# CP

### WSDE CP

#### Plan text: Firms should be transformed into worker self-directed enterprises.

Wolff ND - Richard D. Wolff [professor of economics emeritus at the University of Massachusetts, Amherst and a visiting professor at the New School in New York City. He has also taught economics at Yale University, the City University of New York, and the University of Paris I (Sorbonne)], “Start with Worker Self-Directed Enterprises,” *The Next System Project*. <https://thenextsystem.org/sites/default/files/2017-08/RickWolff.pdf> AT

We therefore propose reorganizing enterprises such that workers become their own bosses. Specifically, that means placing the workers in the position of their own collective board of directors, rather than having directors be nonworkers selected by major shareholders. This is not primarily a matter of workers as owners of these enterprises (fine, but not required), nor primarily as managers (likewise fine, but not required). It is the tasks of direction—the decision making now assigned usually and primarily to corporate boards of directors and only secondarily to the major shareholders who choose them—that must be transferred to the workers collectively. We call such enterprises worker self-directed enterprises (WSDEs). They embody and concretize what we mean by economic democracy by locating it first and foremost inside the enterprises producing the goods and services upon which society depends. WSDEs represent the goal and their growth and proliferation represent the mechanism to transition from the present capitalist system to a far better next system. The strategic focus, then, is not upon the government, as in traditional liberal and socialist thinking; it is rather more microeconomic than macroeconomic. Of course, winning government support of WSDEs and their proliferation would be helpful and sought after—perhaps by political parties rooted in and funded by an emerging WSDE sector within otherwise private or state capitalist economies. But the main emphasis would be on working people who either convert existing enterprises into WSDEs or start new enterprises as WSDEs. Core Goals Briefly, what are the principal, core goals your model or system seeks to realize? Our core goal is the development of a major—and, if possible, prevailing—sector of the economy that is comprised of enterprises (offices, factories, farms, and stores) in which the employees democratically perform the following key enterprise activities: (a) divide all the labors to be performed, (b) determine what is to be produced, how it is to be produced, and where it is to be produced, and (c) decide on the use and distribution of the output or revenues (if output is monetized) therefrom. Major Changes What are the principal changes you envision in the current system—the major differences between what you envision and what we have today? A large portion of existing capitalistically organized enterprises would have to transition out of structures in which owners, top managers, or boards of directors perform the key enterprise activities mentioned above. Principal Means What are the principal means (policies, institutions, behaviors, whatever) through which each of your core goals is pursued? The means to achieve the transition would need to be several. Laws would need to be enacted or changed to facilitate the conversion of capitalistically organized enterprises into WSDEs, the formation of new WSDEs, and the functioning of WSDEs. School curriculums would need to be changed and teachers be trained to explain, explore, and study WSDEs systematically as alternative-enterprise organizations alongside their traditional capitalist counterparts (corporations, partnerships, and family enterprises). Political parties and platforms need to emerge to represent the interests of WSDEs—the WSDE sector—in terms of state policies, much as now the Democrats and Republicans represent the interests of the capitalist sector.

#### Empirics prove that self-directed firms are more democratic and successful.

Jerry **Ashton, 13** - ("The Worker Self-Directed Enterprise: A "Cure" for Capitalism, or a Slippery Slope to Socialism?," HuffPost, 1-2-2013, accessed 11-16-2021, https://www.huffpost.com/entry/worker-self-directed-enterprise\_b\_2385334)//MS

Decidedly so, Wolff responds, providing two financially successful examples of **the workplace being a social activity governed by the norms of community**, one in Spain and one in California. ¶ Wolff offers as his first example, **the Mondragon Cooperative** in the North of Spain. ¶ This co-op took its name from the Mondragan University founded by a local Catholic priest by the name of "Father Arizmendi" as a mechanism to enable the poor in that community to learn how to cooperatively run their own business. ¶ Beginning with six workers producing agrarian goods, some 55 years later **it now employs 120,000** people employed **in some 100 worker-owned enterprises** and affiliated organizations. It is the **10th largest cooperative in Spain** and a bulwark against that country's steep (elsewhere) unemployment rate of 22 percent. ¶ "This is a 'a family of cooperatives' in which the first commitment is to preserve jobs -- not satisfy stockholders." Wolff points out. ¶ That same philosophy infuses **the Arizmendi Bakery** comprising five "sister cooperatives" in the San Francisco Bay Area. Proudly assuming the name of the famous Basque Priest, this group **gets rave reviews** for its pastries and thin-crust pizza **and handily outperforms** its more traditional bakery competitors **in both revenue and employee satisfaction**. ¶ As their website [proudly states](http://arizmendi.coop/), "We are a cooperative -- a worker-owned and operated business. We make decisions democratically, sharing all of the tasks, responsibilities, benefits and risks." ¶

# Econ DA

### Big One

#### Growth is surging.

Halloran ’9-14 [Michael; 2021; M.B.A. from Carnegie Mellon University, former aerospace research engineer, Equity Strategist; Janney, “Despite Potential Headwinds, Key Labor Market Indicators Bode Well for the Economy,” https://www.janney.com/latest-articles-commentary/all-insights/insights/2021/09/14/despite-potential-headwinds-key-labor-market-indicators-bode-well-for-the-economy]

However, we remain encouraged by the recovery that has been unfolding since the economy began reopening. We continue to see improvement in important cyclical sectors of the economy while consumers are historically healthy and still have pent-up demand. Business confidence has rebounded with strong corporate profits that should support further capital spending and hiring (there are now more job openings than there are unemployed people by a record amount).

We expect to see further improvement in the international backdrop, supported by unprecedented fiscal and monetary stimulus and accelerating rates of vaccination. Although the impact of the Delta wave is still being felt, recent evidence confirms the effectiveness of vaccines in limiting deaths and hospitalizations. With the pace of vaccination now picking up in the areas most impacted by this wave—Asia and Australia—the case for fading headwinds leading to improving economic growth later this year remains positive.

The signals from financial markets themselves remain positive. Despite consolidating last week, stocks remain near record highs while the 10-year Treasury remains well above the lows of earlier this summer when concerns about Delta first emerged.

#### These factors support our view of a durable economic recovery from the pandemic that should continue supporting stock prices. A healthy labor market is a critical element for a sustainable recovery that supports profit growth and last week’s news from the labor market remains

#### COVID creates an economic brink---recovery is strong now because of effective monetary policy, but we’ve hit the zero-lower bound.

Christopher Rugaber 21. Associated Press. “Federal Reserve keeps key interest rate near zero, signals COVID-19 economic risks receding.” https://www.chicagotribune.com/business/ct-biz-fed-interest-rates-economy-20210428-bumyc3ynpza6ri4ygsntmdsmya-story.html.

WASHINGTON — The Federal Reserve is keeping its ultra-low interest rate policies in place, a sign that it wants to see more evidence of a strengthening economic recovery before it would consider easing its support.

In a statement Wednesday, the Fed expressed a brighter outlook, saying the economy has improved along with the job market. And while the policymakers noted that inflation has risen, they ascribed the increase to temporary factors.

The Fed also signaled its belief that the pandemic’s threat to the economy has diminished, a significant point given Chair Jerome Powell’s long-stated view that the recovery depends on the virus being brought under control. Last month, the Fed had cautioned that the virus posed “considerable risks to the economic outlook.” On Wednesday, it said only that “risks to the economic outlook remain” because of the pandemic.

The central bank left its benchmark short-term rate near zero, where it’s been since the pandemic erupted nearly a year ago, to help keep loan rates down to encourage borrowing and spending. It also said in a statement after its latest policy meeting that it would keep buying $120 billion in bonds each month to try to keep longer-term borrowing rates low.

The U.S. economy has been posting unexpectedly strong gains in recent weeks, with barometers of hiring, spending and manufacturing all surging. Most economists say they detect the early stages of what could be a robust and sustained recovery, with coronavirus case counts declining, vaccinations rising and Americans spending their stimulus-boosted savings.

#### Strikes hurt critical core industries that is necessary for economic growth

John McElroy, 2019, Strikes Hurt Everybody.Wards Auto Industry News, October 25, https://www.wardsauto.com/ideaxchange/strikes-hurt-everybody

This creates a **poisonous relationship** between the company and its workforce. Many GM hourly workers don’t identify as GM employees. They identify as UAW members. And they see the union as the source of their jobs, not the company. It’s an unhealthy dynamic that puts GM at a disadvantage to non-union automakers in the U.S. like Honda and Toyota, where workers take pride in the company they work for and the products they make. Attacking the company in the media also **drives away customers**. Who wants to buy a shiny new car from a company that’s accused of underpaying its workers and treating them unfairly? Data from the Center for Automotive Research (CAR) in Ann Arbor, MI, show that **GM loses market share during strikes and never gets it back**. GM lost two percentage points during the 1998 strike, which in today’s market would represent **a loss of 340,000 sales**. Because GM reports sales on a quarterly basis we’ll only find out at the end of December if it lost market share from this strike. UAW members say one of their greatest concerns is job security. But causing a company to lose market share is a sure-fire path to **more plant closings and layoffs**. Even so, unions are incredibly important for boosting wages and benefits for working-class people. GM’s UAW-represented workers earn considerably more than their non-union counterparts, about $26,000 more per worker, per year, in total compensation. Without a union they never would have achieved that. Strikes are a powerful weapon for unions. They usually are the only way they can get management to accede to their demands. If not for the power of collective bargaining and the threat of a strike, management would largely ignore union demands. If you took away that threat, management would pay its workers peanuts. Just ask the Mexican line workers who are paid $1.50 an hour to make $50,000 BMWs. But strikes don’t just hurt the people walking the picket lines or the company they’re striking against. They hurt **suppliers, car dealers and the communities located near the plants.** The Anderson Economic Group estimates that 75,000 workers at supplier companies were temporarily laid off because of the GM strike. Unlike UAW picketers, those supplier workers won’t get any strike pay or an $11,000 contract signing bonus. No, most of them lost close to a month’s worth of wages, which must be financially devastating for them. GM’s suppliers also lost a lot of money. So now they’re cutting budgets and delaying capital investments to make up for the lost revenue, which is a further drag on the economy. According to CAR, the communities and states where GM’s plants are located collectively lost a couple of hundred million dollars in payroll and tax revenue. Some economists warn that if the strike were prolonged it could knock the state of Michigan – home to GM and the UAW – **into a recession.** That prompted the governor of Michigan, Gretchen Whitmer, to call GM CEO Mary Barra and UAW leaders and urge them to settle as fast as possible. So, while the UAW managed to get a nice raise for its members, the strike left a path of destruction in its wake. That’s not fair to the innocent bystanders who will never regain what they lost. John McElroyI’m not sure how this will ever be resolved. I understand the need for collective bargaining and the threat of a strike. But there’s got to be a better way to get workers a raise without torching the countryside.

#### Strikes create a stigmatization effect over labor and consumption that devastates the economy

Tenza 20, Mlungisi. "The effects of violent strikes on the economy of a developing country: a case of South Africa." Obiter 41.3 (2020): 519-537. (Senior Lecturer, University of KwaZulu-Natal)

When South Africa obtained democracy in 1994, there was a dream of a better country with a new vision for industrial relations.5 However, the number of violent strikes that have bedevilled this country in recent years seems to have shattered-down the aspirations of a better South Africa. South Africa recorded 114 strikes in 2013 and 88 strikes in 2014, which cost the country about **R6.1 billion** according to the Department of Labour.6 The impact of these strikes has been hugely felt by the mining sector, particularly the platinum industry. The biggest strike took place in the platinum sector where about 70 000 mineworkers’ downed tools for better wages. Three major platinum producers (Impala, Anglo American and Lonmin Platinum Mines) were affected. The strike started on 23 January 2014 and ended on 25 June 2014. Business Day reported that “the five-month-long strike in the platinum sector pushed the economy to the brink of recession”. 7 This strike was closely followed by a four-week strike in the metal and engineering sector. All these strikes (and those not mentioned here) were characterised with violence accompanied by damage to property, intimidation, assault and sometimes the killing of people. Statistics from the metal and engineering sector showed that about 246 cases of intimidation were reported, 50 violent incidents occurred, and 85 cases of vandalism were recorded.8 Large-scale unemployment, soaring poverty levels and the dramatic income inequality that characterise the South African labour market provide a broad explanation for strike violence.9 While participating in a strike, workers’ stress levels leave them feeling frustrated at their seeming powerlessness, which in turn provokes further violent behaviour.10 These strikes are not only violent but **take long to resolve.** Generally, a lengthy strike has a **negative effect on employment, reduces business confidence and increases the risk of economic stagflation**. In addition, such strikes have a major setback on the growth of the economy and investment opportunities. It is common knowledge that consumer spending is directly linked to economic growth. At the same time, if the economy is not showing signs of growth, employment opportunities are shed, and poverty becomes the end result. The economy of South Africa is in need of rapid growth to enable it to deal with the high levels of unemployment and resultant poverty. One of the measures that may boost the country’s economic growth is by attracting potential investors to invest in the country. However, this might be difficult as investors would want to invest in a country where there is a likelihood of getting returns for their investments. The wish of getting returns for investment may not materialise if the labour environment **is not fertile** for such investments as a result of, for example, unstable labour relations. Therefore, investors may be reluctant to invest where there is an unstable or fragile labour relations environment. 3 THE COMMISSION OF VIOLENCE DURING A STRIKE AND CONSEQUENCES The Constitution guarantees every worker the right to join a trade union, participate in the activities and programmes of a trade union, and to strike. 11 The Constitution grants these rights to a “worker” as an individual.12 However, the right to strike and any other conduct in contemplation or furtherance of a strike such as a picket13 can only be exercised by workers acting collectively.14 The right to strike and participation in the activities of a trade union were given more effect through the enactment of the Labour Relations Act 66 of 199515 (LRA). The main purpose of the LRA is to “advance economic development, social justice, labour peace and the democratisation of the workplace”. 16 The advancement of social justice means that the exercise of the right to strike must advance the interests of workers and at the same time workers must refrain from any conduct that can affect those who are not on strike as well members of society. Even though the right to strike and the right to participate in the activities of a trade union that often flow from a strike17 are guaranteed in the Constitution and specifically regulated by the LRA, it sometimes happens that the right to strike is exercised for purposes not intended by the Constitution and the LRA, generally. 18 For example, it was not the intention of the Constitutional Assembly and the legislature that violence should be used during strikes or pickets. As the Constitution provides, pickets are meant to be peaceful. 19 Contrary to section 17 of the Constitution, the conduct of workers participating in a strike or picket has changed in recent years with workers trying to emphasise their grievances by causing disharmony and chaos in public. A media report by the South African Institute of Race Relations pointed out that between the years 1999 and 2012 there were 181 strike-related deaths, 313 injuries and 3,058 people were arrested for public violence associated with strikes.20 The question is whether employers succumb easily to workers’ demands if a strike is accompanied by violence? In response to this question, one worker remarked as follows: “[T]here is no sweet strike, there is no Christian strike … A strike is a strike. [Y]ou want to get back what belongs to you ... you won’t win a strike with a Bible. You do not wear high heels and carry an umbrella and say ‘1992 was under apartheid, 2007 is under ANC’. You won’t win a strike like that.” 21 The use of violence during industrial action affects not only the strikers or picketers, the employer and his or her business but it also affects innocent members of the public, non-striking employees, the environment and the economy at large. In addition, striking workers visit non-striking workers’ homes, often at night, threaten them and in some cases, assault or even murder workers who are acting as replacement labour. 22 This points to the fact that for many workers and their families’ living conditions remain unsafe and vulnerable to damage due to violence. In Security Services Employers Organisation v SA Transport & Allied Workers Union (SATAWU),23 it was reported that about 20 people were thrown out of moving trains in the Gauteng province; most of them were security guards who were not on strike and who were believed to be targeted by their striking colleagues. Two of them died, while others were admitted to hospitals with serious injuries.24 In SA Chemical Catering & Allied Workers Union v Check One (Pty) Ltd,25 striking employees were carrying various weapons ranging from sticks, pipes, planks and bottles. One of the strikers Mr Nqoko was alleged to have threatened to cut the throats of those employees who had been brought from other branches of the employer’s business to help in the branch where employees were on strike. Such conduct was held not to be in line with good conduct of striking.26 These examples from case law show that South Africa is facing a problem that is affecting not only the industrial relations’ sector but also the economy at large. For example, in 2012, during a strike by workers employed by Lonmin in Marikana, the then-new union Association of Mine & Construction Workers Union (AMCU) wanted to exert its presence after it appeared that many workers were not happy with the way the majority union, National Union of Mine Workers (NUM), handled negotiations with the employer (Lonmin Mine). AMCU went on an unprotected strike which was violent and resulted in the loss of lives, damage to property and negative economic consequences including a weakened currency, reduced global investment, declining productivity, and increase unemployment in the affected sectors.27 Further, the unreasonably long time it takes for strikes to get resolved in the Republic has a negative effect on the business of the employer, the economy and employment. 3 1 Effects of violent and long strikes on the economy Generally, South Africa’s economy is on a downward scale. First, it fails to create employment opportunities for its people. The recent statistics on unemployment levels indicate that unemployment has increased from 26.5% to 27.2%. 28 The most prominent strike which nearly brought the platinum industries to its knees was the strike convened by AMCU in 2014. The strike started on 23 January 2014 and ended on 24 June 2014. It affected the three big platinum producers in the Republic, which are the Anglo American Platinum, Lonmin Plc and Impala Platinum. It was the longest strike since the dawn of democracy in 1994. As a result of this strike, the platinum industries lost billions of rands.29 According to the report by Economic Research Southern Africa, the platinum group metals industry is South Africa’s second-largest export earner behind gold and contributes just over 2% of the country’s Gross Domestic Product (GDP).30 The overall metal ores in the mining industry which include platinum sells about 70% of its output to the export market while sales to local manufacturers of basic metals, fabricated metal products and various other metal equipment and machinery make up to 20%. 31 The research indicates that the overall impact of the strike in 2014 was driven by a reduction in productive capital in the mining sector, accompanied by a decrease in labour available to the economy. This resulted in a sharp increase in the price of the output by 5.8% with a **GDP declined by 0.72 and 0.78%**.32

#### Economic decline causes nuclear war – collapses faith in deterrence

Tønnesson, 15—Research Professor, Peace Research Institute Oslo; Leader of East Asia Peace program, Uppsala University (Stein, “Deterrence, interdependence and Sino–US peace,” International Area Studies Review, Vol. 18, No. 3, p. 297-311, dml)

Several recent works on China and Sino–US relations have made substantial contributions to the current understanding of how and under what circumstances a combination of nuclear deterrence and economic interdependence may reduce the risk of war between major powers. At least four conclusions can be drawn from the review above: first, those who say that interdependence may both inhibit and drive conflict are right. Interdependence raises the cost of conflict for all sides but asymmetrical or unbalanced dependencies and negative trade expectations may generate tensions leading to trade wars among inter-dependent states that in turn increase the risk of military conflict (Copeland, 2015: 1, 14, 437; Roach, 2014). The risk may increase if one of the interdependent countries is governed by an inward-looking socio-economic coalition (Solingen, 2015); second, the risk of war between China and the US should not just be analysed bilaterally but include their allies and partners. Third party countries could drag China or the US into confrontation; third, in this context it is of some comfort that the three main economic powers in Northeast Asia (China, Japan and South Korea) are all deeply integrated economically through production networks within a global system of trade and finance (Ravenhill, 2014; Yoshimatsu, 2014: 576); and fourth, decisions for war and peace are taken by very few people, who act on the basis of their future expectations. International relations theory must be supplemented by foreign policy analysis in order to assess the value attributed by national decision-makers to economic development and their assessments of risks and opportunities. If leaders on either side of the Atlantic begin to seriously fear or anticipate their own nation’s decline then they may blame this on external dependence, appeal to anti-foreign sentiments, contemplate the use of force to gain respect or credibility, adopt protectionist policies, and ultimately refuse to be deterred by either nuclear arms or prospects of socioeconomic calamities. Such a dangerous shift could happen abruptly, i.e. under the instigation of actions by a third party – or against a third party.Yet as long as there is both nuclear deterrence and interdependence, the tensions in East Asia are unlikely to escalate to war. As Chan (2013) says, all states in the region are aware that they cannot count on support from either China or the US if they make provocative moves. The greatest risk is not that a territorial dispute leads to war under present circumstances but that changes in the world economy alter those circumstances in ways that render inter-state peace more precarious. If China and the US fail to rebalance their financial and trading relations (Roach, 2014) then a trade war could result, interrupting transnational production networks, provoking social distress, and exacerbating nationalist emotions. This could have unforeseen consequences in the field of security, with nuclear deterrence remaining the only factor to protect the world from Armageddon, and unreliably so. Deterrence could lose its credibility: one of the two great powers might gamble that the other yield in a cyber-war or conventional limited war, or third party countries might engage in conflict with each other, with a view to obliging Washington or Beijing to intervene.

The best way to enhance global peace is no doubt to multiply the factors protecting it: build a Pacific security community by topping up economic interdependence with political rapprochement and trust, institutionalized cooperation, and shared international norms. Yet even without such accomplishments, the combination of deterrence and economic interdependence may be enough to prevent war among the major powers. Because the leaders of nuclear armed nations are fearful of getting into a situation where peace relies uniquely on nuclear deterrence, and because they know that their adversaries have the same fear, they may accept the risks entailed by depending economically on others. And then there will be neither trade wars nor shooting wars, just disputes and diplomacy.

#### Economic decline drastically increases poverty – turns case. Pettinger ‘20

Tejvan Pettinger [studied PPE at LMH, Oxford University and works as an economics teacher and writer], 3-13-2020, "Impact of economic recession," Economics Help, <https://www.economicshelp.org/blog/5618/economics/negative-impact-of-economic-recession/> //marlborough jh

[A recession](http://econ.economicshelp.org/2008/09/definition-of-recession.html) (fall in national income) will typically be characterised by high unemployment, falling average incomes, increased inequality and higher government borrowing. The impact of a recession depends on how long it lasts and the depth of the fall in output. ¶The main costs of a recession will be: ¶Unemployment ¶Fall in income – shorter working week. ¶Rise in poverty ¶Fall in asset prices (e.g. fall in house prices/stock market) ¶Increased inequality and an increase in relative poverty ¶Higher government borrowing (less tax revenue) ¶Permanently lost output. ¶Firms go out of business. ¶Who is most affected by a recession? ¶The worst affected will be those who lose their job or see their hours/self-employed income dramatically fall. ¶It also depends on the type of recession. The 2009 recession hit the financial sector the hardest. Many highly-paid ‘white-collar’ workers lost their jobs. Banks saw large-scale losses and falls in profit. It hit the housing sector very hard. The 2020 recession will be different. It will particularly affect low-income workers in the leisure and tourism sector – which will be devastated by the Coronavirus. It will also depend on whether the worker can work from home (writer) or has a job in the physical economy which will suffer more. (e.g. selling coffee). The effect will also depend on the extent of government support and whether people are entitled to benefits/rent relief. ¶Unemployment ¶A fall in economic output will cause a rise in unemployment. This is because: ¶Some firms will go bankrupt meaning workers will lose their jobs. ¶Firms will lay off workers to try and reduce costs. ¶Firms will cut back on hiring new workers. ¶In the 2009 recession, unemployment in the UK rose to over 2.6 million, though given the depth of the recession, you might have expected it to be even more (e.g. in the 1980s, unemployment rose to over 3 million). However, in Europe, many countries saw a catastrophic rise in unemployment. With rates of over 20% in countries such as Greece, Spain and Portugal. ¶The unemployment figures may under-estimate the true level of unemployment. For example, in a recession the self-employed may see a dramatic fall in income, but still not be classed as unemployed. ¶UK unemployment showing very clearly the recession of 1981, 1992 and 2009. ¶In the great depression, where there was a rapid fall in GDP, unemployment rose from 0% to 25% within three years. ¶Lower wages ¶In a recession, firms will also try to reduce costs by keeping wages low. Some workers (especially temporary workers without contracts may see wage cuts) This was a key feature of the 2008-12 recession, also aggravated by rising costs of living (e.g. higher taxes/oil prices) In 2020, at least cost-push inflation will be low – helped by falling oil prices and commodities. ¶Negative real wage growth 2008-14 ¶Another cause of lower wages is under-employment. Some workers may keep their job, but see their hours cut. Rather than working full time, they become part-time workers (e.g. 20 hours a week). This means that the rise in unemployment may be muted, but many workers see substantial falls in effective income. ¶The self-employed are particularly vulnerable to recession. In an economic downturn, the self-employed may see a cash-flow shortage very quickly and struggle to make ends meet. ¶Higher government borrowing ¶Governments will see a fall in tax revenue as a result of a recession. ¶Firms make less profit, therefore the government receive lower corporation tax ¶Workers receive lower-income, therefore government receive lower income tax ¶Lower house prices and fewer housing transaction lead to lower stamp duty revenue. ¶Lower expenditure, leading to lower VAT payments. ¶Government spending ¶Rising government spending on welfare payments, such as unemployment benefits, housing benefit and income support. ¶Because of falling tax revenues and rising welfare payments (automatic fiscal stabilisers), a recession tends to cause an increase in the budget deficit and total government debt. ¶US budget deficit rose sharply after the recession of 2008/09. Note, the forecast for 2021 is wrong. Borrowing in 2021 in the US will surge because of the impact of Coronavirus and impending recession. ¶Many countries saw a sharp rise in the budget deficit post-2008 credit crunch because they relied on tax revenues from property and the finance sector. The fall in the property market hit tax revenues harder. VAT receipts tend to be less cyclical. ¶A budget deficit may also increase because the government decide to pursue expansionary fiscal policy and attempt to stimulate economic activity. FOr example, in 2010, the UK government cut VAT. ¶Falling asset prices ¶Oil prices dropped sharply in 2008/09 and 2020. ¶In a global recession, we tend to get a fall in oil prices because demand falls. The 2020 Coronavirus caused a sharp drop in oil prices and also a dramatic fall in share prices. It is an indication of the extent to which analysts expect the recession to hurt. Falling asset prices contribute to the downward spiral in the economy. Falling house prices create a negative wealth effect, reducing confidence and causing further falls in spending. We are likely to see a drop in house prices in 2020. ¶Bond Yields ¶Usually, in a recession, government bond yields fall. This is because in a recession, saving tends to rise and people demand the security of bonds rather than stock market. In 2020, US bond yields have fallen to near-record levels. US 2 year bond yield is at 0.46%. ¶It is possible bond yields may rise if markets fear the recession will cause very serious problems for the government and liquidity shortage. For example, Italian bond yields have started to rise in 2020 because of real concerns about the collapse in the Italian economy.  A lot will depend on the reaction of the ECB and whether they will create money to provide liquidity. ¶Lost Output ¶A recession leads to lower investment and therefore can damage the long-term productive capacity of the economy. If the recession is short, this lost output may be quite limited – economies can bounce back. But, in a prolonged recession, this lost output becomes greater. The 2009 recession caused a permanent loss of output because the recession was very deep and fundamental weaknesses. ¶See [Impact of recession on trend rate of economic growth](https://www.economicshelp.org/blog/5452/economics/impact-of-recession-on-trend-growth-rate/) ¶Impact on Workers ¶Unemployment can leave lasting negative impacts. Firstly, unemployment is very stressful and can damage the person’s morale, and even health. Areas of high unemployment tend to experience more social problems. High unemployment can be a factor in creating social instability, leading to problems such as riots and vandalism. Mass unemployment can threaten the social fabric of the countries. ¶The unemployed lose the opportunity to gain skills and on-the-job training. Long-term unemployment can make it harder for the worker to gain a job in the future; it can even cause people to give up and drop out of the labour market completely.¶Unemployment and recession can also cause a rise in social/health problems such as depression and suicide. ¶Impact on firms ¶Firms will see a fall in demand and lower profits. Some firms may start to make a loss and go bankrupt. This may be due to fundamental inefficiency but also firms may go out of business purely because of the cyclical factors and an inability to borrow sufficient firms to see the end of the recession. A recession will hit some firms more than others. In a recession, there is a large fall in demand for luxury goods (foreign holidays) top-end sports cars and so these firms will be more vulnerable. ¶If a company has large reserves then it will be able to ride out the recession even if it makes a temporary loss. A recession may cause a firm to pursue price wars and cost-cutting. ¶Price Wars – Firms often seek to hang onto market share. This leads to aggressive price cuts, which further reduce the profitability of business. ¶Cost Cutting – The impact of declining profitability means companies will be forced to look closely at reducing costs and maybe closing unprofitable areas of the business. Companies may be forced to lay off staff in an effort to reduce costs ¶Inequality In a recession, inequality and relative poverty tend to worsen. This is because unemployment is a big cause of relative poverty (unemployed see fall in incomes) Are there any potential positive effects of a recession? ¶The collapse in Chinese manufacturing in early 2020 led to a sharp fall in air pollution and will have some effect in reducing deaths related to air pollution. ¶Rather ironically, some recessions have shown to increase life expectancy. During the Great Depression, mortality rates in the US fell amongst areas of high unemployment. The reasoning was people spent less on alcohol and cigarettes which damage health. Also, there is a fall in traffic accidents. (NPR – [Great Recession, led to lower mortality rates](https://www.npr.org/2018/01/09/576669311/hidden-brain-great-recession-deaths?t=1584092376398))

# Case

### Wyeth’s Generic

1. **Turn: More strikes lead to backlash bills that weaken unions – empirically proven. Partelow ‘19**

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In 2018 and 2019, after a decade of disinvestment in education that led to stagnant teacher salaries, policymakers have introduced [proposals in states](https://thehill.com/homenews/state-watch/426030-states-race-to-prevent-teacher-strikes-by-boosting-pay) across the country to begin reinvesting, spurred in part by teacher walkouts and activism nationwide. While it is wonderful to finally see broad support for raising teacher salaries and investing in public schools, a predictable backlash has also emerged. Legislators in some states that were hotbeds of teacher activism are [introducing bills](http://nymag.com/intelligencer/2019/01/teacher-walkouts-gop-lawmakers-push-retaliatory-bills.html) to explicitly prohibit walkouts or punish teachers who participate, often with a sprinkling of additional anti-union provisions. **Weakening unions and refusing to invest in education** are long-standing conservative tenets, and these bills are evidence that we should expect conservative policymakers to return to them as soon as they believe them to be politically viable. The consequences of a decade of education funding cuts came into sharp relief last spring, after teachers staged walkouts in [half a dozen states](https://www.nytimes.com/2018/05/16/us/teacher-walkout-north-carolina.html). The [decade of disinvestment](https://www.americanprogress.org/issues/education-k-12/reports/2018/09/20/457750/fixing-chronic-disinvestment-k-12-schools/) in education had its roots in the Great Recession, when many states were forced to drastically cut their K-12 education funding. But as the recovery got underway, many governors — particularly in red states — made intentional policy choices to cut taxes for wealthy residents and corporations rather than allow education funding to rebound to pre-recession levels as revenue increased. As a [result](https://www.americanprogress.org/issues/education-k-12/reports/2018/09/20/457750/fixing-chronic-disinvestment-k-12-schools/%5b), teacher wages stagnated, school budgets were strapped, and expenses such as building repairs and learning materials were deferred year after year. By 2018, reports of [crumbling schools](https://www.motherjones.com/politics/2018/01/its-not-just-freezing-classrooms-in-baltimore-americas-schools-are-physically-falling-apart/), students learning from [decades-old textbooks](https://www.cnn.com/2018/04/03/us/oklahoma-teachers-textbooks-trnd/index.html), high teacher turnover, and staff [shortages](https://tucson.com/news/local/we-continue-to-worsen-nearly-arizona-teaching-jobs-remain-vacant/article_1c8d665a-a422-5c7b-95b9-98afe0cb0c6f.html) in these states became common. Teachers had reached their [boiling point](https://morningconsult.com/opinions/americas-teachers-are-at-their-boiling-point/). The teacher walkouts have been very effective. Though they were a last resort, they finally got lawmakers’ attention in states that had seen the most chronic and severe cuts to education. In the states where teachers walked out, governors who hadn’t historically supported [education funding](https://www.americanprogressaction.org/issues/education/news/2018/10/09/171813/little-late-many-gubernatorial-candidates-education-funding/) agreed to enact significant [pay raises](https://www.latimes.com/nation/la-na-teacher-funding-20180306-story.html) and increases in education funding. For example, in Arizona, Republican Gov. Doug Ducey was forced to sign off on a teacher pay bill he had [previously opposed](https://tucson.com/news/local/gov-ducey-teachers-aren-t-going-to-get-percent-pay/article_75a9b7dc-930b-5374-be12-61fb840e4ced.html) that provided a [20 percent raise](https://www.reuters.com/article/us-usa-education-arizona/arizona-governor-signs-bill-to-boost-teachers-wages-amid-strike-idUSKBN1I40N8) to the state’s teachers — some of the lowest-paid in the nation — and invested an additional $100 million in schools in the state. And now, in several states with low teacher pay that have so far avoided major protests, some governors have proposed salary increases. Remarkably, much of this movement is happening in [deep-red states](https://thehill.com/homenews/state-watch/426030-states-race-to-prevent-teacher-strikes-by-boosting-pay) with historically low education spending. In South Carolina, Gov. Henry McMaster wants to give teachers a 5 percent pay raise; in Texas, Lt. Gov. Dan Patrick has proposed a $5,000 increase; and in Georgia, Gov. Brian Kemp has proposed a $3,000 increase. In all three of these states, teachers are [paid less](http://www.nea.org/assets/docs/180413-Rankings_And_Estimates_Report_2018.pdf) than the national average. It’s likely that last year’s walkouts nudged these governors to consider teacher pay in a way that they wouldn’t have otherwise. Though it goes against traditional conservative principles, supporting these raises is smart politics for these governors. There is widespread public [support for increasing teacher pay](https://www.apnews.com/883e9d387709112a11ee8901c223294e), particularly in the states where walkouts occurred. But even as some conservative policymakers agree to raise teacher salaries, as the 2019 legislative sessions have begun, others in Arizona, Oklahoma, and West Virginia have introduced bills that would [make walkouts illegal](http://nymag.com/intelligencer/2019/01/teacher-walkouts-gop-lawmakers-push-retaliatory-bills.html) and penalize teachers with fines, loss of their teaching licenses, or even [jail time](https://www.vox.com/policy-and-politics/2018/4/23/17270422/colorado-teachers-strike-jail-bill). Some of the bills also contain provisions designed specifically to weaken teachers unions, such as a requirement that teachers must [opt in to dues each year](https://www.nytimes.com/aponline/2019/01/28/us/ap-us-education-bill-west-virginia.html), which sponsors hope will reduce membership by adding an extra step to the process. Legislators in walkout states have also introduced stand-alone proposals designed to **make union membership more difficult** and, therefore, less likely, such as a prohibition on districts [withholding union dues](https://newsok.com/article/5593286/bill-is-revenge-for-teacher-walkout-unions-say) from teachers’ paychecks. These backlash bills hint at a much more familiar conservative education agenda of slashing funding and working to weaken teachers unions. After all, it is this agenda that led to stagnant teacher salaries, deplorable conditions in many school buildings, and consequences for students whose schools were chronically underfunded in the first place. Supporting increases to teacher pay and greater investment in schools is the right thing to do for America’s students. Unfortunately, this wave of backlash makes clear that for some policymakers, it’s all about politics — and as soon as they have the chance, they’ll once again slash education funding and attack hardworking teachers.

1. **Turn again: The right to strike just leads businesses to take stronger steps to stop unionization.**

Gordon **Lafer, 20** - ("Fear at work: An inside account of how employers threaten, intimidate, and harass workers to stop them from exercising their right to collective bargaining," Economic Policy Institute, 7-23-2020, https://www.epi.org/publication/fear-at-work-how-employers-scare-workers-out-of-unionizing/)//va

NLRB elections are fundamentally framed by one-sided control over communication, with no free-speech rights for workers. Under current law, employers may require workers to attend mass anti-union meetings as often as once a day (mandatory meetings at which the employer delivers anti-union messaging are dubbed “captive audience meetings” in labor law). Not only is the union not granted equal time, but pro-union employees may be required to attend on condition that they not ask questions; those who speak up despite this condition can be legally fired on the spot.[19](https://www.epi.org/publication/fear-at-work-how-employers-scare-workers-out-of-unionizing/#_note19) The most recent data show that nearly 90% of employers force employees to attend such anti-union campaign rallies, with the average employer holding 10 such mandatory meetings during the course of an election campaign.[20](https://www.epi.org/publication/fear-at-work-how-employers-scare-workers-out-of-unionizing/#_note20) ¶ In addition to group meetings, employers typically have supervisors talk one-on-one with each of their direct subordinates.[21](https://www.epi.org/publication/fear-at-work-how-employers-scare-workers-out-of-unionizing/#_note21) In these conversations, the same person who controls one’s schedule, assigns job duties, approves vacation requests, grants raises, and has the power to terminate employees “at will” conveys how important it is that their underlings oppose unionization. As one longtime consultant explained, a supervisor’s message is especially powerful because “the warnings…come from…the people counted on for that good review and that weekly paycheck.”[22](https://www.epi.org/publication/fear-at-work-how-employers-scare-workers-out-of-unionizing/#_note22) ¶ Within this lopsided campaign environment, the employer’s message typically focuses on a few key themes: unions will drive employers out of business, unions only care about extorting dues payments from workers, and unionization is futile because employees can’t make management do something it doesn’t want to do.[23](https://www.epi.org/publication/fear-at-work-how-employers-scare-workers-out-of-unionizing/#_note23) Many of these arguments are highly deceptive or even mutually contradictory. For instance, the dues message stands in direct contradiction to management’s warnings that unions inevitably lead to strikes and unemployment. If a union were primarily interested in extracting dues money from workers, it would never risk a strike or bankruptcy, because no one pays dues when they are on strike or out of work. But in an atmosphere in which pro-union employees have little effective right of reply, these messages may prove extremely powerful. ¶ It is common for unionization drives to start with two-thirds of employees supporting unionization and still end in a “no” vote. This reversal points to the anti-democratic dynamics of NLRB elections: voters are not being convinced of the merits of remaining without representation—they are being intimidated into the belief that unionization is at best futile and at worst dangerous. When a large national survey asked workers who had been through an election **to name “the most important reason people voted against union representation,” the single most common response was management pressure, including fear of job loss**.[24](https://www.epi.org/publication/fear-at-work-how-employers-scare-workers-out-of-unionizing/#_note24) Those who vote on this basis are not expressing a preferenceto remain unrepresented. Indeed, many might still prefer unionization if they believed it could work. Where fear is the motivator, what is captured in the snapshot of the ballot is not preference but despair. ¶To understand what union elections look like in reality, we have profiled two cases in which workers sought to create a union and met with a harsh (and typical) employer backlash. In both cases—a tire plant in Georgia and a satellite TV company in Texas—the employer response ranges from illegally firing union activists to engaging in acts of coercion and intimidation that are illegal in any normal election to public office but are allowed under the NLRA. ¶

**The turns outweigh the Aff. Their solvency is all about how *unionization* is key, not a stronger right to strike. Whatever marginal increase in bargaining power they achieve is drowned out by the fact that there will be much lower union density in the first place.**

#### Turn: Increasing the cost of labor will just accelerate automation, outsourcing, and offshoring. Alt causes and backlash from firms deck aff solvency.

Groshen & Holzer ’19 - Erica Groshen [Senior Economics Advisor at the Cornell University School of Industrial and Labor Relations and Research Fellow at the Upjohn Institute for Employment Research] and Harry J. Holzer [Prof. of Public Policy, Georgetown U.], “Helping workers requires more than silver bullets,” *Brookings Institution* (Web). Nov. 25, 2019. Accessed Nov. 19, 2021. <<https://www.brookings.edu/opinions/helping-workers-requires-more-than-silver-bullets/>> AT

But no single silver bullet solution exists that can solve our skills and earnings problems. Why? Because no single or dominant cause explains stagnating earnings or rising inequality in the US. Thus, simplistic “silver bullet” policies would likely be ineffective or even do more harm than good.¶ Some “silver bullets” are too scattershot. For instance, free college for all would shunt billions of dollars of tax revenue into subsidizing higher education for the wealthy at a time when federal budgets are already deeply in the red. A Universal Basic Income would be even more expensive, and could induce workers to stop seeking many new jobs that will be created over time.¶ Other proposals could harm those they aim to help or be ineffective. Imposing a uniform $15 federal minimum wage, even by 2025 (as many now propose), could induce employers to eliminate jobs for low-wage workers in already distressed communities. Proposals to expand unionism alone might generate only small increases, in light of employers’ ability of to resist collective bargaining by automating, relocating their facilities, or outsourcing work to other firms.¶ To sensibly raise wages and reduce inequality among American workers, we must recognize that a confluence of causes are at work, which requires a combination of evidence-based policy responses. The causes include labor market forces like technical change, globalization, and too few well-educated workers; they also include changes in labor institutions beyond weakened unions and a lack of worker “voice.” Indeed, a growing set of employer practices, such as outsourcing some activities to other firms (which is often called employment “fissuring”) likely contribute to weak outcomes as well. Such practices break the time-honored links between a firm’s profitability and its workers’ earnings, and diminish employer interest in training workers to make them more productive.¶ Without important, systematic policy changes, the earnings and employment of US workers – especially those without college degrees – will likely continue to deteriorate. More trade and automation in the form of robotics and artificial intelligence (AI) will almost certainly lead millions of workers to be displaced, while our failure to adequately fund public institutions of higher education and workforce services will limit workers’ readiness for new jobs that will be created. In other areas – including federal wage and hour laws, worker rights to representation on the job, and employer staffing arrangements – we are surely still moving in the wrong direction.

#### Democratic erosion is occurring because the Supreme Court is a lawless, partisan institution, not because of a lack of strikes

Keck 20 – Thomas Keck, Michael O. Sawyer Chair of Constitutional Law and Politics and Professor of Political Science at Syracuse University, “Court-Packing and Democratic Erosion,” 12/17/20, https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3476889

Scholars of democratic erosion have noticed the GOP’s partisan capture of the federal courts and flagged it as a potential warning sign, but may well have understated the severity of the danger to democratic norms and institutions. For example, remarking on the Supreme Court twenty months into Trump’s pvresidency, Kaufman and Haggard diagnosed “a serious threat that a constitutionally-created branch of the government—one that is already deeply divided along partisan lines—will become even more politicized and delegitimated.” On their reading, “[t]he most direct threat to American democracy would be judicial acquiescence to restrictions on voting rights” (2019: 426). Ginsburg and Huq have likewise noted that partisan judges, like legislators, “may be willing to allow a president to dismantle democratic governance so long as their own policy preferences are furthered” (2018a: 219). Such judicial acquiescence in the face of legislative restrictions on voting rights is indeed a significant threat, but the bigger danger to American democracy is judicial evisceration of legislative expansions of voting rights. Consider David Landau and Rosalind Dixon’s account of “abusive judicial review,” by which they mean the use of judicial power to undermine the “minimum core of electoral democracy.” Drawing on comparative evidence from a range of states experiencing democratic erosion, Landau and Dixon identify two variants of the phenomenon. In its weak form, abusive judicial review involves courts “stand[ing] by passively as democracy is dismantled”; in its strong form, it involves courts actively undermining key democratic norms and institutions (2020: 1316-17). The Roberts Court has engaged in both versions of the practice.¶ In this section, I briefly review two instances in which the contemporary Court has declined to check legislative infringements on fair democratic procedures, and two others in which it has reached out to actively thwart legislative enhancements of democratic procedures. In Crawford v. Marion County Election Board (2008), the Court upheld Indiana’s strict voter ID law, despite clear evidence that the photo identification requirement would “impose nontrivial burdens on the voting rights of tens of thousands of the state’s citizens . . . [, with] a significant percentage of those individuals . . . likely to be deterred from voting.”11 The law had been enacted on a party-line vote in Indiana’s Republican-controlled legislature, and Seventh Circuit Judge Terence Evans characterized it as “a not-too-thinly-veiled attempt to discourage electionday turnout by certain folks believed to skew Democratic.”12 In subsequent litigation regarding an even stricter law from Wisconsin, Circuit Judge Richard Posner noted that roughly nine percent of registered voters in the state lacked the required state-issued identification. Posner also reviewed sworn testimony from multiple registered voters who had attempted to obtain such identification, but had been unable to do so. 13 Relying on Crawford, Posner’s colleagues nonetheless upheld the Wisconsin law as well. ¶ A decade after Crawford, the Court held in Rucho v. Common Cause (2019) that claims of intentional and excessive partisan gerrymandering are not subject to judicial resolution under the U.S. Constitution. The case featured uncontroverted evidence that following the 2010 census, the Republican-controlled North Carolina legislature had “instructed their mapmaker to use political data to draw a map that would produce a congressional delegation of ten Republicans and three Democrats.” In all recent election cycles, votes for statewide offices and aggregate votes for House candidates have evinced a state split nearly 50-50, with Democrats winning the aggregate House vote in 2012 and the Governor’s race in 2016. But the Republican gerrymander successfully maintained a 10-3 GOP majority in the House delegation across three consecutive election cycles. Despite this context, Chief Justice Roberts declined to impose any constitutional limits on the drawing of district lines to “subordinate adherents of one political party and entrench a rival party in power,” even where that desire represents the “predominant purpose” of the line-drawing.14¶ The central premise of Roberts’s argument for allowing such partisan gerrymandering is that the Constitution grants such authority to state legislatures in the first instance (and to Congress secondarily), and hence that the American people should bring their complaints about existing districting practices to their elected representatives, not to the Court. But relying on selfinterested legislators to reform the procedures under which they themselves have been elected has the same shortcomings that it had in Baker v. Carr (1962), which authorized courts to weigh in when district maps featured massive departures from the principle of “one person, one vote.” With the Court declining to serve as democratic guardrail, Crawford and Rucho are paradigmatic examples of weak-form abusive judicial review. ¶ Contrast the Court’s broad posture of judicial restraint in those cases with its aggressive interference with the 2002 McCain-Feingold Act and the 1965 Voting Rights Act. In Citizens United v. FEC (2010), the Court held that for-profit corporations have a First Amendment right to spend unlimited sums advocating the election or defeat of political candidates, thereby invalidating a central provision of the most significant federal campaign finance law since the Watergate era. Citizens United is the most notable in a long string of Roberts Court decisions invalidating campaign finance regulations, with the Court’s most conservative justices repeatedly holding that state and federal legislative institutions lack authority to limit election spending.15 In Shelby County v. Holder (2013), the Court gutted a central provision of the Voting Rights Act, holding that Congress had unconstitutionally required certain state and local jurisdictions to get federal approval for all changes to their election laws. Technically, Roberts’s opinion for the Court only invalidated the formula that determined which state and local jurisdictions were required to seek such federal “pre-clearance,” but both his majority opinion and a concurrence from Justice Thomas suggested that even with a revised coverage formula, the Court’s conservative majority would view such a requirement as an unconstitutional intrusion on state sovereignty. The decision unleashed a wave of new state restrictions on voting rights—with Republican legislatures and executives enacting voter ID laws, purging voter rolls, and closing polling sites—that previously would have required federal pre-clearance (Rocco in this volume). ¶ As these examples make clear, the current Court’s relevance for democratic erosion is twofold. First, it has significantly scaled back its role as an institutional check against partisan attempts to undermine fair democratic procedures. It is not yet clear that it has abandoned this role altogether, but it is fair to say that its performance is not currently reliable. Indeed, early reports from the Bright Lines Project have shown that “Judiciary can limit executive” and “Judicial independence” are among the democratic norms and institutions on which both expert and mass public confidence dropped most sharply during the Trump era (Carey, et al. 2019). Consider the Court’s response to legal disputes regarding vote counting in the 2020 presidential election. Once it was clear that Joe Biden had won a decisive victory, the Court dismissed multiple frivolous lawsuits seeking to reverse the results.16 But in the weeks leading up to the election, four conservative justices had signaled that they were prepared to give a sympathetic ear to Trump campaign arguments that could have reversed an election defeat if the outcome were close.17 Justice Barrett was not yet on the Court when those disputes were heard, and there is good reason to worry that she would have provided a fifth vote in such a scenario.18¶ Second, the Court has proven willing on key occasions to thwart legislative attempts to enhance fair democratic procedures.19 A variety of signs indicate that this latter effort has not yet run its course. In the campaign finance context, for example, Justices Thomas and Alito have set their sights on disclosure requirements, and Senate Majority Leader McConnell echoed their arguments in a January 2019 op-ed.20 On the gerrymandering front, reform advocates have used the ballot initiative process in several states to transfer redistricting authority from partisan state legislatures to non-partisan commissions. The Supreme Court upheld such an initiative from Arizona in 2015, but it did so by a vote of 5-4, with Roberts, Thomas, and Alito (along with Scalia) in dissent. 21 If any two of Trump’s three nominees agree with them, they now have the votes to hold that neither judges nor voters may take districting authority away from partisan legislators. Roberts’s dissenting opinion in the Arizona case suggests that this same judicial coalition may invalidate any congressional attempt to mandate non-partisan redistricting as well (Keck 2019b). ¶ In sum, even before the Trump era, the Roberts Court was sometimes willing to actively deploy judicial power to undermine core features of electoral democracy. President Trump’s three appointments have shifted the Court’s median justice substantially to the right—both in general and on voting rights in particular. As such, Democratic advocates of democracy reform have reason for concern that when they next recapture Congress and the White House, their Republican opponents will have retired into the judiciary as a stronghold. In this context, any comprehensive program of democratic preservation and renewal in the 2020s will need to grapple with the issue of court reform (Jones 2020). ¶ Conclusion: Reestablishing the Court’s Role as Democratic Guardrail¶ Calls for Court reform are a recurring feature of U.S. history. They have repeatedly been prompted by controversial actions taken by the justices themselves and by the partisan coalitions with which they are allied. Remarkably, contemporary Republican elites—acting across all three branches of the federal government—seem poised to provoke such calls in nearly every way that they have been provoked in the past. When Biden is sworn in as President in January 2021, he will find himself facing a Court that has been illegitimately packed by the opposition party on its way out of power; that stands opposed to majoritarian, multi-racial democracy; and that is committed to a constitutional vision under which much of the platform on which Biden was elected is constitutionally suspect. If history is any guide, Court reform will remain on the table until President Biden’s political coalition collapses or Chief Justice Roberts steers a non-obstructionist path. If neither of those paths unfold, serious discussion of Court reform is virtually inevitable. ¶ In this concluding section, then, I highlight some key lessons from our constitutional history regarding how to pursue such reforms in ways that are most beneficial for—and least risky to—democratic health. On my reading of the relevant history, some instances of attempted Court-packing contributed to democratic erosion in the United States, while others operated, on balance, to promote democratic preservation and renewal. Indeed, it seems to me incontrovertible that court-packing can be undertaken in ways that both hinder and foster democratic governance. If and when small-d democrats regain control of Hungary, Turkey, or Venezuela, would any decisions on their part to alter the size or structure of their judicial institutions be best understood as undue assaults on democratic norms? Surely we would need to know additional contextual details before reaching that judgment. As Joseph Fishkin and David Pozen have noted, “all acts of constitutional hardball create systemic risks, . . . [but] specific acts may be justified for a variety of contextual normative reasons; sound political judgment might even require that certain types of hardball be played in certain situations” (2018: 925; see also Bateman in this volume; Tushnet 2020). ¶ In the ongoing debates about how best to respond to processes of democratic erosion once they have been diagnosed, Levitsky and Ziblatt have famously called on opposition party elites to exercise forbearance, resisting the urge to respond to the authoritarian leader's normbreaking with more norm-breaking of their own. But such forbearance strategies may not be viable when facing incumbents—including judicial incumbents—who are deliberately tilting the playing field. In such circumstances, some sort of hardball opposition may be more effective at protecting and renewing democracy, particularly if small-d democracy advocates deploy such tactics in pursuit not just of their own narrow partisan interests but also pro-democratic reforms that promise to break the cycle of tit-for-tat escalation (Bateman in this volume; Pozen 2019). ¶ If systemic threats sometimes justify constitutional hardball, then scholars of democratic erosion and resilience are in good position to help policymakers reflect on how such tactics can be deployed in maximally legitimate fashion. One issue here is timing—i.e., how to know when we have reached the point where hardball tactics are merited. With regard to Court expansion, both its normative legitimacy and its political viability are likely to increase if and when the Roberts Court acts as a partisan roadblock to a Democratic administration. If the conservative justices refrain from doing so, they may be able to forestall Court reform. But the historical pattern suggests that emergence of an obstructionist Court is likely, at which point Democratic Court reformers will be emboldened. I have argued that judicial obstruction of legislative expansions of voting rights (and related democracy reforms) would provide particularly weighty justification for Court reform. In theory, the threat of such judicial contributions to democratic erosion might justify preemptive action—e.g., expanding the Court before it eviscerates a new voting rights act—but in practice, such preemptive action would require substantially greater political investment. Convincing the American public that Court packing is called for would be a tall order on any occasion, but it is more likely to succeed once the Court has begun actively obstructing a broadly popular policy agenda. ¶ In addition to the question of when to resort to hardball tactics, reformers should reflect on how to do so in ways that minimize the threat of tit-for-tat escalation. Here, one’s prescription for reform is likely to depend on one’s diagnosis of the systemic democratic defects in which the Court plays a role. If the chief threat to U.S. democracy is partisan polarization, then the cure is likely to involve institutional changes designed to empower centrists of both parties and to weaken their extremist flanks. If the diagnosis is partisan degradation rather than polarization— i.e., if the key defects facing American democracy are rooted not in a bipartisan refusal to compromise, but in one party’s abandonment of the rules of the game—then the prescription would be different. Rather than promoting bipartisanship, the cure would involve institutional changes that weaken the structural pro-GOP biases in our electoral and policy-making systems, thereby disrupting the party’s playbook for maintaining its hold on power without offering a platform that appeals to popular majorities (Bateman in this volume). ¶ To the extent possible, the goal of Court reform should be reestablishing the Court’s role as democratic guardrail, not reestablishing its role as Democratic agent. Given that the reforms would be enacted by partisan legislators, some consideration of partisan payoffs is inevitable, but scholars of democratic erosion and resilience can help call attention to particular reforms that are most beneficial for (or least risky to) democratic health. On this front, Pozen (2019) has called for greater consideration of “anti-hardball” reforms, by which he means institutional changes that reduce the likelihood of constitutional hardball being played by either side moving forward. For example, when a new state legislative majority comes to power, they could respond to a prior pattern of partisan gerrymandering by creating a non-partisan redistricting commission rather than deploying a new partisan gerrymander of their own. The dilemma is that the existing gerrymandered districts may prevent a new state legislative majority from coming to power, or that a captured court might prevent the new majority from altering the redistricting procedures. ¶ With regard to Court reform, anti-hardball measures might include reducing the length of Supreme Court terms and regularizing the occurrence of Supreme Court vacancies, changes that would lower the stakes of any given nomination fight. Scholars were calling for such reforms long before Trump’s election, and good government reformers have continued to advocate them (Cramton and Carrington 2005; Cramton 2007; Galston, et al. 2019). The dilemma is that most such reforms would have to survive judicial review by the existing Court. ¶ If the key defect ailing American democracy is partisan degradation rather than polarization, then even anti-hardball reforms that have in the past drawn bipartisan support may require hardball tactics to enact (Pozen 2019). In other words, successful Court reform may require combining good government improvements to judicial selection and tenure rules with hardball efforts to wrest judicial institutions away from the anti-system party’s control. The institutional design choices are complex, and I close with one recent proposal that illustrates the challenges. ¶ In September 2020, less than two weeks after Justice Ginsburg’s death, Representative Ro Khanna introduced legislation that would authorize the president to nominate a Supreme Court justice every two years, during the first and third years of each four-year presidential term. Once confirmed by the Senate, each justice would serve an 18-year, non-renewable term, after which she would rotate off of active duty on the Supreme Court. The bill would eventually produce a stable Court membership of nine, but the justices sitting at the time of enactment would be grandfathered, retaining their life terms, thereby producing the possibility of a Court larger than nine until all of those sitting justices have concluded their service. 22 When the basic structure of Rep. Khanna’s reform bill was first floated by advocates in 2019, conservatives held a five-to-four majority on the Court (Schwartz 2019). In that context, the combination of temporary Court expansion with permanent improvements to judicial selection and tenure rules may have seemed a workable marriage of hardball and anti-hardball reforms. With Justice Barrett having expanded the conservative majority to six justices, the horns of the dilemma have sharpened. The Khanna bill is one of a variety of anti-hardball reforms that would ameliorate the partisan degradation of the federal courts, but if those reforms cannot survive judicial review by the current Court, then it will take some form of hardball tactics to achieve them. That this dilemma faces Court reform advocates should not be surprising, as it is the same dilemma facing democracy reform more broadly. Solving it will be the central challenge of the post-Trump era in U.S. politics. ¶

## **AT: Democracy Stops War**

#### Democracy doesn’t solve war---best models.

Campbell et al. 18, \*Doctoral Candidate in Political Science, Ohio State University. \*\*Carter Phillips and Sue Henry Associate Professor of Political Science at the Ohio State University. \*\*\*Associate Professor of Political Science, Pennsylvania State University. (\*Benjamin W., \*\*Skyler J. Cranmer, \*\*\*Bruce A. Desmarais, September 13, 2018, “Triangulating War: Network Structure and the Democratic Peace”, *Cornell University*, Accessible at: <https://arxiv.org/pdf/1809.04141.pdf>)

Conclusion

The dyadic understanding of the democratic peace has become ubiquitous in International Relations. By looking beyond simple dyadic analysis, accounting for the embededness of states in a much more complex network, we found the democratic peace may not be as robust as previously thought. Our results demonstrate that after accounting for the tendency for like-regime states with common enemies not to fight one another, the effect of the democratic peace not only vanishes, but jointly democratic dyads seem to be *more* conflict prone than mixed dyads. These results are consistent across operationalizations of the outcome variable, our triadic closure predictor, measurements of joint democracy, and a variety of other factors. We believe this explanation for the democratic peace is not a mechanism for understanding the democratic peace, but instead, an alternative. What we have shown here is that conflict between democracies indeed exists and the peaceful relations occasionally found are not necessarily a function of the affinity of democratic states, or intrinsic attributes of democratic states, but instead, a function of the strategic inefficiencies of fighting a state with a shared enemy. While regime type may influence the interests of states, we find that it does not directly influence the probability that any two states fight one another.

There are three major implications to our research. First, scholars should be hesitant to consider dyadic conflict in isolation, as there are network dependencies informing whether a state engages or joins a MID. Second, preferences operating in addition to network interdependencies and collaboration explain much of the democratic peace. Third, when studying conflict, scholars and practitioners should consider the cost structure of collaboration, and how these dynamics inform not only conflict initiation, but conflict escalation. Particularly interesting is that the theoretical mechanism at work here is dramatically simpler than any of the established justifications for the democratic peace. We do not rely on arguments about institutions or norms, but just the simple and intuitive proposition that it does not make much sense for two states fighting a third to also fight each other. What the existing literature seems to have missed, usually theoretically and almost always empirically, is that dyadic conflicts do not occur in isolation, but in the context of a complex network of relations.