# UBI CP

#### CP Text: A just government ought to provide universal basic income

#### Striking can’t solve layoffs when the employer doesn’t need their workers anymore – UBI would give workers a cushion to survive unemployment AND increase their ability to strike by providing a strike fund

Tascha Shahriari-Parsa, 21 [Tascha Shahriari-Parsa is a student at Harvard Law School.] ("Why Universal Basic Income is a Labor Issue," OnLabor, 4-30-2021, https://onlabor.org/why-universal-basic-income-is-a-labor-issue/)//va

For both Stern and Yang, UBI is, at least in large part, a solution to growing concerns over the role that automation will play in creating mass unemployment. As Yang pointed out on his campaign trail, self-driving truck technology could easily render millions of Americans without a job in the blink of an eye. And it’s not just truck drivers: a [2016 federal report](https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/documents/Artificial-Intelligence-Automation-Economy.PDF) found that 83% of jobs making less than $20 per hour could be lost due to automation. This doesn’t mean that labor will become obsolete—jobs displaced by technology will eventually be replaced by jobs in other areas. But what are you supposed to do if you’ve been driving trucks your whole life? Learn how to code? How would you survive in the interim? ¶ Perhaps unions can mitigate the ‘side-effects’ of technology. In 1812, the Luddites famously smashed textile machinery, giving rise to the modern usage of the term “luddite” to refer to a person opposed to technological progress. But contrary to the common myth, the Luddites [were not](https://www.smithsonianmag.com/history/what-the-luddites-really-fought-against-264412/) against machinery. They were against their terrible labor conditions, demanding that whoever runs the machines should receive sufficient training and be paid a fair wage. In that sense, the Luddites’ demands were comparable to those of [UNITE HERE](https://www.seattletimes.com/business/technology/as-seattles-new-hotels-roll-out-automation-to-serve-guests-workers-worry/) hotel workers who went on strike throughout the country in 2018, [winning](https://usw.org/blog/2018/members-of-unite-here-set-standard-in-contract-with-marriott) mandated training for workers affected by new technology as well as a say over how new technology would be implemented. ¶ Collective bargaining over the implementation of technology is an important part of the solution. But even if we organized the entire U.S. workforce into unions with enough power to negotiate such agreements, we wouldn’t stop mass layoffs. The key source of workers’ leverage over their employer—the ability to withhold labor—is predicated on the employer’s need for their labor in the first place. UBI isn’t a replacement for a union, but it can help fill a gap where labor otherwise has very little power. ¶ And it’s not just about technology. When Marriot workers were negotiating their agreements in 2018, what they likely weren’t expecting was that [98%](https://www.propublica.org/article/inside-the-union-where-coronavirus-puts-98--of-members-out-of-work) of their members would be out of work not as a consequence of automation, but rather, a global pandemic. Moreover, mass unemployment has always been endemic to capitalism. Even in the absence of crisis, there will always be millions of Americans without a job. ¶ In a society as rich as ours, UBI is a declaration that everyone is entitled to an income, whether they work or not. UBI is also a proclamation that the poor should have the right to use their money as they see fit—that poverty is itself the [issue](https://www.apa.org/advocacy/socioeconomic-status/scarcity-fact-sheet.pdf), rather than a symptom of a [lack of character](https://thecorrespondent.com/283/poverty-isnt-a-lack-of-character-its-a-lack-of-cash/37442933638-a4773584#:~:text=%E2%80%9CPoverty%20is%20a%20great%20enemy,It's%20a%20lack%20of%20cash.) or a [‘poor gene](https://www.jstor.org/stable/10.1086/669034#metadata_info_tab_contents)’. And given how wealth and power go hand in hand, UBI gives the working class a fighting chance to counter the power of the elite. ¶ Moreover, a UBI would substantially alter the landscape of labor. If everyone is guaranteed a paycheck whether they show up to work or not, workers will have far more bargaining power than they do in the present. A $1,000/month UBI is not a living wage, but it’s a cushion that would give workers more power to leave a bad job—and thus more power to negotiate to make that job better. Serving the function of a strike fund, a UBI would also make it easier for workers to go on strike. Additionally, UBI would raise minimum standards on top of prevailing wages, allowing workers to save more of their bargaining leverage for everything else that matters. ¶

#### A Universal Basic Income solves poverty. Wright 17

Erik Olin Wright, American analytical Marxist sociologist, author, and educator 2-14-2017, "Can the universal basic income solve global inequalities?," UNESCO Inclusive Policy Lab, https://en.unesco.org/inclusivepolicylab/news/can-universal-basic-income-solve-global-inequalities/ JRG

The universal basic income (UBI) is spreading and becoming front and centre in the public discussion. What if this idea, suggesting a flat income given to every citizen regardless of employment or social status, was part of the solution to today’s inequalities? In his contribution to the World Social Science Report 2016, renowned sociology Professor Erik Olin Wright explored the concept for us: The idea of an unconditional basic income (UBI) is quite simple: **every legal resident in a country receives a monthly stipend sufficient to live above the poverty line. Let’s call this the ‘no frills culturally respectable standard of living’. The grant is unconditional on the performance of any labour or other form of contribution, and it is universal – everyone receives the grant,** rich and poor alike**. Grants go to individuals, not families. Parents are the custodians of under-age children’s grants, which may be smaller than the grants for adults. Universalistic programmes such as public education and healthcare, that provide services to people rather than cash, continue alongside UBI, but most other redistributive transfers are eliminated since the UBI provides everyone with a decent subsistence. This means that in welfare systems that already provide generous anti-poverty income support through a patchwork of specialized programmes, the net increase in cost represented by UBI is not large. Special needs subsidies** of various sorts **continue – for example, for people with disabilities – but they are also smaller than now since the basic cost of living is covered by UBI. Minimum wage rules are relaxed, since there is little need to prohibit below-subsistence wages if all earnings in effect generate discretionary income. While everyone receives the grant, most people at any given point in time are probably net contributors since their taxes rise by more than the basic income they receive**. **UBI has potentially profound ramifications for inequality. Poverty is eliminated, the labour contract becomes more nearly voluntary, and** the **power relations between workers and employers become less unequal since workers have the option of exit. The possibility of people forming cooperative associations to produce goods and services to serve human need outside the market increases since such activity no longer needs to provide the basic standard of living for participants**. Sceptics of basic income typically raise two main objections: that UBI would reduce incentives to work and reduce the supply of labour, and that the tax rates needed to fund UBI would be prohibitively high. Two things can be said about the incentive issue. First, **means-tested income support programmes are plagued by poverty traps in which people lose their benefits when their earned income crosses some threshold**. By contrast, **a UBI creates no disincentive to work. Paid work always increases the discretionary income of people with a UBI.** Second, **while no country has adopted a full basic income, there have been a few limited experiments in various places in the world which enable us to examine the effects of UBI on labour force participation**. In the United States and Canada in the 1970s there were a number of randomized controlled trials, most notably in Seattle and Denver, in which randomly selected low-income individuals received a UBI. More recently, in India in 2011, eight villages were selected in which all residents were given a basic income. **In all of these experiments, receiving a UBI significantly improved the lives of people while having at most a modest effect on labour force participation**. The level of taxation needed to pay for a basic income is, of course, an important issue. But **the sustainable level of taxation in any country is not mainly an economic issue.** It is a political issue that depends on the administrative capacity to extract taxes and the political will to do so.

# Inflation DA

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

Franco et al 2021. Emilio Granados Franco Head of Global Risks and Geopolitical Agenda, World Economic Forum. Melinda Kuritzky Lead, Global Risks and Geopolitical Agenda, World Economic Forum.Richard Lukacs Specialist, Global Risks and Geopolitical Agenda, World Economic Forum. Saadia Zahidi Managing Director, World Economic Forum “The Global Risks Report 2021 16th Edition” World Economic Forum January 19, 2021. <http://www3.weforum.org/docs/WEF\_The\_Global\_Risks\_Report\_2021.pdf> Accessed 6/21/21. ARJH/msdi2021

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.