**For the betterment of society, I proudly negate the resolution resolved:**

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

I **value morality due to the resolution’s use of ought which Marriam Webster defines as a moral obligation.** Also, the resolution asks what a just government ought to do.

The **value criterion is protecting the overall well-being of the citizenry also known as utilitarianism, Utilitarianism should be preferred for the following reasons:**

**1.    The only thing that is always good is pleasure, this means that the only moral ought has to be focused on maximizing this intrinsic good and thus the government should maximize pleasure of their citizens.**

**2.    Pain is intrinsically bad, the government ought to prevent bad things like death, oppression, suffering, etc. because those impacts result in a lot of pain.**

**3.    In order to decide whether or not a government action is a good idea, you should look at whether or not the policy will result in a net-good or more pleasure than pain.**

**The only morally relevant part of an action are consequences**

**Writes Hanes in 2016**

Haines, William. "Internet Encyclopedia of Philosophy." *Internet Encyclopedia of Philosophy*. University of Hong Kong, n.d. Web. 04 Mar. 2016.

*Actions are transient and*things**,** *soon gone forever.* Hence, one might think**,** *in the long run only* the *results remain,* so the only thing that really matters about an action is its results. So consequentialism must be true

**Second, All government policies entail tradeoffs, that means governments specifically must aggregate consequences.**

**Writes Gooden in 1995**

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

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

**Even if their framework is more theoretically true, the only one that the government can use is mine as policy actions will always have trade offs between good and bad consequences. I contend that recognizing the unconditional right to strike would cause more harm than good.**

#### First an observation: according to Merriam Webster, unconditional means not conditional or limited, which means that the affirmative has to prove that any right to strike would be allowed.

## Contention 1

#### Nurse strikes devastate hospitals

Wright 10 Sarah H. Wright July 2010 "Evidence on the Effects of Nurses' Strikes" <https://www.nber.org/digest/jul10/evidence-effects-nurses-strikes> (Researcher at National Bureau of Economic Research)

U.S. hospitals were excluded from collective bargaining laws for three decades longer than other sectors because of fears **that strikes by nurses might imperil patients' health**. Today, while unionization has been declining in general, it is growing rapidly in hospitals, with the number of unionized workers rising from 679,000 in 1990 to nearly one million in 2008. In Do Strikes Kill? Evidence from New York State (NBER Working Paper No. 15855), co-authors Jonathan Gruber and Samuel Kleiner carefully examine the effects of nursing strikes on patient care and outcomes. The researchers match data on nurses' strikes in New York State from 1984 to 2004 to data on hospital discharges, including information on treatment intensity, patient mortality, and hospital readmission. They conclude that nurses' strikes were **costly to hospital patients**: in-hospital mortality **increased by 19.4 percent** and hospital readmissions **increased by 6.5 percen**t for patients admitted during a strike. Among their sample of 38,228 such patients, an estimated **138 more individuals died than would have without a stri**ke, and 344 more patients were readmitted to the hospital than if there had been no strike. "Hospitals functioning during nurses' strikes **do so at a lower quality of patient care,"** they write. Still, at hospitals experiencing strikes, the measures of treatment intensity -- that is, the length of hospital stay and the number of procedures performed during the patient's stay -- show no significant differences between striking and non-striking periods. Patients appear to receive the same intensity of care during union work stoppages as during normal hospital operations. Thus, the poor outcomes associated with strikes suggest that they might reduce hospital productivity. These poor health outcomes increased for both emergency and non-emergency hospital patients, even as admissions of both groups decreased by about 28 percent at hospitals with strikes. The poor health outcomes were not apparent either before or after the strike in the striking hospitals, suggesting that they are attributable to the strike itself. And, the poor health outcomes do not appear to do be due to different types of patients being admitted during strike periods, because patients admitted during a strike are very similar to those admitted during other periods. Hiring replacement workers apparently does not help: hospitals that hired replacement workers **performed no better** during strikes than those that did not hire substitute employees. In each case, patients with conditions that required intensive nursing were more likely to fare worse in the presence of nurses' strikes.

#### Hospitals are the critical internal link for pandemic preparedness.

Al Thobaity 20, Abdullelah, and Farhan Alshammari. "Nurses on the frontline against the COVID-19 pandemic: an Integrative review." Dubai Medical Journal 3.3 (2020): 87-92. (Associate Professor of Nursing at Taif University)

The majority of infected or symptomatic people seek medical treatment in medical facilities, particularly hospitals, as a high number of cases, especially those in critical condition, will have an impact on hospitals [4]. The concept of hospital resilience in disaster situations is defined as the ability to recover from the damage caused by huge disturbances quickly [2]. The resilience of hospitals to pandemic cases depends on the preparedness of the institutions, and not all hospitals have the same resilience. A lower resilience will affect the **sustainability of the health services**. This also affects healthcare providers such as doctors, nurses, and allied health professionals [5, 6]. Despite the impact on healthcare providers, excellent management of a pandemic depends on the level of **preparedness of healthcare providers, including nurses**. This means that if it was impossible to be ready before a crisis or disaster, responsible people will do all but the impossible to save lives.

#### New Pandemics are deadlier and faster are coming – COVID is just the beginning

Antonelli 20 Ashley Fuoco Antonelli 5-15-2020 <https://www.advisory.com/daily-briefing/2020/05/15/weekly-line> "Weekly line: Why deadly disease outbreaks could become more common—even after Covid-19" (Associate Editor — American Health Line)

While the new coronavirus pandemic suddenly took the world by storm, the truth is public health experts for years have warned that a virus similar to the new coronavirus would cause the next pandemic—and they say **deadly infectious disease outbreaks could become more common**. Infectious disease experts are always on the lookout for the next pandemic, and in a report published two years ago, researchers from the Johns Hopkins Bloomberg School of Public Health **predicted that the pathogen most likely to cause the next pandemic would be a virus similar to the common cold**. Specifically, the researchers predicted that the pathogen at fault for the next pandemic would be: A microbe for which people have not yet **developed immunities**, meaning that a large portion of the human population would be susceptible to infection; Contagious during the so-called "incubation period"—the time when people are infected with a pathogen but are not yet showing symptoms of the infection or are showing only mild symptoms; and Resistant to any known prevention or treatment methods. The researchers also concluded that such a pathogen would have a "low but significant" fatality rate, meaning the pathogen wouldn't kill human hosts fast enough to inhibit its spread. As **Amesh Adalja**—a senior scholar at the Johns Hopkins Center for Health Security, who led the report—told Live Science's Rachael Rettner at the time, "**It just has to make a lot of people sick" to disrupt society**. The researchers said RNA viruses—which include the common cold, influenza, and severe acute respiratory syndrome (or SARS, which is caused by a type of coronavirus)—fit that bill. And even though we had a good bit of experience dealing with common RNA viruses like the flu, Adalja at the time told Rettner that there were "a whole host of viral families that get very little attention when it comes to pandemic preparedness." Not even two years later, the new coronavirus, which causes Covid-19, emerged and quickly spread throughout the world, reaching pandemic status in just a few months. To date, officials have reported more than 4.4 million cases of Covid-19 and 302,160 deaths tied to the new coronavirus globally. In the United States, the number of reported Covid-19 cases has reached more than 1.4 million and the number of reported deaths tied to the new coronavirus has risen to nearly 86,000 in just over three months. Although public health experts had warned about the likelihood of a respiratory-borne RNA virus causing the next global pandemic, many say the world was largely unprepared to handle this type of infectious disease outbreak. And as concerning as that revelation may be on its own, **perhaps even more worrisome is that public health experts predict life-threatening infectious disease outbreaks are likely to become more common—meaning we could be susceptible to another pandemic in the future**. Why experts think deadly infectious disease outbreaks could become more common As the Los Angeles Times's Joshua Emerson Smith notes, infectious disease experts for more than ten years now have noted that "[o]utbreaks of dangerous new diseases with the potential to become pandemics have been on the rise—from HIV to swine flu to SARS to Ebola." For instance, a report published in Nature in 2008 found that **the number of emerging infectious disease events that occurred in the 1990s was more than three times higher than it was in the 1940s**. Many experts believe the recent increase in infectious disease outbreaks is tied to human behaviors that disrupt the environment, "such as **deforestation and poaching**," which have led "to increased contact between highly mobile, urbanized human populations and wild animals," Emerson Smith writes. In the 2008 report, for example, researchers noted that about 60% of 355 emerging infectious disease events that occurred over a 50-year period could be largely linked to wild animals, livestock, and, to a lesser extent, pets. Now, researchers believe the new coronavirus first jumped to humans from animals at a wildlife market in Wuhan, China. Along those same lines, some experts have argued that global climate change has driven an increase in infectious diseases—and could continue to do so. A federally mandated report released by the U.S. Global Change Research Program in 2018 warned that warmer temperatures could expand the geographic range covered by disease-carrying insects and pests, which could result in more Americans being exposed to ticks carrying Lyme disease and mosquitos carrying the dengue, West Nile, and Zika viruses. And experts now say continued warming in global temperatures, deforestation, and other environmentally disruptive behaviors have broadened that risk by bringing more people into contact with disease-carrying animals. Further, experts note that infectious diseases today are able to spread much faster and farther than they could decades ago because of increasing globalization and travel. While some have suggested the Covid-19 pandemic could stifle that trend, others argue globalization is likely to continue—meaning so could infectious diseases' far spread.

#### Future pandemics will cause extinction – it only takes one ‘super-spreader’ – US prevention is key

Bar-Yam 16 Yaneer Bar-Yam 7-3-2016 “Transition to extinction: Pandemics in a connected world” <http://necsi.edu/research/social/pandemics/transition> (Professor and President, New England Complex System Institute; PhD in Physics, MIT)

Watch as one of the more aggressive—brighter red — strains rapidly expands. After a time it goes extinct leaving a black region. Why does it go extinct? The answer is that it spreads so rapidly that it kills the hosts around it. Without new hosts to infect it then dies out itself. That the rapidly spreading pathogens die out has important implications for evolutionary research which we have talked about elsewhere [1–7]. In the research I want to discuss here, what we were interested in is the effect of adding long range transportation [8]. This includes natural means of dispersal as well as unintentional dispersal by humans, like adding airplane routes, which is being done by real world airlines (Figure 2). When we introduce long range transportation into the model, the success of more aggressive strains changes. They can use the long range transportation to find new hosts and escape local extinction. Figure 3 shows that the more transportation routes introduced into the model, the more higher aggressive pathogens are able to survive and spread. As we add more long range transportation, there is a critical point at which pathogens become so aggressive that the entire host population dies. The pathogens die at the same time, but that is not exactly a consolation to the hosts. We call this the phase transition to extinction (Figure 4). With increasing levels of global transportation, human civilization may be approaching such a critical threshold. In the paper we wrote in 2006 about the dangers of global transportation for pathogen evolution and pandemics [8], we mentioned the risk from Ebola. Ebola is a horrendous disease that was present only in isolated villages in Africa. It was far away from the rest of the world only because of that isolation. Since Africa was developing, it was only a matter of time before it reached population centers and airports. While the model is about evolution, it is really about which pathogens will be found in a system that is highly connected, and Ebola can spread in a highly connected world. The traditional approach to public health uses historical evidence analyzed statistically to assess the potential impacts of a disease. As a result, many were surprised by the spread of Ebola through West Africa in 2014. As the connectivity of the world increases, past experience is not a good guide to future events. A key point about the phase transition to extinction is its suddenness. Even a system that seems stable, can be destabilized by a few more long-range connections, and connectivity is continuing to increase. So how close are we to the tipping point? We don’t know but it would be good to find out before it happens. While Ebola ravaged three countries in West Africa, it only resulted in a handful of cases outside that region. One possible reason is that many of the airlines that fly to west Africa stopped or reduced flights during the epidemic [9]. In the absence of a clear connection, public health authorities who downplayed the dangers of the epidemic spreading to the West might seem to be vindicated. As with the choice of airlines to stop flying to west Africa, our analysis didn’t take into consideration how people respond to epidemics. It does tell us what the outcome will be unless we respond fast enough and well enough to stop the spread of future diseases, which may not be the same as the ones we saw in the past. As the world becomes more connected, the dangers increase. Are people in western countries safe because of higher quality health systems? Countries like the U.S. have highly skewed networks of social interactions with some very highly connected individuals that can be “superspreaders.” The chances of such an individual becoming infected may be low but events like a mass outbreak pose a much greater risk if they do happen. If a sick food service worker in an airport infects 100 passengers, or a contagion event happens in mass transportation, an outbreak could very well prove unstoppable.

## Contention 2

#### Business Confidence is high now – best surveys.

ICAEW 8-20 8-20-2021 "Business confidence remains at record high as economy gets sales boost" <https://www.icaew.com/about-icaew/news/press-release-archive/2021-news-releases/business-confidence-remains-at-record-high-as-economy-gets-sales-boost> (Institute of Chartered Accountants in England and Wales)//Elmer

Friday 20 August 2021: **Business confidence** has **hit a record high** for the second quarter in a row, a survey of chartered accountants published today has found. Business confidence at record **high for second consecutive quarter**, ICAEW survey finds Strong sales growth projections key to confidence boost Companies face new challenges as economy reopens Business confidence has hit a record high for the second quarter in a row, a survey of chartered accountants published today (FRIDAY 20 AUGUST 2021) has found. Sentiment tracked by ICAEW’s Business Confidence Monitor™ (BCM) found **optimism at 47 on the quarterly index**, its **highest** level **since** the **survey was launched** in 2004 and surpassing the previous record set last quarter. [1] The optimism was **shared by businesses of all sizes across all sectors, nations and regions** in the UK. The record reading was a likely reflection of the expectation of strong sales growth in the year ahead, especially in the domestic market where a record rise of 7.4% is predicted over the coming 12 months. Companies also expect a sharp boost in export sales, which will rebound to pre-pandemic rates of increase. [2] However, the likelihood of confidence remaining positive is highly dependent on the COVID-19 situation not deteriorating further, ICAEW said. Decisions on interest rates, the winding down of support schemes, such as furlough, could also have an impact on future business sentiment. Office for National Statistics figures published last week showed that Britain’s economy grew 4.8% between April and June, below the 5% that the Bank of England had forecast. Michael Izza, ICAEW Chief Executive, said: “Business confidence has now hit record levels for two quarters in a row - companies are clearly benefitting from rising customer demand as the economy reopens and life begins to return to normal. The high level of optimism is unsurprising but it remains vulnerable to a possible resurgence of COVID-19 as we head into the autumn. “While confidence is high across all sectors, with companies reporting record expectations for domestic sales growth, they also told us they **face challenges from** **skills shortages**, wage increases and rising costs. “This is a crucial stage for the economy. Despite having to cope with the winding down of government financial support and possible interest rate rises, businesses are definitely bouncing back, but **finances are fragile** and any **additional costs could threaten** the recovery.”

#### Right to Strike has unintended effects that threaten growth and business confidence.

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. (lecturer in the field of Labour Law at the School of Law. He holds a LLM Degree.)//Elmer

2 BACKGROUND 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

#### Corporate optimism, specifically investment, drives self-sustaining recovery.

Van der Welle 7-7 Peter Van der Welle 7-7-2021 “How capex holds the key to a self-sustaining economic recovery” <https://www.robeco.com/latam/en/insights/2021/07/how-capex-holds-the-key-to-a-self-sustaining-economic-recovery.html> (Strategist within the Global Macro team, M.A. in Economics from Tilburg University)//Elmer

Title: How capex holds **the key to a self-sustaining economic recovery**. **Capital expenditure** to fix supply shortages and meet burgeoning demand is seen figuring strongly in the post-Covid recovery. [Author and summary omitted]. **Companies** are **expected to invest heavily** in new equipment and capacity as they seek **to meet** the pent-up **demand released from** economic **reopening**. “The world is emerging from the pandemic, and much of the focus has been on the release of huge pent-up demand for goods and services that have been inaccessible for much of the past year,” says Peter Van der Welle, strategist with Robeco’s multi-asset team. “But there is a bigger issue regarding the ability of companies to supply these goods and services, due to the supply side constraints that have emerged through economic reopening. We believe this is powering a resurgence in capital expenditure by companies, and those which are investing in new equipment to meet greater demand will be the more sought after stocks.” Capex intentions Van der Welle says this trend can already be seen in the US Federal Reserve’s Capex Intentions Index, which shows that steep year-on-year increases in capital expenditures are planned. “So, that's **promising for** a near-term **rebound** in the capex cycle,” he says. “The market has already picked up on that theme because you can see a clear outperformance of capex-intensive stocks compared to the broader market year to date.” Fiscal dominance Van der Welle says five elements support the multi-asset team’s view that capex will rise from here onwards. “The first is the overarching macroeconomic picture in that we are increasingly moving towards an environment of fiscal dominance and away from one that has been monetary-led via quantitative easing,” he says. “Central banks have pursued very easy monetary policies, but they have hit the nominal lower bounds with regard to policy rates.” “This is a hard constraint because real rates are difficult for central banks to push even lower than they are nowadays, given the strong consensus among both central bankers and market participants that inflation is transitory.” Big spending plans For stimulus, fiscal policy is better suited to address the negative supply shock that Covid-19 has posed. Fiscal dominance can be seen in the huge infrastructure spending planned in the US, with the USD 1.9 trillion American Rescue Plan already in motion, and the USD 2 trillion American Jobs Plan going through Congress. In Europe, the disbursement of the EUR 750 billion EU Recovery Fund is due to start later in July. “An era of f**iscal dominance** is able to **say goodbye to** the secular **stagnation** thesis, which holds that the economy is suffering from under-investment,” says Van der Welle. “Under-investment due to insufficient demand, which was the biggest problem after the global financial crisis, has become less likely.” “We saw very subdued consumption growth both in the US and elsewhere between 2009 and 2019. That story is reversing in the US. Households’ income has been supported by fiscal policy during the Covid-19 recession, while burgeoning consumer demand in the reopening phase could prove to be more sticky as employment prospects continue to improve in the medium term.” Tobin’s Q looks good A third reason to expect higher capex is driven by ‘Tobin’s Q’ – the market value of a company divided by its assets' replacement cost. If this ratio is above one, then corporates have an incentive to invest directly in the underlying assets rather than buying another company at market value to acquire the same assets. The Tobin’s Q ratio is currently at 1.7 for the US. “So it's very expensive to do M&A, and it is wiser for corporates to invest in the underlying capital goods themselves,” Van der Welle says. “We should therefore expect a gradual move away from M&A activity towards companies making direct investments in capital goods.” Supply-side constraints The fourth element is the severe supply-side constraints seen in the global economy, as capacity shut down during the pandemic. “This is reflected in the ISM Prices Paid Index, which reached an all-time high in June in reflection of rampant shortages of raw materials and labor,” says Van der Welle. “Clearly the issue today following the pandemic is not demand related, but supply related. This will also trigger more awareness to push the productivity frontier and incentivize capital expenditure.” Less reliance on labor The fifth element is the partial substitution from labor to capital in the US against the backdrop of lingering labor shortages. “A decline in the labor force participation rate shows that people are not quickly returning to the labor force, as they have been disincentivized by the subsidies and pay checks they have gained from the stimulus plans, and/or structural changes in their work/life balance due to the pandemic,” says Van der Welle. “When the cost of labor becomes more expensive, substituting labor with capital becomes more attractive for employers. Typically, the inflection point for capex intentions becoming positive is when unit labor costs rise by more than 2% year on year, which is the case today.” Capex will lengthen the earnings cycle Regarding earnings, **there is a** significant **relationship** **between** capex intentions and productivity, though the lag from intending to invest to actually getting a realized productivity gain is quite long – up to several years. **Higher capex that eventually brings higher productivity** **growth will sustain the earnings cycle**, Van der Welle says. Higher productivity gives corporates more pricing power because they suppress unit labor costs, and that means profit margins can stay elevated for longer.

#### Economic Collapse leads to nuclear war.

Tønnesson 15, Stein. "Deterrence, interdependence and Sino–US peace." International Area Studies Review 18.3 (2015): 297-311. (the Department of Peace and Conflict, Uppsala University, Sweden, and Peace research Institute Oslo (PRIO), Norway)

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.

## Case

#### The plan causes cascading wage demands and skyrocketing inflation

Bhandari 19 [Ryan Bhandari, Former Senior Policy Advisor, Economic Program, “What Is the “Federal Jobs Guarantee” and What Are People Saying About It?” , Third Way, 3-25-19] AR

#4: Inflation would rise. A sudden increase in the cost of labor for businesses will lead to inflation throughout the economy because of higher business costs that will need to be passed on to consumers. In addition, when only those at the bottom of the income distribution get a defacto raise to $15, there are upstream consequences. Workers who were making $15 an hour may demand $20 an hour now. Workers making $20 an hour might want $25 an hour and so on. This may seem like a benefit, but “this is a story of serious wage-price spiral, unless we introduce other measures,” warns progressive economist Dean Baker.5 We have been very fortunate that inflation has been well under control for the last few decades. A federal jobs guarantee could change that pretty quickly.