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## Income Inequality

#### Global Economic Inequality on the Rise

World Bank, 20 - ("Rising inequality affecting more than two-thirds of the globe, but it’s not inevitable: new UN report," UN News, 1-21-2020, <https://news.un.org/en/story/2020/01/1055681)/AK>

The World Social Report 2020, published by the UN Department of Economic and Social Affairs (DESA), shows that income inequality has increased in most developed countries, and some middle-income countries - including China, which has the world’s fastest growing economy. The challenges are underscored by UN chief António Guterres in the foreword, in which he states that the world is confronting “the harsh realities of a deeply unequal global landscape”, in which economic woes, inequalities and job insecurity have led to mass protests in both developed and developing countries. “Income disparities and a lack of opportunities”, he writes, “are creating a vicious cycle of inequality, frustration and discontent across generations.” ‘The one per cent’ winners take (almost) all The study shows that the richest one per cent of the population are the big winners in the changing global economy, increasing their share of income between 1990 and 2015, while at the other end of the scale, the bottom 40 per cent earned less than a quarter of income in all countries surveyed. One of the consequences of inequality within societies, notes the report, is slower economic growth. In unequal societies, with wide disparities in areas such as health care and education, people are more likely to remain trapped in poverty, across several generations. Between countries, the difference in average incomes is reducing, with China and other Asian nations driving growth in the global economy. Nevertheless, there are still stark differences between the richest and poorest countries and regions: the average income in North America, for example, is 16 times higher than that of people in Sub-Saharan Africa.

**Unions give workers enough leverage to effectively negotiate with their employers.**

Hayes ‘ 21 - Hayes, Lydia, et al. “Trade Unions and Economic Inequality.” Institute of Employment Rights Journal, vol. 4, no., Pluto Journals, 2021, pp. 118–41, <https://doi.org/10.13169/instemplrighj.4.0.0118>. AK

How trade unions promote economic equality. The economic clout of an employer is much stronger than the negotiating capacity of an individual worker who needs to earn a living. Trade unions aim to balance out this uneven power relationship. As democratic organisations, trade unions represent their membership independently of managerial or government control. Having access to a collective voice through trade unions offers opportunities that are not otherwise available to individual workers.. Without trade unions, the realities of working life mean that individual workers are under pressure to simply accept the pay and conditions that an employer presents to them. To do otherwise risks missing out on the chance of a job or being dismissed. The bargaining power of trade unions has the potential to defend existing employment conditions, so that new workers are not brought in on lower rates of pay or forced to accept other terms which are inferior. Even when a worker is well-established in a job, should an employer decide to make cut backs or change hours of work, it can be exceptionally difficult to protect pay or terms and conditions on an individual basis. Employers are attentive to economic peaks and troughs and they are acutely aware of the potential benefits of cheap replacement labour when employment opportunities are scarce. Trade unions can introduce some balance into an otherwise very one-sided situation by requiring that an employer negotiate with the whole workforce.

**A right to strike for workers would improve working conditions, reduce inequality, and raise worker pay.**

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The right of workers to organize and bargain with their employer benefits all Mainers. Collective bargaining leads to better wages, safer workplaces, and a fairer and more robust economy for everyone — not just union members. The right to strike is critical to collective organizing and bargaining. Without it, Maine’s public employees are unable to negotiate on a level playing field. ¶Maine’s Legislature is considering a bill that would give public-sector workers the right to strike. MECEP supports the legislation, and is urging legislators to enact it. ¶**The right to strike would enable fairer negotiations between public workers and the government**. All of us have reason to support that outcome. **Research shows that union negotiations set the bar for working conditions with other employers**. And as the largest employer in Maine, **the state’s treatment of its workers has a big impact on working conditions in the private sector.** ¶Unions support a fairer economy. Periods of high union membership are associated with lower levels of income inequality, both nationally and in Maine. Strong unions, including **public-sector unions, have a critical role to play in rebuilding a strong middle class**. ¶**Unions help combat inequities within work places. Women and people of color in unions face less wage discrimination than those in nonunion workplaces.** On average, wages for nonunionized white women in Maine are 18 percent less than of those of white men. Among unionized workers, that inequality shrinks to just 9 percent. Similarly, women of color earn 26 percent less than men in nonunionized jobs; for unionized women of color, the wage gap shrinks to 17 percent.[[i]](https://www.mecep.org/blog/right-to-strike-would-level-the-playing-field-for-public-workers-with-benefits-for-all-of-us/#_edn1) ¶All of us have a stake in the success of collective bargaining. **But a union without the right to strike loses much of its negotiating power**. The right to withdraw your labor is the foundation of collective worker action. When state employees or teachers are sitting across the negotiating table from their employers, how much leverage do they really have when they can be made to work without a contract? It’s like negotiating the price of a car when the salesman knows you’re going to have to buy it — whatever the final price is. ¶Research confirms that **public-sector unions are less effective without the right to strike**. Public employees with a right to strike earn between 2 percent and 5 percent more than those without it.[[ii]](https://www.mecep.org/blog/right-to-strike-would-level-the-playing-field-for-public-workers-with-benefits-for-all-of-us/#_edn2) **While that’s a meaningful increase for those workers, it also should assuage any fears that a right to strike would lead to excessive pay increases or employees abusing their new right**. ¶LD 900, “An Act to Expand the Rights of Public Employees Under the Maine Labor Laws,” ensures that Maine’s public-sector workers will have the same collective bargaining rights as other employees in Maine. The bill would strengthen the ability of Maine’s public-sector workers to negotiate, resulting in higher wagers, a more level playing field, and a fairer economy for all of us.

**Unions reduce inequality**

Kerrissey, Jasmine. “Collective Labor Rights and Income Inequality.” American Sociological Review 80, no. 3 (2015): 626–53. <http://www.jstor.org/stable/44289582>. AK

Class-based collective actors are central to understanding income inequality in industrialized democracies. Strong working-class organizational power, usually measured as union density, reduces inequality (Brady et al. 2013; Jacobs and Myers 2014; Western and Rosenfeld 2011). Moreover, the share of the national income that goes to labor relative to capital increases when workers' relative bargaining power is strong (Kristai 2010; Lin and Tomaskovic-Devey 2013). Scholars in the power resource tradition argue that class- based collective actors affect the distributive process at two points: directly through reducing pre-tax and transfer income inequality (market mechanisms) and indirectly through supporting state policies that bolster taxes and transfers (political mechanisms). Through markets, unions directly reduce inequality by securing better wages and benefits for large groups of workers (Bradley et al. 2003; Western and Rosenfeld 2011). Unions' ability to raise wages for substantial numbers of workers is partially affected by the existenence of centralized bargaining structures (Kristai and Cohen 2007; Wallerstein 1999; but see Scheve and Stasavage 2009). However, even in decen- tralized contexts, like the United States, unions have had some success in raising wages for non-union workers through the threat of union- ization (Freeman and Medoff 1984). Although unions typically aim to increase wages, then- ability to do so varies. For instance, beginning in the 1940s in the United States, unions had high density and were relatively successful in increasing wages across entire industries (Free- man and Medoff 1984). As union density fell at the end of the twentieth century, strikes declined and were less effective in achieving higher wages (Rhomberg 2012; Rosenfeld 2006). Moreover, the rise of financialization in the United States has shifted power away from workers and resulted in increased inequality (Lin and Tomaskovic-Devey 2013). However, even in this weak position, workers are less impoverished in highly unionized states (Brady et al. 2013). Worker organizations also affect inequal- ity through political processes. Labor movements often support left parties and rally around policies that redistribute income. Unions influence elections and policies by mobilizing members to vote, protest, and work on political campaigns (Kerrissey and Schofer 2013; Norris 2002; Wood 2000). Through this collective political action, worker organizations aligned with social- democratic parties have been able to shift the relative bargaining power from capital toward labor (Bradley et al. 2003; Esping- Andersen 1985; Korpi 1989; Kristai 2010).

**One in three deaths in the US alone are caused by income inequality through structural violence**

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(Stephen, 2014, New Press, “Inequality Kills,” <https://depts.washington.edu/eqhlth/pages/BezruchkaInequalityKillsBkPubInfo14.pdf>, accessed 6/30/17, pg. 194-195, CD)

Everyone in a society gains when children grow up to be healthy adults. The rest of the world seems to understand this simple fact, and only three countries in the world don’t have a policy, at least on the books, for paid maternal leave – Liberia, Papua New Guinea, and the United States. What does that say about our understanding , or concern about the health of our youth? **Differences in mortality rates** are not just a statistical concern—they **reflect suffering and pain for** very **real individuals and families.** The higher mortality in the United States is an example of what Paul Farmer, the noted physician and anthropologist, calls structural violence. The forty-seven infant deaths occur every day because of the way society in the United States is structured, resulting in our health status being that of a middle-income country, not a rich country. There is growing evidence that **the factor most responsible** for the relatively poor health **in the U**nited **S**tates **is** the vast and **rising inequality in wealth and income** that we not only tolerate, but resist changing. Inequality is the central element, the upstream cause of the social disadvantage described in the IOM report. A political system that fosters inequality limits the attainment of health. The claim that economic inequality is a major reason for our poor health requires that several standard criteria for claiming causality are satisfied: the results are **confirmed by many different studies by different investigators over different time periods**; there is a dose-response relationship, meaning more inequality leads to worse health; no other contending explanation is posited; and the relationship is biologically plausible, with likely mechanisms through which inequality works. The field of study called stress biology of social comparisons is one such way inequality acts. Those studies confirm that all the criteria for linking inequality to poorer health are met, concluding that the extent of inequality in society reflects the range of caring and sharing, with more unequal populations sharing less. Those who are poorer struggle to be accepted in society and the rich also suffer its effects. **A** recent **Harvard study estimated that** about **one death in three** in this country **results from** our very **high income inequality. Inequality kills through structural violence.** There is no smoking gun with this form of violence, which simply produces a lethally large social and economic gap between rich and poor.

**Income inequality spurs gridlock- makes their impacts inevitable and causes extinction**

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[Julian, Fellow, Australian Academy of Technology, Science and Engineering, *Surviving The 21st Century: Humanity’s Ten Great Challenges and How We Can Overcome Them*, Switzerland: Springer International, 2017, p. 166-167, accessed 2017]

The argument that income inequality leads to **legislative stalemate** and **government indecision** was advanced by Mian and colleagues in a study of the political outcomes of the 2008–2009 Global Economic Recession (Mian et al. 2012 ), stating “…politically countries become more polarized and fractionalized following financial crises. This results in legislative stalemate, making it less likely that crises lead to meaningful macroeconomic reforms.” It also affects intergenerational cohesion, explains Nobel economics laureate Joseph Stiglitz: “These three realities – social injustice on an unprecedented scale, massive inequities, and a loss of trust in elites – define our political moment, and rightly so…. But we won’t be able to fix the problem if we don’t recognize it. Our young do. They perceive the absence of intergenerational justice, and they are right to be angry” (Stiglitz 2016). From the perspective of the survival of civilization and the human species, financial inequality does not represent a direct threat—indeed most societies have long managed with varying degrees of income disparity. Where it is of concern to a human race, whose numbers and demands have already exceeded the finite boundaries of its shared planet, is in the capacity of inequality to wreck social cohesion and hence, to **undermine** the prospects for a **collaborative effort** by the whole of humanity to tackle the **multiple existential threats** we face. Rich-against-poor is a good way to divert the argument and so de-rail climate action, disarmament, planetary clean-up or food security, for instance. Disunity spells electoral loss in politics, rifts between commanders and their troops breed military defeat, lack of team spirit yields failure in sport, disharmony means a poor orchestra or business performance, family disagreements often lead to dysfunction and violence. These lessons are well-known and attested, from every walk of life. Yet humans persistently overlook the cost of socioeconomic disunity and grievances when it comes to dealing with our common perils as a species. For civilisation and **our species to survive** and prosper sustainably in the long run, common understandings and co-operation are essential, across all the gulfs that divide us—political, ethnic, religious and economic. A sustainable world, and a viable human species, will not be possible unless the poverty and inequity gaps can be reduced, if not closed. This is not a matter of politics or ideology, as many may argue: it is the same lesson in collective wisdom and collaboration which those earliest humans first learned on the African savannah a million and a half years ago: together we stand, divided we fall. It is purely an issue of co-existence and co-survival. Neither rich nor poor are advantaged by a state of civilisation in collapse. An unsustainable world will kill the affluent as surely as the deprived.

## Solvency

#### A just government ought to recognize the unconditional right of workers to strike.

#### Collective Labor Rights includes right to protest/strike

Kerrissey, Jasmine. “Collective Labor Rights and Income Inequality.” American Sociological Review 80, no. 3 (2015): 626–53. <http://www.jstor.org/stable/44289582>. AK

Adopting a worldwide, comparative approach, this research examines the relationship between collective labor rights and income inequality. Collective labor rights represent workers' legal and practical ability to organize unions, bargain collectively, and engage in protest. The concept of collective labor rights is useful for several reasons. For one, it draws attention to the collective, unlike studies that emphasize the existence of individual labor rights.

#### Empirically trade unions solve

Hayes, Lydia, et al. “Trade Unions and Economic Inequality.” Institute of Employment Rights Journal, vol. 4, no., Pluto Journals, 2021, pp. 118–41, <https://doi.org/10.13169/instemplrighj.4.0.0118>. AK

As noted above, trade unions rely on social solidarity and promote the collective welfare of members; this means improving wages through greater equality in wage bargaining. Extensive research has found that collective bargaining reduces economic inequality and is therefore beneficial for low and middle-income earners. In industries where trade union membership has halved (and where sectoral bargaining has ceased), the reverse is true and it has been proven that incomes are lowered dramatically. Studies from Canada, the US, and the UK all indicate that wage inequality increases as union influence declines.53 Academics have observed that countries with strong unions and/or a ‘decent’ minimum wage are less vulnerable to rising economic inequality.54

#### Unions broadly improve society, but they need a strong right to strike in order to be effective.

James Myall, 2019, Right To Strike Would Level The Playing Field For Public Workers, With Benefits For All Of US, Maine Center for Economic Policy,https://www.mecep.org/blog/right-to-strike-would-level-the-playing-field-for-public- workers-with-benefits-for-all-of-us/>.

The right of workers to organize and bargain with their employer benefits all Mainers. Collective bargaining leads to better wages, safer workplaces, and a fairer and more robust economy for everyone — not just union members. The right to strike is critical to collective organizing and bargaining. Without it, Maine’s public employees are unable to negotiate on a level playing field. Maine’s Legislature is considering a bill that would give public-sector workers the right to strike. MECEP supports the legislation, and is urging legislators to enact it. The right to strike would enable fairer negotiations between public workers and the government. All of us have reason to support that outcome. Research shows that union negotiations set the bar for working conditions with other employers. And as the largest employer in Maine, the state’s treatment of its workers has a big impact on working conditions in the private sector. Unions support a fairer economy. Periods of high union membership are associated with lower levels of income inequality, both nationally and in Maine. Strong unions, including public-sector unions, have a critical role to play in rebuilding a strong middle class. Unions help combat inequities within work places. Women and people of color in unions face less wage discrimination than those in nonunion workplaces. On average, wages for nonunionized white women in Maine are 18 percent less than of those of white men. Among unionized workers, that inequality shrinks to just 9 percent. Similarly, women of color earn 26 percent less than men in nonunionized jobs; for unionized women of color, the wage gap shrinks to 17 percent.[i] All of us have a stake in the success of collective bargaining. But a union without the right to strike loses much of its negotiating power. The right to withdraw your labor is the foundation of collective worker action. When state employees or teachers are sitting across the negotiating table from their employers, how much leverage do they really have when they can be made to work without a contract? It’s like negotiating the price of a car when the salesman knows you’re going to have to buy it — whatever the final price is. Research confirms that public-sector unions are less effective without the right to strike. Public employees with a right to strike earn between 2 percent and 5 percent more than those without it.[ii] While that’s a meaningful increase for those workers, it also should assuage any fears that a right to strike would lead to excessive pay increases or employees abusing their new right. LD 900, “An Act to Expand the Rights of Public Employees Under the Maine Labor Laws,” ensures that Maine’s public-sector workers will have the same collective bargaining rights as other employees in Maine. The bill would strengthen the ability of Maine’s public-sector workers to negotiate, resulting in higher wagers, a more level playing field, and a fairer economy for all of us.

**Greater strike frequency reduces income inequality, with spillover effects that unions without the strike can't achieve**  
Beth Rubin, 1998, Inequality In The Working Class: The Unanticipated Consequences Of Union Organization And Strikes. ILR Review 41:4, https://www.jstor.org/stable/2523590?seq=1#metadata\_info\_tab\_contents

This paper has examined the effects of union density and strike frequency on the distribution of income in the United States during the post-World War II period. Previous research has generated contradictory conclusions about the relationships between unions and income inequality. Some studies have found evidence that unions serve to equalize the distribution of economic rewards (for example, Freeman and Medoff 1984). Others have found that unions increase inequality in the working class (see Form 1985). The research presented here suggests that both conclusions contain some truth. Most generally, the findings indicate that the impact of union density on income inequality is ambiguous and the impact of strikes is progressive. More specifically, these data suggest that al- though unions decrease inequality in total income, their impact on earned income is mixed: wage and salary gains due to increased union density accrue both to workers who are already among the most prosperous and to those who are at the lowest end of the income distribution (see Table 3). These gains are at the expense of workers who are in the middle of the income distribution, many of whom are probably not unionized (see Table 1). The different observed effects of union density on total and earned income may, in part, reflect the influence of variables (for example, firm size and business failure rate) that were excluded from the analysis because of collinearity problems; during depressed economic periods the government may play a greater role in redistributing resources. Strikes, on the other hand, decrease inequality generally and appear to damage the economic standing of those workers who occupy the most privileged positions within the working class and to benefit those who are less well off. The finding of a differential impact of unions and strikes on income distribution is consistent with the argument, and the finding of some past research (Rubin 1986), that these are analytically distinct working-class behaviors, and it also raises questions that this study cannot answer. The data here do not permit identification of the specific groups represented by strikers or union members, information that would help in explaining the discrepancy between the union and strike effects. What the data do tell us is that those workers who “win” from increased unionization are not the same workers who “win” from strikes. It may well be that strong, highly institutionalized unions with a highly skilled membership are able to extract greater economic gains from their employers than can either other unions or nonunionized labor (Form 1985). Strong unions may also be better able both to influence political actors to increase com- ponents of the citizen wage (see Table 2) and generally to raise the wage floor through threat and spillover effects (see Freeman and Medoff's 1984 summary). The workers in such unions may differ greatly from those who strike to improve their economic position. In short, different actors may well reap different rewards from different actions. The data in this study do not speak directly to this issue, they only whisper of it.