe a positive rate of inflation must be maintained at all costs. That is one of the reasons why a high rate of unemployment has now become a structural condition in most of the developed world.

**Turns Poverty: Inflation hurts purchasing power, meaning the goods get a lot more expensive for the poor**

 Carter McBride, Small Business Chronicle, no date, https://smallbusiness.chron.com/inflation-effect-purchasing-power-money-696.html

**Price inflation decreases people's ability to pay for goods**. The concept at a basic level says if an employee's wages remain steady, but **the cost of goods increases, then the employee can afford less goods**. As wage inflation occurs, people will be able to buy more products. Reserve Bank of Cleveland, there is little support that wage inflations cause price inflation.

#### Poverty and unemployment are cyclical

**Gaillie et al ’03**- Duncan Gallie, Serge Paugam & Sheila Jacobs (2003) UNEMPLOYMENT, POVERTY AND SOCIAL ISOLATION: Is there a vicious circle of social exclusion?, European Societies, 5:1, 1-32, DOI: 10.1080/1461669032000057668. AK

The concept of social exclusion implies that there is a downward spiral in which labour market marginality leads to poverty and social isolation, which in turn reinforce the risk of long-term unemployment. The evidence in favour of this view hitherto has been largely restricted to cross-sectional data that assess the degree of association between labour market position, poverty status and patterns of sociability. In this article we seek to test more rigorously the implied causal argument by exploring the relationship between these factors over time. The article first explores whether the transition from employment to unemployment heightens the risk of poverty and social isolation, and then turns to the issue of whether poverty and social isolation significantly affect the length of time it takes people to leave unemployment for a job. It draws on data from the European Community Household Panel, which provides longitudinal data for most of the EU member states, for the period 1994 to 1996. The article concludes that there is strong evidence that poverty contributes to a vicious circle of exclusion. Unemployment increases the risks of poverty and poverty in turn makes it more difficult for people to return to work. However, there is no clear support for the view that social isolation is directly caused by unemployment. Rather the risk of social isolation is contingent upon broader cultural patterns with respect to household structure and local sociability, which differ considerably between countries. Furthermore, there was no significant effect of any of the types of sociability studied on the time that it took people to re-enter employment. The article concludes that a concern for the implications of unemployment for social exclusion should focus primarily on the problem of poverty.

#### Poverty kills billions of people

DS 5/23/15 (Do Something .Org – One of the largest global orgs for young people and social change, our 3.9 million members tackle campaigns that impact every cause, from poverty to violence to the environment to literally everything else. – “11 Facts about Global Poverty” – DoSomething.org – May 23 2015 – https://www.dosomething.org/facts/11-facts-about-global-poverty)

Nearly 1/2 of the world’s population — more than 3 billion people — live on less than $2.50 a day. More than 1.3 billion live in extreme poverty — less than $1.25 a day. 1 billion children worldwide are living in poverty. According to UNICEF, 22,000 children die each day due to poverty. 805 million people worldwide do not have enough food to eat. Food banks are especially important in providing food for people that can’t afford it themselves. Run a food drive outside your local grocery store so people in your community have enough to eat. Sign up for Supermarket Stakeout. More than 750 million people lack adequate access to clean drinking water. Diarrhea caused by inadequate drinking water, sanitation, and hand hygiene kills an estimated 842,000 people every year globally, or approximately 2,300 people per day. In 2011, 165 million children under the age 5 were stunted (reduced rate of growth and development) due to chronic malnutrition. Preventable diseases like diarrhea and pneumonia take the lives of 2 million children a year who are too poor to afford proper treatment. As of 2013, 21.8 million children under 1 year of age worldwide had not received the three recommended doses of vaccine against diphtheria, tetanus and pertussis. 1/4 of all humans live without electricity — approximately 1.6 billion people. 80% of the world population lives on less than $10 a day. Oxfam estimates that it would take $60 billion annually to end extreme global poverty--that's less than 1/4 the income of the top 100 richest billionaires. The World Food Programme says, “The poor are hungry and their hunger traps them in poverty.” Hunger is the number one cause of death in the world, killing more than HIV/AIDS, malaria, and tuberculosis combined.

### Poverty Turns Trade – 2NC

#### Poverty decks global trade and economic stability – outweighs

Williams, Poli Sci Prof @ University of Calabar, 14

(Dodeye Uduak, “Global Poverty: A Threat to International Peace and Security, Journal of Good Governance and Sustainable Development in Africa 2(3), pp. 16-23)

Global poverty hurts ~~cripples~~ global trade potentials and ultimately threatens global security (Sachs. 2003:28). Developing countries are major trading partners of developed countries including the US. It is therefore crucial for the rich states that developing countries are economically and politically stable. However, the reality is that. it is these states whose economics are stagnant and/or declining that are also ridden with conflicts. The economic and military burden of peacekeeping rests on the international community and particular developed countries such as the US (Sewell. 2003:36) who have in recent times shown that this largess will not continue for much longer. Illegal trade in natural resources like oil. diamonds. gold. including drugs like Opium in Afghanistan. has been on the increase especially in conflict areas in the developing countries (Sewell. 2006:36). In a liberal international economic system, vulnerability to external economic events and dependence on foreign territories arc a necessary consequence of involvement in global markets. The global financial crisis in 2008 is an example of how events in one part of the world escalated to the worst recession the world has known in about six decades (Verick and Islam. 20 10:2). However this should not be viewed as a situation to be avoided (Cable. 1995:305) by cutting off ties but should be perceived as a problem that needs to be addressed speedily so that intcrconnectcdncss spreads development not crisis The idea that global poverty is a problem of particular states, their political institutions and a lack of commitment to sound capitalist policies is problematic and does not enable the right policies (st. Clair. 2006). There is therefore a need to urgently develop an approach that places. as Wilkin (2002:634) argues. the general satisfaction of human needs before the pursuit of profit. the exension of democratic control of governing institutions before that of private power which is central to neo-liberal global governance. Existing global social relations need not just be reformed but transformed to provide sustainable solutions with a focus on human security (Wilkin. 2002:634).

### Poverty Turns Disease – 2NC

#### Poverty causes major pandemics – outweighs solvency

Williams, Poli Sci Prof @ University of Calabar, 14

(Dodeye Uduak, “Global Poverty: A Threat to International Peace and Security, Journal of Good Governance and Sustainable Development in Africa 2(3), pp. 16-23)

With the ease of travel of goods and people it has become easy for disease to also spread speedily. Over two (2) million people cross an international border each day (Rice. 2006:79). Poverty contributes to the outbreak of infectious diseases. Over 30 new infectious diseases came up globally in the last three decades: about 20 diseases re-emerged in new drug-resistant strains like the Avian flu. HIV/AIDS. Severe Aculc Respiratory Syndrome (SARS). Hepatitis C and West Nile Vinis, to mention a few Sewell. 2003:36k. Poverty means lack of adequate health care facilities and consequently death of large numbers, the wider spread of these diseases and also major economic loses.

Integration of poor countries into the world market by globalization continues to produce increase in global income inequality (Rice, 2(X). his a fact that the economic security of rich countries requires a degree of economic development within poor countries to ensure a sustained commitment to some level of debt repayment. If poor states arc unable pay their debts, for instance, the rich countries will suffer major loscs as well.

### Poverty Turns Global Cooperation – 2NC

#### Poverty causes backlash to global cooperation

Williams, Poli Sci Prof @ University of Calabar, 14

(Dodeye Uduak, “Global Poverty: A Threat to International Peace and Security, Journal of Good Governance and Sustainable Development in Africa 2(3), pp. 16-23)

Lsaak (2004:1) rightly observes that the continuing and deepening divide between rich and poor states creates an illusion of separate worlds’ which makes genuine cooperation difficult and almost impossible. He rightly argues that this gap increased extremely in the 21st century and has made the liberal policies of the wealthy states look selfish in an obvious and transparent way such that the legitimacy of the post-world war II rules of the global economy has been significantly undermined (Isaak . 2004:1). The richcr stacs expressions of concern for political freedoms, growth and development within poor states ring hollow as long as desperate onomic conditions fail to elicit concrete action (World Bank. 2001).

### Poverty Turns Terrorism – 2NC

#### Poverty drives terrorism

Williams, Poli Sci Prof @ University of Calabar, 14

(Dodeye Uduak, “Global Poverty: A Threat to International Peace and Security, Journal of Good Governance and Sustainable Development in Africa 2(3), pp. 16-23)

Poverty bears indirectly on terrorism by sparking conflict and eroding state capacity both of which create conditions that can facilitate terrorist activities. There is a lot of debate about the causal effects of poverty as it relates to terrorism. Many scholars agree that poverty does not directly cause terrorism but we cannot ignore the reality thai a lot of thc gricvanccs and dissatisfaction caused by structura] inequality is one of the major factors that could aid radicalization (Lancastcr. 2003). In the northern part of Nigeria, the growth of the terrorist group known as Boko Harain is attracting a lot of people not because they want to become terrorists but that they believe it is an umbrella under which they can have their basic needs met. Poverty alone may not be responsible. but with weak institutions and corruption. weak states could be vulnerable to terrorist networks and also drug cartels within their borders (National Security Strategy. 2002:4). Poverty can exacerbate the threat of transnational terrorism not only at the individual level but at the state and regional level (Rice. 2006:78). Burgoon (2006) finds, through a cross sectional estimation research, that a country’s welfare efforts correlate with transnational or total terror incidents on its soil as well as transnational terrorism perpetrated by its citizens. He argues that conflict zones’ can incubate almost every type of transnational security threat by creating anarchy and a conducive environment for external predators thereby providing training grounds for terrorists and criminals. For instance. Mali and Yemen are well known training camps for Al Qaeda as ineffective migration control eases travel and shipping of light weapons. The insecurity in Mali is said to have displaced as many as 350.000 people and increased regional food insecurity and poor humanitarian conditions (Arieff. 2013). This situation as Ariefi’ (20 13:2) rightly points out is an obstacle to the international community’s goal of promoting stability, democracy and effective countrrterrorism measures to deal with the threats in the Middle East and sub-Saharan Africa. As former US President Bush (2006:1) states, creating a world made up of democratic, well governed states that have the capacity to deliver welfare to their citizens and conduct themselves responsibly in the international system is a goal which will ensure global security and security for Americans in panicular. It is thcrcfore a concern for thc global community. especially rich states, if there is continued poverty-generated instability in poor counthcs.

## Scenario 3: Warming

#### US economic decline causes nuclear war, ecological devastation, and societal destruction – causes extinction

Cohn 2021. Samuel Cohn, Professor of Sociology at Texas A&M University. “” Excerpt from *All Societies Die: How to Keep Hope Alive*. (2021, Cornell). <https://www.samuelcohn.net/free-markets-and-societal-death> Accessed 6/21/21. ARJH/msdi2021

Other nations have risen with the rise of this Euro-American economic core. There has been both spillover economic growth and spillover technological development. These have provided massive benefits to Eastern Europe, Latin America, the Middle East and Asia as a whole. But there have also been relationships of exploitation and economic underdevelopment that have added elements of conflict and tension to these relationships. That said, the permanence of the Euro-American world system is no more guaranteed than was the permanence of the Roman Empire or the Han Dynasty. Three hundred years from now, five hundred years from now, a thousand years from now … will there be a rich prosperous Western Europe, a rich prosperous United States with both having comfortable standards of living and global power? Will there be a rich prosperous ANYWHERE with comfortable standards of living, let alone comfortable standards of living and global power? Most of us, when we think of what will end it all, think of either an ecological disaster or nuclear war. I would not rule any of those out. But most societal deaths in history died of other things besides ecological disaster or nuclear war. My book All Societies Die: How to Keep Hope Alive reviews those causes of death in extensive detail. The partial preview here involves the role of free markets in societal survival. That free markets were a fundamental cause of the massive economic growth that characterizes the modern world system is beyond dispute. Free markets are amazing things. The markets in Western Europe, the U.S. and Japan were not 100% free. There was some meddling of the government in the economy. Much of that meddling was beneficial. But the overall predominance of free markets was one of the key advantages of the West. What really mattered was having a free labor market. Slave societies were economically stagnant. Capitalist societies with free labor markets had dynamic growth. The obvious illustration of this is the relative growth of North America versus Central and South America. North America had free labor markets. Central and South America had slavery. The parts of the United States that had slavery actually resembled Central and South America during the period when slavery was legal. The Northern states had far more impressive economic growth than did the Southern states. What were the advantages of North America and the Northern States within the U.S.? Wages were set in a basically free market (with minor fiddling on the side by labor unions and employer collusion). If workers were productive, they got paid more. If workers were unproductive, they got paid less. Workers who raised their productivity by getting educated, acquiring skills and putting in long hours were rewarded for it. Workers improved themselves and disciplined themselves voluntarily. Their reward was their paycheck. Slave societies had slaves doing the work. They would only work when they were coerced. They had no motivation to work, since they kept nothing from their labor. Therefore, they didn’t. Plantation owners had to pay for large expensive superstructures of foremen and whip hands to get the slaves to do what they were told. The slaves were uneducated. Their productivity was low. Worse – since slaves received no paychecks, they never bought anything. In countries with free labor markets, workers bought all sorts of consumer goods – since they had cash. North America grew because it had a consumer base that would support entrepreneurialism. Would-be entrepreneurs in Central and South America had limited markets because there were few consumers. Business formation was low. Investment was low. Free markets in the North also reduced the cronyism associated political interference with business decisions in the South. Less regulation also provided fewer opportunities for corruption. But … (There is always a but …) Most countries with high rates of economic growth had “some” government meddling in the economy. Often that meddling was critical to the generation of prosperity. The wacky case is governments which have a superlative track record in using state planning to determine national investment plans. We all remember the countries where the government made a hash of trying to run a centralized economy. Russia under Communism was an economic disaster. Most of Eastern Europe was not much better. In many poor countries, the government bureaucracies that regulate the economy turn into giant swamps of corruption and cronyism. (I mention no names here to protect the guilty.) But there were a few countries that were just the opposite. Americans forget about these. These were countries with brilliant governments whose economic and investment plans that were superlatively well conceived. The government bureaucrats told private capitalists what to do - - - but in this case, the bureaucrats were right. The classic example of this was Japan. Japan was closed off from the world until the nineteenth century. It is a fully industrialized nation today. Once Japan was forced open, it had the fastest modernization and economic growth that had ever been seen. They grew much faster than had any previous economy in the West. The industrialization program came from a number of enlightened ministries. MITI, the Ministry of International Trade and Industry, was particularly important after World War II. They were responsible for creating the incredible car industry Japan has today and allowing Japan to break into a number of industries that were previously dominated by the United States. The Ministry told companies what to invest in. It provided capital to companies at submarket rates. It provided government protection for those companies. It kept foreigners from buying Japanese companies. This created economic giants such as Toyota and Mitsubishi that are key players in the global economy today. China was fully aware of the Japanese model. China imitated the Japanese faithfully. China was and still is a Communist country. China had seen the Soviet Union fail. It knew how government bureaucrats can foul up the process of economic development. Their answer was to decentralize control of the economy to individual provinces and cities. The provinces and cities would try running their regional economies. If any of them failed, the national government in Beijing would fire the ineffective economic developers, and replace them with technocrats who had a better plan. This is in contrast to the Soviet Union, where the same tired old bureaucrats ran the Russian economy for decades with lame results. The Chinese government (or rather governments) gives direct orders to capitalists just the way Japan did. China has the fastest economic growth rate in the world. It is hard to argue with policies that have produced the fastest economic growth in the world. But what about the Western countries that did not have highly intrusive government economic planning? They too have their government meddling in the economy – although that meddling is much more subtle. The economies of Western Europe, the United States, and Japan all developed excellent education systems. More educated workers were more productive workers. Two economists, Bowman and Anderson have shown that no economy developed historically until at least 40% of its labor force was literate. Government financed and paid for the systems of education that facilitated national improvements in science and technology. No country grew without the development of major transportation infrastructure. In the nineteenth century, governments built railways. In the twentieth century, governments built highways and airports. None of these basic structures was provided entirely by the private sector. Either the state built these things directly, or they heavily subsidized private companies who were contracted to do the building. The hegemonic powers required strong defenses. A country like Switzerland or Sweden could use diplomacy to get other powers to cover for their defense. Sometimes this worked. (Think Norway during the Cold War.) Sometimes it didn’t. (Think Norway and the Nazis in World War II.) The major powers, such as the Britain, the United States and France, all had to protect their overseas economic interests by the direct projection of military force. Successful countries require science. Scientific research was and is generally paid for by the government. In the United States, this takes the form of the National Science Foundation, the National Institute for Health, the Pentagon and state provision of publicly funded universities. Germany, the other major scientific power of the late nineteenth and early twentieth century had its own public universities, government research collaboration with industry, and from the 1930’s on – its own government science foundation. Free markets are wonderful – but they are not enough. Free markets and profit-maximizing private firms are excellent at providing goods and services that are profitable. Growing grain and selling hamburgers is profitable. The free market does an excellent job of generating a food supply, improving the yield of food producers and providing an endless variety of new and interesting things to eat. Making clothing is profitable. The free market provides lots of clothing, at a good price, and changes the styles regularly to keep fashion interesting. Education, infrastructure, defense and science are not profitable. Private schools for the elite are profitable because they can charge their customers sky-high tuitions. Schools for everyone else are not profitable. Without the government, schooling would be scarce and very expensive. The same applies for the other items on the list. It should be mentioned that government has generally played a huge role in supporting the cultural system of most societies. Most societies (the U.S is an exception) have had a state religion. This religion was important in maintaining national cohesion. Most of the impressive buildings that are linked to national identity have been built by governments. This would include the Eiffel Tower, the Colosseum, and nearly every medieval cathedral. (Remember Catholicism was a state religion.) In the United States, the government has built most of the sports arenas. (Hey, don’t knock the unifying effects of a winning team.) \* \* \* ​ What does all of this imply for societal death? If an economy tanks – and that economy tanks long enough – this can be the beginning of the end for a society. Rome was in steady economic decline for the last 200 years of the Empire. The Byzantine economy was on a steady downward trend between 1100 and the sacking of Constantinople by the Ottomans in 1453. A strong economy is central to paying for a strong military. Without a strong military, a country cannot defend the strategic resources that lead in turn to a strong economy. Without a strong economy, the society has a hard time maintaining its educational system, maintaining its technological advantage, or even some of the aspects of its national culture. Even though nationalists and sentimentalists will defend a nation’s heritage to the end, young ambitious people will immerse themselves in the culture of whatever country currently has the hottest economic prospects. Nineteenth century Americans imitated the British and the French – who were richer than they were. Nowadays, bright students from all over the Global South want to study in American universities, learn American culture, and if they can, live in America and be Americans. If America’s economy tanks, and China’s economy is wonderful, guess where all of these students are going to want to go. Keeping the economy strong is critical. But free markets are not enough to keep a national economy strong. I have already referred to those countries where superior governments were able to supercharge lagging economies that were not otherwise promising. But largely, the defense of the economy depends on the defense of education, science, infrastructure, and frankly, defense. Without government carrying its fair share of the weight, the private sector cannot shoulder the burden alone. Nearly every major story of the fall of a society or an empire, contains a sub-story of the failure of a government. Often this failure was a fiscal failure. The government did not have enough money to pay its bills. Government is also going to have to play a role if we in fact do run into a savage ecological problem. Effective government was just needed very recently – in order to fend off the public health threat of COVID-19. COVID-19 will not be the last example of our ecosystem throwing a challenge at the humans **that will kill off** those **humans if they do not respond adequately.** Government will also have to be effective enough at diplomacy and geopolitics to fend off the threat of a nuclear war. Currently, the nuclear threats posed by North Korea, Iran, India and Pakistan are completely under control, right? Without strong, well-funded, competent governments, the chance of economic, environmental or thermonuclear disaster increases astronomically. No matter how strong and well-functioning the free market will be, the free market cannot do governments’ job. Not all governmental screw-ups produce societal death – just as not all disease causes human death. But you don’t want to have too many of these things. Shrinking the government is like shrinking one’s muscles. One does not want to do that before going into a fight for survival. Eliminating government waste improves efficiency. There is nothing wrong with that per se. But the blind formula that everything involved with business is good and everything involved with the government is bad is intrinsically dangerous. Ask yourself how happy you would be with two hundred to three hundred years of declining economic growth, declining educational and scientific capacity, and ever-increasing geopolitical chaos from nonstop wars that can’t be controlled.

## Scenario 4: Oppression

**Economic decline leads to widespread violence – turns value to life**

**Strauss-Kahn 9** [Dominique Strauss-Kahn, Managing Director at IMF, “Economic Stability, Economic Cooperation, and Peace—the Role of the IMF”, http://www.imf.org/external/np/speeches/2009/102309.htm, \\wyo-bb]

Let me stress that the crisis is by no means over, and many risks remain. Economic activity is still dependent on policy support, and a premature withdrawal of this support could kill the recovery. And even as growth recovers, it will take some time for jobs to follow suit. This **economic instability will continue to threaten social stability.** The **stakes are particularly high in the low-income countries.** Our colleagues at the United Nations and World Bank think that up to 90 million people might be pushed into extreme poverty as a result of this crisis. In many areas of the world, what is at stake is not only higher unemployment or lower purchasing power, but life and death itself. **Economic marginalization and destitution could lead to social unrest, political instability, a breakdown of democracy, or war.** In a sense, **our collective efforts to fight the crisis cannot be separated from our efforts guard social stability and to secure peace. This is particularly important in low-income countries. War might justifiably be called “development in reverse”. War leads to death, disability, disease, and displacement of population. War increases poverty. War reduces growth potential by destroying infrastructure as well as financial and human capital. War diverts resources toward violence, rent-seeking, and corruption. War weakens institutions. War in one country harms neighboring countries, including through an influx of refugees.** Most wars since the 1970s have been wars within states. It is hard to estimate the true cost of a civil war. Recent research suggests that one year of conflict can knock 2-2½ percentage points off a country’s growth rate. And since the average civil war lasts 7 years, that means an economy that is 15 percent smaller than it would have been with peace. Of course, no cost can be put on the loss of life or the great human suffering that always accompanies war. The causality also runs the other way. Just as wars devastate the economy, **a weak economy makes a country more prone to war.** The evidence is quite clear on this point—low income or slow economic growth increases the risk of a country falling into civil conflict. **Poverty and economic stagnation lead people to become marginalized, without a stake in the productive economy. With little hope of employment or a decent standard of living, they might turn instead to violent activities. Dependence on natural resources is also a risk factor—competition for control over these resources can trigger conflict and income from natural resources can finance war.** And so we can see a **vicious circle—war makes economic conditions and prospects worse, and weakens institutions, and this in turn increases the likelihood of war**. Once a war has started, it’s hard to stop. And even if it stops, it’s easy to slip back into conflict. **During the first decade after a war, there is a 50 percent chance of returning to violence, partly because of weakened institutions**.

## NR

### Extension

### AT: Inflation Good

### AT: No impact to Inflation

### AT: No economic decline