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### Condo---2NC

## Rates DA

### Impact---Biotech---2NC

#### Downside risks of biotech are existential, but upsides solve every risk.

Stewart Patrick & Josie Barton 24, Patrick is the Senior Fellow and Director, Global Order and Institutions Program, Barton is a senior majoring in international relations at Stanford University and a former intern in Carnegie’s Global Order and Institutions Program, “Mitigating Risks from Gene Editing and Synthetic Biology: Global Governance Priorities”, Carnegie Endowment, 10-16-24, https://carnegieendowment.org/research/2024/10/mitigating-risks-from-gene-editing-and-synthetic-biology-global-governance-priorities?lang=en&center=middle-east, DOA: 10-22-24, JA

The potential benefits of these and other bioengineering breakthroughs are vast.19 Synthetic biology and gene editing promise to transform medicine, materials science, manufacturing, consumer goods, agriculture, energy production, environmental protection, and so much more. They will revolutionize health, enabling more precise vaccines and therapeutics as well as personalized treatments for cancer, immune diseases, infertility, and metabolic disorders. They will advance sustainable development, including by making crops more resilient and food production more efficient, as well as accelerate the clean energy transition, including by introducing new biofuels and harnessing the power of natural organisms such as algae to mitigate climate change. Already, the practical applications of bioengineering innovation range from curing sickle cell disease to modifying the cow gut microbiome to release less methane, a powerful greenhouse gas.20

The revolution underway in the life sciences is a Promethean moment. Armed with growing understanding of the encoding and regulatory functions of genes, scientists now have the capacity to manipulate and shape their expression in biological organisms from single-celled eukaryotes to humans themselves.21 Alongside incredible rewards, however, this awesome power poses serious and growing risks that need to be managed. Two of the most important are the dangers of malevolent use and unintended consequences.

Bioweapons and Bioterrorism

Gene editing and gene synthesis technologies are inherently dual use, meaning they can be employed for good or ill by sovereign states, nonstate groups, and even individuals. This dual-use dilemma is nothing new.22 From prehistory to the present, humans have invented tools, from hand axes to drones, that can cause grave damage in the wrong hands. What sets gene editing and synthetic biology apart are their theoretical potential to cause suffering and death on a massive scale, including by making viruses more transmissible and lethal and by creating entirely new organisms that can be tailored to target specific groups of people (as well as, conceivably, agricultural commodities, natural ecosystems, and critical species). Such dangers are likely to grow as gene-editing capabilities become more distributed and as advances in AI and machine learning allow would-be attackers to create more deadly pathogens and determine more effective and efficient means to deploy them.

Although the likelihood of an engineered pathogen wiping out humanity remains vanishingly low, the risk of mass-casualty attacks will inevitably grow as the technical knowledge to create such weapons spreads.23 One could imagine a scenario whereby a national government or a terrorist group causes catastrophic damage by intentionally releasing a plague among an adversary’s population—or even humanity at large—that has limited or no immunity. One tabletop exercise conducted by Johns Hopkins University suggested that an engineered bioweapon could kill up to 150 million people worldwide.24 For these reasons, bioweapons are often classified as one of several catastrophic and existential risks facing humanity, alongside nuclear war, runaway climate change, adversarial artificial general intelligence, the explosion of a supervolcano, or the planet’s collision with a near-Earth object (such as an asteroid).25

### AT: Case Outweighs and Turn---2NC

### AT: Uniosn price it in---2NC

#### 4. Prefer evidence about the decision-making calculus that the Fed’s actions are guided by.

Matthias Vermeiren 23. Professor of international political economy with the Ghent Institute for International and European Studies. "Another Wage Price Spiral in the Making?" Ghent Institute for International and European Studies. January 2023. https://www.ugent.be/ps/politiekewetenschappen/gies/en/research/publications/gies\_papers/2023-global-energy-crisis/another-wage-price-spiral-in-the-making

Are we in the midst of a new wage price spiral? One obvious similarity between the 1970s inflation crisis and the current one is the central role played by soaring energy prices, in turn fuelled by geopolitical conflicts. Of all the categories of the Consumer Price Index (CPI), energy is the most important for overall price stability, given its key role as production input: firms will usually raise their prices in response to persistent increases in energy prices to protect their profit margins, broadening the inflationary pressures to other sectors of the economy. Just like during the 1970s, core CPI –excluding more volatile energy and food prices– has been way above central banks’ two percent target.

But that does not necessarily mean another wage price spiral is around the corner. In the current moment, a key missing ingredient is the bargaining strength of the labour movement, which is structurally weakened by the disinflation policies of the 1980s and the ensuing liberalization of labour markets. In the Anglo-Saxon economies, liberalization took the form of outright labour market deregulation and a frontal assault on labour unions. In the Eurozone economies with stronger traditions in collective bargaining, union density declined almost as sharply. Even if collective bargaining coverage remains relatively high, agreements have increasingly moved to the firm level where workers have less bargaining power. Deindustrialization also pushed governments to "flexibilize" jobs in the service sectors of the economy, where a growing number of workers are employed in precarious jobs unprotected by social legislation and/or collective bargaining agreements. In manufacturing sectors most exposed to international trade and investment, unions became more responsive to the needs of employers to remain competitive in globalized markets and restrained their wage demands to contain unit labour costs.[9]

Central bankers are aware of these developments. At the Federal Reserve, economists and policymakers have noted how the decline in workers bargaining power and the fall in the labour share of GDP have made it easier to pursue expansionary monetary policy without fuelling inflation: both trends contributed to the flattening of the Phillips curve – the inverse relationship between unemployment and inflation that has informed their strategy of pre-emptively raising interest rates to prevent unemployment from falling below a supposedly inflationary threshold.[10] At the ECB, both Lagarde and Schnabel have similarly observed how “structural changes in labour markets”[11] and “the secular erosion of workers’ bargaining power”[12] implied that “receding slack fed more slowly into wage growth.”[13] “Despite a historically tight labour market, a substantial decline in real consumer wages is weighing on the labour share of income” – a situation “fundamentally different from the experience of the 1970s when real wages and the labour share of income increased measurably in response to rising energy prices.”[14] ECB economists have attributed this difference to changes in labour market institutions, such as less wage indexation and a lower degree of unionisation).[15]

#### 6. The question is not whether wage-price spirals are real or matter, but instead whether the Fed thinks they are, which they certainly do

Joshua Cova 24. Postdoctoral researcher at the Max Planck Institute for the Study of Societies. "On industrial relations and inflation: a long-term perspective." *European Review of Labour and Research*, 30.3, 290.

Discussion

To contextualise the recent increase in inflation witnessed across many advanced economies, policy-makers and the media have often drawn parallels with the 1970s, the decade in which in many countries, the breakneck growth of the post-war era sputtered to a halt and the compromise between labour and capital came alarmingly close to breaking down. Tight labour markets and high inflation have historically created favourable conditions for workers to extract concessions and, indeed, in many countries recent years have witnessed an increase in industrial action. However, as we have noted, not only is the scale of industrial action different from the heyday of organised labour, but the institutional environment has been fundamentally reconfigured. Nevertheless, demand-driven price pressures, in the form of wage growth and wage-price spirals, continue to permeate elected officials’ discourse on inflation and also motivate central banks’ monetary decisions. It therefore remains important to assess organised labour’s capacity to entrench inflation in the economy.

#### 7. Rate hikes turn labor victories

Lawrence Mishel & Josh Bivens 21. Distinguished fellow at the Economic Policy Institute (EPI) after serving as president from 2002–2017, former professor at Cornell University’s School of Industrial and Labor Relations and an economist for various unions, and Ph.D. in economics from the University of Wisconsin at Madison. Chief economist at the Economic Policy Institute, former assistant professor of economics at Roosevelt University, Ph.D. in economics from the New School for Social Research. " Identifying the policy levers generating wage suppression and wage inequality." Economic Policy Institute. 05/13/2021. https://www.epi.org/unequalpower/publications/wage-suppression-inequality

Austerity macroeconomic policy: Excessive unemployment

The Federal Reserve Board’s dual mandate is to pursue the maximum level of employment consistent with stable inflation. However, since 1979 the Fed’s actions suggest that it took the inflation mandate more seriously, thereby tolerating (by failing to lower) or actually generating excessive unemployment for extended periods in the name of keeping inflation tame. Whenever an economic expansion pushed unemployment down, the Fed often feared that tighter labor markets would mean that workers, endowed with more leverage since they were now in a better position to quit or strike, would demand higher nominal wages, in turn putting upward pressure on inflation.

Wage growth resulting from tight labor markets can indeed feed into price growth, and so sufficiently empowered workers may demand even higher wages, allowing wage/inflation momentum to build. The policy recourse for stopping the wage/price spiral has traditionally relied on the Fed raising interest rates to slow the expansion and stop the downward movement of unemployment.

Presumably in this policy vision there is a sweet spot where workers can experience decent wage growth without fostering unsustainable inflationary pressure. But nobody knows for sure beforehand where that level is, and efforts to empirically identify the economy’s “natural rate of unemployment” are notoriously imprecise (Staiger, Stock, and Watson 1997). Given this uncertainty, the Fed must exercise judgment in weighing the benefits of tighter labor markets against the risks of inflationary pressure. Too often in the post-1979 period, Fed policymakers have been so worried about the inflation risks and not impressed enough by the benefits of full employment that they have raised interest rates prematurely and cut expansions short before they generated decent wage growth. The result has been unemployment higher than it had to be to ensure stable inflation.

Historically, the anti-inflation orientation of the Fed was quite political and conscious of the institutional determinants of wage growth. Specifically, past Fed chairs, determined to keep wage growth “moderate,” explicitly saw the use of high unemployment as a means to restrain union-negotiated wage increases or even to seek union wage concessions.

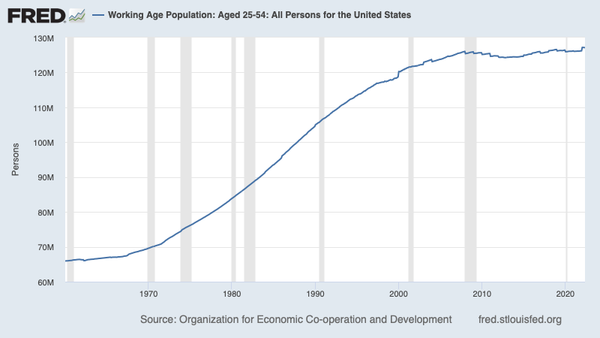
### AT: Slow Growth

#### Slow growth inev

Paul Krugman 22, June 21; American economist who is the Distinguished Professor of Economics at the Graduate Center of the City University of New York; New York Times, “Is the Era of Cheap Money Over?” https://www.nytimes.com/2022/06/21/opinion/inflation-interest-rates-fed.html]

The basic answer is that since 2000 and especially since the global financial crisis, businesses have persistently been unwilling to maintain a level of investment spending that used all the money households wanted to save, unless interest rates were very low. This condition has the unfortunate name “secular stagnation” — unfortunate because it’s widely and wrongly construed as an assertion that it means slow growth, not low interest rates. The idea of secular stagnation was introduced in the 1930s, but the postwar boom made it seem irrelevant. Then Japan began experiencing persistent weakness and very low interest rates in the 1990s, and in the aftermath of the 2008 financial crisis, the whole advanced world found itself in a similar condition.

What causes secular stagnation? The best guess is that it’s largely about demography. When the working-age population is growing slowly or even shrinking, there’s much less need for new office parks, shopping malls, even housing, hence weak demand. And as you can see in this chart, America’s prime-working-age population, which grew rapidly for many decades, began stagnating just about the time interest rates began sliding:



And these demographic forces aren’t going away. If anything, they’re likely to intensify, in part because the rate of immigration has dropped off. So there’s every reason to believe that we’ll fairly soon go back to an era of low interest rates.

### AT: Thumpres

### AT: Past Hikes

#### Further cuts are necessary to trigger an avalanche of biotech investment.

Avalon Pernell & Angel Adegbesan 9-17, Bloomberg tech reporters, “Risky Biotech Stocks’ Recovery Hinges on Deeper Fed Rate Cut”, Bloomberg, 9-17-25, <https://www.bloomberg.com/news/articles/2025-09-19/risky-biotech-stocks-recovery-hinges-on-deeper-fed-rate-cuts>

The prospect of further interest-rate cuts from the Federal Reserve is finally giving diehard believers in the biotechnology sector reason for guarded optimism after a punishing four years.

The Nasdaq Biotechnology Index has rebounded some 30% from the depths of April’s tariff-fueled gloom as investors bid up the sector ahead of the Fed’s first move to lower borrowing costs this year. With further rate cuts on the table investors are rushing back into riskier corners of the stock market. A broader benchmark of small-cap stocks, the Russell 2000, marked its first closing record since 2021, yet the closely watched biotech gauge remains more than 10% below its all-time highs.

That’s because clinical-stage biotech companies remain some of the biggest gambles in the market. While the reward for holding a winning stock can be manifold, firms also tend to burn through cash faster than they can raise it, meaning the Fed needs to keep bringing down borrowing costs for the sector to truly thrive.

Now that officials have formally penciled in two more reductions for the year — following the quarter-percentage point cut earlier this week — hope is being revived that Wall Street’s rush back into riskier assets will finally seep through to drug developers.

“With the potential for interest rates to be cut more, you’re going to see a loosening up, especially with the biotech sector sentiment getting slightly better,” said Hartaj Singh, founding partner of Tecumseh Partners.

Lower borrowing costs should give a boost to the funding market that has long stalled since the Fed began its aggressive rate-hiking campaign in 2022. The sector bottomed as investors became increasingly hesitant to fund riskier assets. A return to the frenzy for biotech stocks, ignited by the pandemic’s easy-money era when interest rates were sitting near zero, still seems somewhat distant.

### AT: Prod Stuff

#### Contrary stats don’t account for long-term investments that the data doesn’t yet reflect.

Neil Weinberg 24, citing Erik Brynjolfsson, Daniel Rock, and Chad Syverson; December 2; CBR author; PhD, Professor and Senior Fellow at Stanford University where he directs the Digital Economy Lab; PhD, Assistant Professor at the Wharton School of the University of Pennsylvania; PhD, Professor of Economics at the University of Chicago; University of Chicago Booth School of Business, “Is Productivity About to Skyrocket?” https://www.chicagobooth.edu/review/is-productivity-about-to-skyrocket

Where the bottlenecks are

Total factor productivity growth in the US has been sluggish since the mid-2000s, which research attributes to uneven productivity gains across suppliers of large manufacturing industries. Some suppliers have advanced rapidly while others have lagged behind, restraining the manufacturers’ overall TFP growth.

Investments take time to pay off

Digging further into the statistics uncovers another cause for optimism: Many companies may be making intangible investments whose payoffs are undercounted in current productivity statistics.

General-purpose technologies such as computers and artificial intelligence require significant investments in complementary areas. For example, after stores installed self-pay kiosks, their managers had to teach employees and customers to use them before self-checkout lines were widely adopted.

Brynjolfsson, University of Pennsylvania’s Daniel Rock, and Syverson devised a method to measure differences between a company’s observed investments and its market value. They find that the large investments companies make early on in adopting general-purpose technologies often involve intangibles, such as worker training and the retooling of business processes.

Conventional statistics account for these investments as expenses rather than capital creation, which initially underestimates the productivity-enhancing effects, the researchers argue. “We count a new factory as output but we don’t count intangible investments as output,” Syverson says. “You’re not just burning resources. You’re creating something useful in the future.”

When the benefits of the intangible investments are later harvested, the mismeasurement swings in the opposite direction, the researchers find. The result is a productivity J-curve that helps explain why the advent of general-purpose technologies is often accompanied by an initial productivity slowdown that’s later followed by a burst in output.

Given that society is in the early stages of adopting AI, there may be reason to believe we are currently in the productivity underestimation phase, Syverson argues. As was the case with earlier technologies that had broad applications, AI can only reach its full potential after companies invest in necessary intangibles, such as training workers, reorganizing workflows, and educating customers in how business will be conducted under the new paradigm.

A boom in business formation

There are yet more reasons to anticipate a productivity pickup. As postwar history demonstrates, there’s nothing unusual about economic output advancing in fits and starts, and a number of precursors that preceded periods of robust growth in the past are now starting to emerge. Among them: increases in business formation.

Entrepreneurship is an important driver of economic growth, technological advances, and, eventually, higher productivity—and it was surprisingly hot during the COVID-19 pandemic. Many people were stuck at home, temporarily laid off, and had the time and motivation to get creative. In the meantime, Americans started shopping online. Hence, the time was ripe for networking remotely and launching new businesses. This is reflected in the data: There were surges in business applications in the US in both 2020 and 2021, write the Federal Reserve Board’s Ryan Decker and University of Maryland’s John Haltiwanger, pointing to US Census Bureau statistics. Applications were still high in late 2023 and even into 2024. They’ve since fallen but remain above pre-pandemic levels.

Some business plans were designed to capitalize on COVID-era changes in how people live and work. Another notable feature of the surge in applications that the researchers find was the prominence of filings by likely employers, those who are particularly inclined to hire workers and generate growth. Typically, it takes a year or two to begin learning if applications result in actual job openings, or if the businesses peter out. The pandemic-era surge in new business applications stands in sharp contrast to the economic weakness on display during the Great Recession, and research suggests that it has translated into genuine entrepreneurial activity resulting in jobs that people want.

A potential source of productivity gains

Business applications spiked during the pandemic, including for businesses considered likely to hire workers. Although applications have since decreased, they remain above historical levels.

#### Powerful unions suppress productivity growth through wage pressure, work restrictions, and investment disincentives.

Liya Palagashvili 25, Revana Sharfuddin; May 7; PhD economics, senior research fellow and director of the Labor Policy Project at the Mercatus Center; MA development economics, predoctoral researcher at the Labor Policy Project at the Mercatus Center; Mercatus Center, “Do More Powerful Unions Generate Better Pro-Worker Outcomes?” https://www.mercatus.org/research/working-papers/do-more-powerful-unions-generate-better-pro-worker-outcomes

Cost at the Firm Level: Productivity, Profits, and Investment

The costs unions impose on firms play out through three key channels: productivity, profitability, and investment. At their best, unions can boost productivity by fostering better communication between workers and management, reducing turnover, and creating incentives for efficiency. But more often, restrictive work rules and wage-setting above market rates stifle flexibility, dull incentives, and slow down adaptation. The result is lower profitability: Higher wages that don’t come with matching productivity gains can squeeze margins, limit reinvestment, and weaken firms’ ability to compete and grow. And when profits shrink, so does investment. Faced with rising labor costs, firms cut back on capital improvements, technology upgrades, and R&D, leaving them less competitive in the long run. In the end, while unions may secure short-term benefits for workers, their impact on firms often leads to the very job losses and stagnation they aim to prevent.

One of the key factors in assessing the overall cost of labor unions at the firm level is productivity. In their 1984 book Freeman and Medoff argue that labor unions tend to contribute to increased productivity, although the effect varies depending on the labor relations environment. Labor unions can raise productivity through an “employee morale channel,” by providing workers with a means of expressing discontent as an alternative to “exiting.” The labor unions open communication channels between workers and management, which induces managers to make changes to production methods and to adopt policies to improve efficiency. Open channels of communication also lower quit rates and improve labor relations within the firm. Freeman and Medoff argue that these productivity-enhancing effects can potentially offset the efficiency losses from greater unionization.

Recent research shows a different reality regarding how labor unions impact productivity. Aside from a few exceptions due to unique labor union arrangements, the impact of labor unions on productivity has been shown to be generally negative, mainly through the “investment channel.” That is, when unions set wages above the market rate—where wage determination becomes uncertain and disconnected from actual market conditions—both tangible and intangible investments can be reduced, ultimately hindering firm productivity.[63] In line with Freeman and Medoff's findings, more recent research continues to provide strong evidence that labor unions reduce firm profitability.[64] This decline is largely driven by labor-union-negotiated higher wages, which often lack matching productivity gains. As a result, firms face reduced profits, which limit their ability to invest in capital and R&D, which ultimately hinders long-term productivity growth.[65]

This is the ultimate dilemma for labor unions: The more what the labor union secures at the bargaining table is beyond what is reasonably sustainable, the lower the surplus of profits will be. Therefore, the more the labor union wins at the bargaining table, the more vulnerable the company is to long-term decline. As the company declines, there will be reduced work opportunities.

Besides increasing labor costs beyond what is reasonably justified, labor unions can also harm productivity through restrictive work rules, which include not only establishing inefficient staffing requirements (“featherbedding”), but also limiting incentives for worker effort and restricting management discretion on optimal staffing arrangements.[66] Negotiations over work intensity, or the pace of work, can further influence employment levels. Labor unions often press for reduced work intensity, which necessitates employing more workers but can also diminish overall productivity.[67]

Another example of how restrictive work rules can harm productivity is the case of the International Longshoremen’s Association (ILA), which in 2024 pushed for a total ban on port automation. Their intention was to protect jobs, but their demand would block critical productivity gains and prevent the kind of technology-driven human capital accumulation that fuels economic growth. The economic consequences of such resistance are not just theoretical; they have played out before, most infamously in the mid-20th-century rubber tire industry. Back then, excessive labor costs driven by aggressive labor union bargaining forced companies to relocate to less unionized regions, destabilizing local economies and eroding industrial competitiveness.[68] Yet, to be fair, there are cases where labor unions have managed to boost productivity, as seen in the US and Canadian iron ore industries during the 1980s crisis. Back then, facing intense competition from Brazil and the real threat of permanent mine closures—25 percent of Minnesota mines had already shut down—labor unions made concessions that streamlined work practices. Machine operators were finally allowed to perform basic repairs, and overstaffed repair crews were cut from 50 to 25 percent at the largest mine. Unsurprisingly, the most substantial productivity gains came from mines where these rigid labor union rules were most significantly relaxed.[69]

Contrast this with unionized US school districts, which manage to extract more funding, raising per-pupil spending by about 12.3 percent and increasing teacher pay. Despite these higher inputs, school productivity did not improve. Dropout rates were actually higher, suggesting that while labor unions are adept at securing financial resources, they often miss the mark on effective resource allocation.[70]

The economics literature consistently shows that more powerful and aggressive labor unions with unsustainable demands also tend to reduce firm profitability, which in turn hurts worker-level outcomes. One way to understand this effect is to investigate how labor-market regulations shape the distribution of rents between firms and workers. One study showed that reducing labor union bargaining power—essentially a form of labor market deregulation—can lower real wages without impacting unemployment in the short term. However, over the long term, deregulation boosts firm profits, sparking greater market competition and new firm entry, which eventually drives down unemployment and restores wages to their previous levels. This dynamic illustrates how, in heavily unionized environments, the initial wage cuts from deregulation lead to broader economic benefits over time.[71] The direct and spillover effects of labor union organizing on firm profitability are particularly striking. For instance, companies facing labor union petitions see their stock prices drop by an average of 1.04 percent. This effect extends beyond the targeted firms: Nonunion firms in the same industry also experience market value declines—averaging 0.72 percent—as investors brace for potential spillover effects. In cases where labor unions win representation elections, the hit to market value is even steeper, suggesting that the financial markets view successful unionization as a substantial threat to profitability.[72]

### AT: Warming Turns

### AT: No Impact

#### High rates crush biotech leadership.

Ben Fidler 24, senior editor for BioPharma Dive, “Can the Fed’s rate cut change biotech’s ‘new normal’?”, Sept. 19th, 2024, https://www.biopharmadive.com/news/biotech-interest-rates-impact-startups-venture-capital/727479/

The biotechnology sector got what many in the industry expect will be substantial lift Wednesday when the Federal Reserve lowered interest rates for the first time in more than four years.

After a two-day meeting, the Fed cut its benchmark interest rate by half a percentage point. While the Fed’s target, at 4.75% to 5%, remains near 15-year highs, the move could spur investment in biotech companies, which are typically seen as the kind of risky bet investors tend to disfavor when interest rates are elevated.

The decision largely matched Wall Street expectations. Major stock indices, which spiked briefly on the news Wednesday afternoon before trading back, rose by more than 1% Thursday. Two exchange-traded funds known as the XBI and IBB that track biotech industry indices followed a similar pattern.

The cut “will be very positive for the biotech capital markets,” said John Maraganore, the former CEO of Alnylam Pharmaceuticals who is currently an advisor to drug startups. “I expect to see a meaningful strengthening of the biotech tape as interest rates decline.”

Investors and executives interviewed by BioPharma Dive cautioned the Fed’s decision won’t solve all that ails the sector, however. Other macroeconomic potholes, like the U.S. presidential election, still lay ahead. And within the industry, other factors could remain brakes on any stock bounce. Dealmaking involving public companies, which spiked last year and rekindled interest in biotech, has cooled, for instance.

Investors could simply choose to put their money elsewhere, too. “Falling interest rates will clearly be better for riskier segments of the markets like ours,” said Michael Gilman, CEO of Arrakis Therapeutics. “Whether it is indeed ours or some other segment will depend on other factors, internal or external. I guess we’ll see.”

By its nature, biotech is a fraught investing endeavor, with busts more frequent than booms. Drug startups need many years and often hundreds of millions — if not billions — of dollars to invent a new medicine and bring it to market. Financial losses accumulate in the meantime, meaning young companies need investors patient enough to stick with them for a lengthy journey. At the end of the day, most companies still fail.

Investors are more willing to take those risks when interest rates are lower and safer bets yield less return. Conversely, when rates climb, “it’s too expensive to make an investment,” said Christiana Bardon, a co-managing partner of BioImpact Capital and portfolio manager at MPM Capital, in an interview earlier this year.

“We’re really very dependent on interest rates” as a result, she said.

High interest rates have slowed biotech’s emergence from one of the sector’s worst market downturns in years. During the Fed’s recent tightening cycle, funding became harder for both private and public drug companies to raise. Venture financings and initial public offerings slowed, while a retreating biotech market closed off easy opportunities for secondary stock sales for those companies already public. An industry-wide wave of restructurings and layoffs has followed.

Kevin Parker, CEO of startup Cartography Biosciences, refers to the current moment as the industry’s “new normal.” Startups, Cartography among them, are still forming and getting money from venture investors. Some have been able to go public. But everything is “slower, more tempered, and more restricted,” he said.

Analysts and industry insiders expect the Fed’s rate cut to help ease some of those constraints. In the past, rates “have correlated with fund flows into and out of biotech,” meaning lower rates “should hopefully help” bring money back to the sector, said Umer Raffat, an analyst with Evercore ISI.

“Rising interest rates are historically a headwind for our industry, so I think it’s reasonable to expect the wind to shift direction,” said Arrakis CEO Gilman.

As interest rates fall, investors may look more closely at the earlier — and riskier — companies they’ve recently seemed to avoid, said Jeff Jonas, a partner with investment firm Cure Ventures. “When people are nervous, they look for more de-risked assets,” he said. “In this environment, I’m hoping that there’ll be more avidity for things that are more innovative.”

Jonas added that declining interest rates have historically lifted biotech valuations, which can make early investments in startups more enticing. “I think you’re going to see investors lean in,” he said.

Parker, of Cartography, said lower rates could also bring “momentum” back into the private markets. Venture firms need more time to raise new funds when rates are high, which in turn translates to a slower rate of new investment. So lower rates could mean more money flows into venture firms and, eventually, their startups.

#### View it on a sliding scale---the larger the cut, the larger the investments.

Gina Potthoff 24, March 7; Deputy Digital Editor; Chicago Booth Review, “How High Interest Rates Harm Innovation,” https://www.chicagobooth.edu/review/high-interest-rates-harm-innovation

For more than 50 years, most economists have agreed that actions taken by central banks to stabilize prices and output can have short-term—but not long-term—effects. The late Milton Friedman, a Nobel laureate who studied and worked at the University of Chicago, argued as much during a 1968 presidential address to the American Economic Association.

But monetary policy in the United States might not be so neutral in the longer term, especially related to its impact on innovation, according to research from Chicago Booth’s Yueran Ma and Frankfurt School of Finance and Management’s Kaspar Zimmermann. Their analysis suggests that high interest rates can discourage companies and industries from investing in technology, leading to a slower pace of innovation that can limit economic growth.

To understand the link between innovation funding and monetary-policy shocks, Ma and Zimmermann studied widely used innovation indicators, including aggregate US investment in intellectual property as well as venture-capital investment, public companies’ research and development spending, and patent filings. Their analysis covers monetary-policy shocks between 1969 and 2007 and focuses on the effects of conventional policy—namely adjusting interest rates—rather than unconventional moves such as quantitative easing.

For every 1 percentage point rise in interest rates, Ma and Zimmermann calculate, R&D spending fell by between 1 and 3 percent and VC investment fell by about 25 percent one to three years after the hike. Similarly, within four years of an interest-rate increase, patent filings and innovation each declined by 9 percent.

After five years, the researchers infer, these shifts can lower overall economic output by 1 percent and decrease total factor productivity, a measure of how many more goods and services are produced with the same resources, by 0.5 percent.

Monetary tightening leads to ...

To analyze how innovation activities respond to monetary-policy tightening over time, the researchers traced the impact of an interest-rate shock across various measures using a tool called an impulse response function.

Why does monetary policy affect innovation? Increasing interest rates can reduce aggregate demand and make it less profitable to innovate, so companies have less incentive to develop new products. Monetary tightening can also sap investors’ appetite for risk-taking and reduce the availability of financing for innovation.

In the past decade, when interest rates were low, venture funding increased by about 20 percent annually, according to industry data. As interest rates rose substantially starting in early 2022, however, venture funding fell by about 30 percent annually, Ma and Zimmermann note. The decline in funding occurred in all major industries. Artificial intelligence has been one exception, thanks to the recent breakthroughs in generative AI.

When high interest rates decrease innovation, the reduction does not just come from having less bubble and froth. The number of new patents filed for important technologies—innovations such as mobile devices, machine learning, and cloud computing that were big topics in companies’ quarterly earnings calls—appear to be more affected by rising interest rates than patenting in general, the research suggests, potentially because the technologies are novel and riskier.

The research suggests that monetary policy could have a persistent influence on the US economy. But Ma and Zimmermann don’t recommend that central banks lower interest rates just to stimulate innovation and growth. “It is well recognized that efforts seeking to perennially stimulate the economy with monetary easing can be ineffective or counterproductive,” they write—but they think the evidence points to the need to conduct more research about optimal monetary policy that takes into account these longer-term effects.

## Quarterly Capitalism ADV

### Quarterly Capitalism ADV---Frame---2NC

### Quarterly Capitalism ADV---Circumvention---2NC

#### 4. Their evidence concedes this, politics links AND unions fail.

---yellow.

Alex Domash 21 – Research Fellow, Mossavar-Rahmani Center for Business & Government, Harvard Kennedy School, “Returning Power to American Workers and Raising Wages: How Collective Bargaining Reform Can Help Restore America’s Middle Class,” 03/2021, https://www.hks.harvard.edu/sites/default/files/centers/cid/files/publications/CID\_Wiener\_Inequality%20Award%20Research/Policy%20Report\_Alex%20Domash%20(1-A).pdf

Since the early 1980s, labor’s share of national income has fallen in the United States, from an average of 64 percent between the postwar period to the early 1980s, to 58 percent in 2016 (Figure 1). The labor share represents the percentage of economic output that accrues to workers in the form of compensation – including wages, salaries, and benefits – and indicates the extent to which workers share in the economy’s output. A falling labor share implies a rising capital share, which means a greater portion of national income in the U.S. is being distributed to capital owners, rather than to workers. Since capital is heavily concentrated in the upper ends of the income distribution, this trend broadly reflects the rise in income inequality in the U.S.

Over the same period, the United States has seen a growing gap between worker productivity and workers’ wages. From 1979 to 2018, net productivity (output less depreciation per hour worked) rose by nearly 70 percent, while workers’ real hourly compensation increased by only 11 percent (Figure 2). The growing productivity-pay gap is directly related to the fall in the labor share, and suggests that workers are not being adequately compensated for the output that they have helped to produce. Over the last four decades, an increase in labor productivity has led to soaring corporate profits and the potential for substantial growth in wages, but these national income gains have largely accrued to capital and business owners, rather than trickling down to workers. Since 1980, real hourly compensation for the average American worker has grown by just 0.2 percent annually (Bivens et al. 2014).

Broad wage stagnation has directly undermined growth in living standards for middle class Americans. Among the bottom 90 percent of American households, labor income – including wages and wage-related income – comprises an average of 86 percent of total household income (compared to only 40 percent of total income for the top 10 percent of households). Sluggish wage growth thus contributes to stagnating living standards for the vast majority of American households (Gould, 2019). Capital income, on the other hand, is heavily skewed towards the top of the income distribution: the top 10 percent own about 70 percent of all capital, while the bottom 50 percent own less than 5 percent (Piketty, 2014). Taken together with the decline in the labor income share, these distributions can explain much of the growing income inequality in the United States – which is at its highest point since the Census Bureau began tracking the distribution of incomes in the 1960s (Block and Sachs, 2019).

The rise in inequality, fueled by sluggish wage growth, is a critical threat to economic growth, social mobility, and political equality in the United States. A wide-body of empirical evidence suggests that the current level of income inequality in the United States threatens both short-term aggregate demand and long-term economic growth. Since lower income households have a higher marginal propensity to consume than wealthier households, stagnant income growth for the middle class significantly reduces aggregate consumption, dampening economic growth (Rajan, 2011).. Business economists at Standard and Poor’s (S&P) even downgraded long-run U.S. growth prospects on account of high inequality (S&P Capital IQ, 2014). Inequality has also been shown to significantly reduce generation-to-generation economic mobility (Kopczuk et al, 2010; Corak, 2013; Chetty et al, 2014), a relationship which the late Alan Krueger called the “Great Gatsby Curve” (Krueger, 2012). This threat to social mobility even led current Treasury secretary Janet Yellen to question whether the rise in inequality is compatible with American values, when she declared in a 2014 speech, “I think it is appropriate to ask whether this trend is compatible with

“ I think it is appropriate to ask whether this trend [in wealth gains at the very top and stagnant living standards for the majority] is compatible with values rooted in our nation’s history, among them the high value Americans have traditionally placed on equality of opportunity ”

- Janet Yellen

values rooted in our nation’s history, among them the high value Americans have traditionally placed on equality of opportunity” (Yellen, 2014). Finally, rising inequality can have insidious effects on political power in America. Recent political science reveals how “the views of constituents in the bottom third of the income distribution receive no weight at all in the voting decisions of their Senators” (Druckman and Jacobs, 2015). The rise in income inequality thus presents an urgent threat to our democracy, and undermines the very political foundations of this country.

1. 2. Why has labor’s share of income decreased?

Five broad reasons have been proposed to explain the dual problems of stagnant real wages and the falling labor income share in recent decades (see Appendix 1 for a graphical representation of these five explanations):

Technological change: Advances in information technology and automation has caused a decline in the relative price of investment goods, increasing the elasticity of demand for labor and inducing firms to shift away from labor towards capital (Karabarbounis and Neiman, 2014; Autor and Salomons, 2018; Dao et al, 2017).

Increased globalization: An increase in trade and international outsourcing has led to offshoring of labor-intensive parts of the U.S. supply chain, reducing the elasticity of demand for labor and putting downward pressure on U.S. labor shares (Elsby et al, 2013; Abdih and Danninger, 2017).

Increased monopsony power: Increases in employer concentration and the proliferation of non-compete agreements (where employees are prevented from working for a firm’s competitors) has increased labor market frictions an

d reduced worker mobility. This has created a non-competitive market that allows firms some degree of wage-setting power – allowing wages to be set below the marginal product of labor. (Furman and Krueger, 2016; Benmelech et al, 2019).

Increased monopoly power: Higher barriers to entry and reduced market competition has led to high levels of inefficient market concentration, increasing aggregate firm markups well above the marginal cost of production (De Loecker et al, 2020; Covarrubias et al, 2019; Autor et al, 2020).

Decline in worker power: Institutional changes reducing unionization rates and workers’ collective bargaining power have led to a redistribution of economic rents (unearned profits above the marginal cost of production) from labor to capital (Levy and Temin, 2007; Bivens et al, 2018; Stansbury and Summers, 2020).

While economists disagree over the relative importance of each of these factors, there is general agreement that workers’ bargaining power has significantly eroded over the last four decades, and that this is responsible for at least part of the rise in inequality. Union membership – which has traditionally given workers the opportunity to bargain collectively with employers over wages, benefits, and workplace conditions – has drastically declined in recent decades. The percentage of workers covered by a union in the U.S. has fallen from nearly one third of the workforce in the late 1950s to only 10.5 percent in 2018, including a mere 6 percent of private sector workers (Bureau of Labor Statistics, 2018). In a recent paper, Lawrence Summers and Anna Stansbury declared that the decline in worker power “is one of the most important structural changes to have taken place in the U.S. economy in recent decades” (Stansbury and Summers, 2020). Studies have also shown that the decline in union membership has contributed directly to the sharp increase in income inequality. Bruce Western and Jake Rosenfeld found that the decline of organized labor in the U.S. could explain up to one third of the growth in inequality between 1973 and 2007 (Western and Rosenfeld, 2011).

The erosion of workers’ bargaining power in the U.S. can be attributed to three main factors: 1) institutional antagonism towards unions, 2) increases in shareholder power, and 3) structural changes in the economy. In recent decades, employers have become increasingly hostile to union organizing, and federal and state labor law amendments have made it increasingly difficult for workers to organize. Bivens et al (2017) find that when workers become interested in forming unions, 54 percent of employers threaten workers. Employees who engage in union organizing face a one in five chance of getting fired, and penalties for employers who violate workers’ rights during union drives have remained low and poorly enforced (Kleiner and Weil, 2010). Labor law rulings have also limited the ability of public unions to collect dues, sharply curbed union rights to picket and boycott, and have allowed states to expand so-called “right-to- work” laws, which make it more difficult for workers to form unions and have reduced state-level labor shares (Hazell, 2019). The second broad shift has been an increase in shareholder power and the rise of shareholder primacy, which has increased pressures on firms to cut labor costs, and has resulted in a large rise in outsourcing and subcontracting labor. Weil (2019) estimates that 19 percent of private sector workers are in industries where these “fissured” arrangements dominate – which makes it increasingly difficult for workers to organize. Finally, structural changes in the economy – including intensified globalization and the rise of automation – have increased the substitutability of workers. This has also contributed to a decline in workers’ bargaining power.

Trade unions in the U.S. have historically acted as an important way to bolster wages for lower- and middle-income families. Unions can increase wages both through their direct effect on union members, who earn an average union wage premium of around 15 percent (Rosenfeld, 2014) and through the “threat effect” of unionization for nonunion workers, which incentivizes nonunionized firms to offer better wages (Farber, 2005). A recent study on this “threat effect” estimates that nonunion private-sector men would have made about $3,172 more in 2015 if union density remained at 1979 levels (Denice and Rosenfeld, 2018). Harvard economist Richard Freeman and others have argued that the sharp decline in the number of people earning middle- class salaries over recent decades can be explained by the decline in union membership (Freeman et al, 2016).

But the overall impact of trade unions on productivity, employment, and firm investment is more mixed. Richard Freeman and James Medoff (1984) wrote the seminal paper on the economic impacts of unions, arguing that unions have “two faces”. One face of unions is to increase the collective voice of workers, which can increase worker productivity by lessening information asymmetries between employers and employees and reducing labor turnover. The other face of unions is the monopoly face, which can “raise wages above competitive levels” and lower worker productivity by creating “restrictive work practices.” Doucouliagos & Laroche (2003) conducted a meta-analysis of the effect of unions on productivity, and found a near-zero impact. The impact of trade unions on employment and firm investment is also mixed. Trade unions can increase employment if monopsony power is present and results in inefficiently low employment, or they may reduce employment if firms move up the labor-demand schedule and hire higher quality workers, or have less flexibility to adjust to macro-shocks (Blanchard and Wolfers, 2000). Some empirical evidence suggests that trade unions may decrease employment of low-skilled workers (Frandsen, 2012; Blanchard and Wolfers, 2000). Unions can also increase firm investment if they incentivize firms to increase investments in worker training (Acemoglu and Pischke, 1999), or reduce investment if union rent-seeking acts as a tax on firms’ return on investment (Connolly et al, 1986). Several empirical studies suggest that trade unions are likely to lower firm investment in physical and intangible capital and lead to slower growth (Addison and Hirsch, 1989; Lee and Mas, 2012).

The traditional trade union model may be ill-suited to deliver broad gains to workers in the 21st century economy. Intensified globalization and competition from abroad leaves unions with little bargaining power when negotiating with multinational employers, or when trying to transform conditions along a long supply chain. The proliferation of outsourcing, subcontracting, and gig employment also leaves a growing share of the workforce outside the reach of unions. On the political front, increasing employer opposition to unionization has made it exceedingly difficult for unions to secure a first contract, even when workers do vote for a union. When employers strongly oppose the organizing effort, only 10 percent of petitions for union election result in the union successfully securing an initial contract (Ferguson, 2008).

Given these economic and political changes, new innovations in labor law are needed.

1. 3. How can labor law address the decline in worker power?

The cornerstone of U.S. labor law, the National Labor Relations Act (NLRA), was passed in 1935 to safeguard workers’ right to organize and bargain collectively – but it fails to fulfill its objective in today’s economy. Even at the time of its adoption, the NLRA only extended collective bargaining rights to statutorily defined employees – which excluded domestic workers and agricultural laborers from the Act’s coverage. Today, that exclusion also restricts independent contractors and other gig-economy workers from having any collective bargaining rights. In total, roughly 20% of private-sector workers are denied collective bargaining rights (Block and Sachs, 2019). But even where workers’ bargaining rights are statutorily covered, the fundamental changes in the structure of the economy since the 1930s have left an ever-increasing number of American workers without any effective means to collectively bargain. In 2017, only 10 percent of all workers were covered by a collective bargaining agreement – the second lowest coverage rate across the OECD.

Given the shortcomings of the NLRA, a growing number of economists, legal scholars, advocates, and trade union federations have called for comprehensive federal labor law reform. Thomas Kochan, an expert in industrial relations at MIT, has argued that U.S. labor law “has been broken for so long” that we need a “fundamentally new structure of labor law” (Dyer, 2019). The Clean Slate for Worker Power initiative at Harvard Law School also released a 2020 report calling for a comprehensive overhaul of labor law, and Kate Andrias, a law professor at the University of Michigan, and David Madland, an economist at the Center for American Progress, have recently proposed completely modernizing labor law to satisfy workers’ needs in the twenty- first century.

This report will focus on one specific feature of U.S. labor law – the bargaining unit – and argue that the enterprise-based bargaining system used in the U.S. is fundamentally broken. While most industrial democracies empower unions to negotiate for workers on a sectoral or regional basis, U.S. labor law channels negotiations about wages and benefits to the firm level (Andrias, 2017). Section 159 of the NLRA states: “The unit appropriate for the purpose of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof” (NLRA, 1935). Enterprise-based bargaining (sometimes referred to as firm-level bargaining or decentralized bargaining) has the following three structural defects:

Three structural defects of enterprise-based bargaining

1. High rates of exclusion – Enterprise bargaining leaves millions of workers without any collective bargaining coverage.

2. Unresponsive to the changing structure of the labor market – Enterprise bargaining is structurally incompatible with a labor market characterized by fissured employment relations and intensified globalization.

3. Incentivizes conflict in the workplace – Enterprise bargaining creates a competitive disadvantage for employers, which provides an incentive to fight unionization efforts.

Any reforms to federal labor law will undoubtedly face large political resistance in the U.S. Trade associations such as the U.S. Chamber of Commerce, and powerful corporations like Amazon, are steadfast in their commitment to undermine the rights of workers to organize and bargain collectively. Legislation to strengthen workers’ collective bargaining power is therefore sure to meet resistance, as has been evidenced by the recent political battle over the Protecting the Right to Organize (PRO) Act in Congress. But collective bargaining is a fundamental right of workers, enshrined in both domestic and international labor law, and is the cornerstone of a democratic and fair workplace. Our federal labor law therefore must be amended to uphold this basic right in a changing twenty-first century economy. Moreover, as this report will show, collective bargaining reform can be designed in a specific way such that workers can receive a greater share of economic output, while negative effects on firm productivity and profits are minimized.

#### 2. Before they even get to the floor, businesses intimidate everyone out.

Dr. Gordon Lafer 20, Political Economist and Professor at the University of Oregon’s Labor Education and Research Center, PhD in Political Science from Yale; Lola Loustaunau is an Assistant Research Fellow at the Labor Education and Research Center, University of Oregon, “Fear at Work,” Economic Policy Institute, 7/23/20, https://www.epi.org/publication/fear-at-work-how-employers-scare-workers-out-of-unionizing/

What this report finds: Most American workers want a union in their workplace but very few have it, because the right to organize—supposedly guaranteed by federal law—has been effectively cancelled out by a combination of legal and illegal employer intimidation tactics. This report focuses on the legal tactics—heavy-handed tactics that would be illegal in any election for public office but are regularly deployed by employers under the broken National Labor Relations Board’s union election system. Under this system, employees in workplace elections have no right to free speech or a free press, are threatened with losing their jobs if they vote to establish a union, and can be forced to hear one-sided propaganda with no right to ask questions or hear from opposing viewpoints. Employers—including many respectable, name-brand companies—collectively spend $340 million per year on “union avoidance” consultants who teach them how to exploit these weakness of federal labor law to effectively scare workers out of exercising their legal right to collective bargaining.

#### 3. Offshoring is independent and takes out the case.

Dr. Mike Peng 18, PhD from Wisconsin, O.P. Jindal Distinguished Chair at UTD; David H. Weng is Assistant Professor at Economics and Business - VU University Amsterdam, “Home Bitter Home: How Labor Protection Influences Firm Offshoring,” Journal of World Business, Volume 53, November 2018, ScienceDirect

3.1. Home country labor protection and firm offshoring

Labor protection within the home country can affect firm business operations in two ways. First, whether labor protection is strong or weak will make a difference for firms to fully utilize employees’ skills and talents. When employment protection is not strong, firms can effectively motivate and discipline employees. For example, if employees do not perform satisfactorily, managers can discharge them without worrying about breaking labor laws (Gibbons & Katz, 1991). However, such managerial discretion may be low in countries with strong labor protection. Ichino and Riphahn (2001) find that when workers receive greater employment protection, the number of absence days per week doubled. For this reason international investors are often reluctant to acquire targets in countries where labor receives strong institutional protection (Alimov, 2015; Capron & Guillen, 2009).

Second, heavy labor protection may reduce workers’ motivations to develop new skills, thereby hampering firms’ adaptation capacities toward the changing world. When workers are highly protected, the labor market will become rigid because burdensome labor rules discourage firms from hiring new employees (Nickell, 1997). Firms are also less likely to hire new employees since heavy labor protection diminishes employee mobility. However, recruiting employees who possess new skills from the external labor market is critical for firms to remain innovative and competitive (Kaiser, Kongsted, & Rønde, 2015). When the hiring of new employees is hindered, firms may have difficulty updating and renewing their knowledge, resulting in competitive disadvantage.

Offshoring can be a way out of these problems. According to Oliver (1991), the pressure from operating in a given context may prompt firms to seek opportunities in other places. By doing so, firms can “escape from institutional rules and expectations” (Oliver, 1991: 154). Xia et al. (2014) suggest that as domestic competition increases, firms may actively consider going abroad as a way to cope with the uncertainty with home country operations. Witt and Jackson (2016) assert that when domestic operations become challenging, firms the firms may “move their operations, in part or in whole, to institutional contexts that better support these operations” (p. 797). This reasoning suggests that offshoring can be a valuable approach for firms in countries with stringent labor protection to enhance operational flexibility and efficiency.

### Quarterly Capitalism ADV---Warming Solvency---2NC

#### 4. Block concedes that it takes massive efforts like a GND that has zero shot of getting anywhere in this political environment. The aff is a drop in the bucket at best. UK is Yellow.

Sharon Block 19 – Professor of Practice and the Executive Director of the Center for Labor and a Just Economy @ Harvard Law School; 12/6; On Labor, “How Labor Law Could Help – Not Hinder – Tackling Big Problems”; https://onlabor.org/how-labor-law-could-help-not-hinder-tackling-big-problems

As the urgency of the climate crisis grows, the question of the role of labor in finding solutions also becomes more urgent. As OnLabor has tracked, significant parts of the labor movement have expressed support for the climate fight. Labor groups joined the Global Climate Strikes this fall. Numerous alliances between labor and environmentalists have sprung up, including the BlueGreen Alliance, Trade Unions for Energy Democracy and the Labor Network for Sustainability. For the most part, these coalitions have focused on political alliances to add labor’s clout to legislative and policy fights on environmental issues. Weaknesses in our labor law, however, hinder workers’ ability to effectively influence big problems like the climate crisis at the bargaining table.

There can now be no doubt that workers are being affected significantly by climate change. The evidence is growing of the current – not prospective – danger to workers resulting from rising temperatures and extreme weather. This evidence that climate change is already affecting workers’ health and safety strengthens the case that employers’ climate policies are not political or public policy issues, but workplace issues. If our labor law can accomplish anything, it should be to give workers a channel for addressing the conditions of employment that threaten their lives and livelihoods.

Lately we are seeing workers trying to enforce demands that their employers address the climate crisis. Leaders of the “Bargaining for the Common Good” movement have made addressing the climate crisis a focus of their innovative bargaining campaigns. In September, Amazon workers at the Seattle headquarters walked off the job to protest the company’s failure to take bolder action on climate. OnLabor’s own Jared Odessky recently provided an overview in “In These Times” of provisions in collective bargaining agreements that address climate protection goals.

I fear, however, that these efforts to deal with climate change at the bargaining table are destined to have limited success because of the fundamental structural problems with our labor law. Enterprise bargaining severely limits the scope of what workers can accomplish through bargaining, including what they can accomplish on climate, because collective bargaining agreements apply only to one firm (at best). No single employer can make a meaningful difference in climate change, no matter how much the company reduces its carbon footprint or advocates for clean energy policies. A single employer at best can influence the after-the-fact effects of climate change, like giving workers more water breaks during periods of high temperatures. In this way, the NLRA’s enterprise-based bargaining system precludes workers from demanding a say in any issue that is bigger than what their own employer can tackle.

Moreover, the law’s definition of mandatory subjects of bargaining raises questions about whether unions in our enterprise-based bargaining system can even get the climate issue to the bargaining table.

I’ve written previously about how the NLRA’s narrow definition of mandatory subjects of bargaining is an impediment to workers being able to weigh in on the full range of issues in which they are interested, including the response to the climate crisis. To be a mandatory subject of bargaining, a proposal must not only be related to a term or condition of employment, it must also be within an employer’s influence or control. See Eastex, Inc. v. NLRB, 437 U.S. 556, 568 n. 18 (1978). If workers’ frame their objective in putting climate-related proposals on the enterprise-based bargaining table as impacting the climate crisis and reversing the trend of increasing temperatures, their proposals are going to fail the mandatory-subject test. No single employer can be understood to influence or control climate change.

Moving to sectoral bargaining, however, would expand the scope of collective bargaining agreements in a way that would enable unions to better address climate change. Imagine if workers could create a coordinated movement to demand in bargaining that lots of employers reduce their carbon footprints – maybe together employers could actually impact climate change. The climate crisis is so massive and all-encompassing there are legitimate questions as to whether even a coordinated approach among employers could have a meaningful impact. Legislation that mandates radical change in the U.S. climate policy, along the lines of the Green New Deal, is necessary to save the planet. I suggest, however, that a worker-driven coordinated sectoral policy on climate change could be a positive step in making big needed changes.

Although such a worker-driven industry-wide approach is not possible under the NLRA, labor law reform could move the U.S. to a sectoral bargaining system. Take, for example, how a sectoral approach could work in the auto industry. Many environmentalists believe that a big move in the U.S. to electric cars is a necessary step in reaching the U.S. obligations under the Intergovernmental Panel on Climate Change. What if all of the auto manufacturers in the U.S. were at a sectoral bargaining table where the unions made a demand for a transition to electric vehicles? The size of the U.S. market could influence the global market for electric cars. Even if that is not true, sectoral bargaining in the U.S. also could facilitate a global sectoral push for more electric cars. Let’s now imagine if unions engaged in a transnational strategy to pressure automakers around the world to increase production of electric vehicles. Because most of the rest of the world engages in sectoral bargaining such coordination is not beyond the realm of possibility. If successful, we could be on our way to tackling one of the most significant contributors to carbon pollution.

Electricity generation is another sector that must be reformed to arrest the climate crisis. Unions that represent workers in the energy sector could bring clean energy generation proposals to a sectoral bargaining table and negotiate the terms of a just transition – one that leads to cleaner energy and support for workers whose jobs change as a result of such a transformation. Germany recently engaged in such an exercise. In January 2019, the German Coal Commission brought together industry players, unions and other stakeholders to negotiate an agreement to phase out coal by 2038. This form of sectoral bargaining also negotiated financial support for coal miners and their communities. While the Coal Commission was not formally a part of Germany’s sectoral bargaining system, it demonstrates the potential of an industry-wide approach to tackling big climate goals.

Facilitating sectoral bargaining over climate crisis strategies would be beneficial for two reasons. First, it would create a new tool to put pressure on corporations to change their behavior. So far, relying on voluntary corporate commitments or our gridlocked political system has not yielded the results we need. Second, it would ensure that workers have a direct voice in influencing how corporations address the climate crisis. Workers are already on the front line of suffering from our inaction on climate – it makes sense to reform labor law so they can have a chance to spur much needed actions

#### 4. Unions in pro-energy intensive sectors zero this. Obviously.

Tobias Kalt 22. PhD in political science. “Agents of transition or defenders of the status quo? Trade union strategies in green transitions.” *Journal of Industrial Relations*, 64.4, 508-510.

Union transition strategies in Germany and South Africa range from oppositional to transformative. Initially, IG BCE pursued oppositional strategies. The union opposed climate levies on coal power and was sceptical of a climate-driven phase out. Over time, IG BCE shifted from an oppositional to a reactive strategy. It accepted the need for an early phase out yet attempted to delay the transition and cushion its effects on its members. This was done by arguing for the need for coal as ‘a crucial bridging technology for the energy transition’ (IG BCE, interview). DGB, Verdi and IG Metall tend toward more affirmative strategies that support the ecological modernisation of the economy. While segments within both Verdi and IG Metall would like to see their unions pursuing more transformative transition strategies, these positions remain marginalised. In South Africa, NUMSA was at the forefront of developing transformative transition strategies already in the early 2010s. In a resolution passed at its 2012 National Congress, NUMSA demanded a socially owned renewable energy sector ‘made up of a mix of energy parastatals, cooperatives, municipal-owned entities and other forms of community energy enterprises’. COSATU pursued a similar strategy and adopted a climate change policy in 2011 that recognised that ‘climate change … is caused by the global private profit system of capitalism … (and) requires a fundamental economic and social transformation to substantially change current patterns of production and consumption’. A few years later, COSATU’s and NUMSA’s transformative strategies have taken a backseat to more reactive strategies. Together with NUM and other coal unions such as Solidarity and UASA, NUMSA supports climate action in principle but remains sceptical of phasing out coal without accompanying transition plans and is adamantly opposed to privatised renewable energy. Faced in 2017 by Eskom’s closure of coal plants without transition measures in place, NUM and NUMSA switched to oppositional strategies to try to prevent job losses in the coal sector with NUMSA going to court to prevent Eskom from buying renewable energy from independent power producers. Recently, the newly founded SAFTU, which emerged out of the split within COSATU, has taken up earlier transformative approaches, supported by radical unions such as GIWUSA. In sum, a broad range of transition strategies has been adopted throughout the conflict in South Africa and Germany. Most commonly unions move back and forth between reactive strategies that minimise costs for the unions and their members and affirmative strategies that create new opportunities in green sectors. Outright opposition to the coal transition and more transformative approaches are less frequent.

Sectoral interests

There is a strong correlation between unions’ sectoral interests and their approaches to green transitions (Table 1). In Germany, IG BCE has direct sectoral interests in coal mining and indirect sectoral interests as most of its membership is in energy-intensive chemical and steel industries that benefit from preferential access to cheap coal power. Verdi organises employees in coal power plants, though the share of members in the coal sector is very low compared to members in service sectors. In the renewable energy sector, the metalworkers’ union IG Metall is strongest. In South Africa, NUM is the main coal union that organises Black blue-collar workers in coal mines and at Eskom, while Solidarity and UASA organise mainly white white-collar workers in the sector. NUMSA as well represents employees at Eskom and recently also ventured into coal mining. As a metals and engineering union, NUMSA also has sectoral interests in a renewable energy manufacturing sector.

Table 1. Unions in energy and energy-intensive sectors in Germany and South Africa.

Germany

IG BCE Lignite mining, coal plants, chemicals, steel and manufacturing

Verdi Coal plants, municipal power utilities, power transmission and distribution

IG metal Wind and solar industries, metals, engineering, automotive

South Africa

NUM Coal sector, power utility, mining

NUMSA Coal sector, power utility, renewable energy, metals, engineering, automotive, mining

Solidarity Coal sector, power utility, mining, metals, engineering, chemicals

UASA Coal sector, power utility, mining, automotive, engineering

GIWUSA Engineering, chemicals

Unions in the coal sector have incentives to oppose or delay coal transitions due to fears of losing members and associational power. Sectoral interests are especially important if unions organise along economic sector lines, as is the case with IG BCE and NUM that are closely tied to the coal sector. In contrast, unions in renewable energy are more likely to see potentials for recruiting new members through green transitions. Notably, when unions organise in both sunset and sunrise industries, the interests of incumbents in highly unionised sectors tend to have greater weight. Incumbent interests make the shift from job-shedding to job-creating sectors difficult as one interviewee remarked regarding NUMSA’s transition strategy: ‘At the moment, the people who shape the union policy are those vested in the fossil fuel industry’.

### Quarterly Capitalism ADV---Warming D---2NC

#### Their evidence is biased AND ignores scientific shortfalls.

Steven Koonin 24, Professor of Information, Operations & Management Sciences and Director of the NYU Center for Urban Science and Progress, former Under Secretary of Science under the Obama Administration, Ph.D. from MIT in Theoretical Physics, “Introduction,” Unsettled (Updated and Expanded Edition): What Climate Science Tells Us, What It Doesn’t and Why It Matters, 6/11/24, p. 21-29

The Science. “We’re all supposed to know what “The Science says. “The Science,” we’re told, is settled. How many times have you heard it? Humans have already broken the earth’s climate. Temperatures are rising, sea level is surging, ice is disappearing, and heat waves, storms, droughts, floods, and wildfires are an ever-worsening scourge on the world. Greenhouse gas emissions are causing all of this. And unless they’re eliminated promptly by radical changes to society and its energy systems, “The Science” says Earth is doomed.

Well ... not quite. Yes, it's true that the globe is warming, and that humans are exerting a warming influence upon it. But beyond that-to paraphrase the classic movie The Princess Bride: "I do not think 'The Science' says what you think it says."

For example, both the research literature and government reports that summarize and assess the state of climate science say clearly that heat waves in the US are now no more common than they were in 1900, and that the warmest temperatures in the US have not risen in the past fifty years. When I tell people this, most are incredulous. Some gasp. And some get downright hostile.

But these are almost certainly not the only climate facts you haven't heard. Here are three more that might surprise you, drawn directly from recent published research or the latest assessments of climate science published by the US government and the UN:

* Humans have had no detectable impact on hurricanes over the past century.
* Greenland's ice sheet isn't shrinking any more rapidly today than it was eighty years ago.
* The net economic impact of human-induced climate change will be minimal through at least the end of this century.

So what gives?

If you're like most people, after the surprise wears off, you'll wonder why you're surprised. Why haven't you heard these facts before? Why don't they line up with the narrative-now almost a meme-that we've already broken the climate and face certain doom unless we change our ways?

Most of the disconnect comes from the long game of telephone that starts with the research literature and runs through the assessment reports to the summaries of the assessment reports and on to the media coverage. There are abundant opportunities to get things wrong-both accidentally and on purpose- as the information goes through filter after filter to be packaged for various audiences. The public gets their climate information almost exclusively from the media; very few people actually read the assessment summaries, let alone the reports and research papers themselves. That's perfectly understandable-the data and analyses are nearly impenetrable for non-experts, and the writing is not exactly gripping. As a result, most people don't get the whole story.

But don't feel bad. It's not only the public that's ill informed about what the science says about climate. Policymakers, too, have to rely on information that's been put through several different wringers by the time it gets to them. Because most government officials-and others involved in climate policy for the public and private sectors-are not themselves scientists, it's up to scientists to make sure that non-scientists making key policy decisions get an accurate, complete, and transparent picture of what's known (and unknown) about the changing climate, one undistorted by "agenda" or "narrative." Unfortunately, getting that story straight isn't as easy as it sounds.

I should know. That used to be my job.

WHERE I'M COMING FROM

I'm a scientist-I work to understand the world through measurements and observations, and then to communicate clearly both the excitement and the implications of that understanding. Early in my career, I had great fun doing this for esoteric phenomena in the realm of atoms and nuclei using high-performance computer modeling (which is also an important tool for much of climate science). But beginning in 2004, I spent about a decade turning those same methods to the subject of climate and its implications for energy technologies. I did this first as chief scientist for the oil company BP, where I focused on advancing renewable energy, and then as undersecretary for science in the Obama administration's Department of Energy, where I helped guide the government's investments in energy technologies and climate science. I found great satisfaction in these roles, helping to define and catalyze actions that would reduce carbon dioxide emissions, the agreed-upon imperative that would "save the planet."

But then the doubts began. In late 2013 I was asked by the American Physical Society-the professional organization of the country's physicists-to lead an update of its public statement on climate. As part of that effort, in January 2014 I convened a workshop with a specific objective-to "stress test" the state of cli- mate science. In ordinary terms, that meant analyzing, critiquing, and summarizing humanity's accumulated knowledge about the past, present, and future of the earth's climate. Six leading climate experts and six leading physicists, myself included, spent a day scrutinizing exactly what we know about the climate system and how confidently we can project its future. To focus the conversation, we physicists had spent the prior two months preparing a framing document based on the UN assessment report that had just been released.1 We posed some specific and crucial questions along the lines of: Where is the data poor or the assumptions weakly supported-and does that matter? How reliable are the models that we use to describe the past and project the future? Many who've read the workshop transcript were struck by how successfully-and unusually-it brought out the certainties and uncertainties of the science at that time.2

For my part, I came away from the APS workshop not only surprised, but shaken by the realization that climate science was far less mature than I had supposed. Here's what I discovered:

* Humans exert a growing, but physically small, warming influence on the climate. The deficiencies of climate data challenge our ability to untangle the response to human influences from poorly understood natural changes.
* The results from the multitude of climate models disagree with, or even contradict, each other and many kinds of observations. A vague "expert judgment" was sometimes applied to adjust model results and obfuscate shortcomings.
* Government and UN press releases and summaries do not accurately reflect the reports themselves. There was a consensus at the meeting on some important issues, but not at all the strong consensus the media promulgates. Distinguished climate experts (including report authors themselves) are embarrassed by some media portrayals of the science. This was somewhat shocking.
* In short, the science is insufficient to make useful projections about how the climate will change over the coming decades, much less what effect our actions will have on it.

Why were these crucial deficiencies such a revelation to me and others? As a scientist, I felt the scientific community was letting the public down by not telling the whole truth plainly. And as a citizen, I was concerned that the public and political debates were being misinformed. So I began to speak out, most publicly through a two-thousand-word "Saturday Essay" published in the Wall Street Journal that September.3 In it, I outlined some of the uncertainties in climate science and argued that ignoring them could hinder our ability to understand and respond to a changing climate:

Policy makers and the public may wish for the comfort of certainty in their climate science. But I fear that rigidly promulgating the idea that climate science is "settled" (or is a "hoax") demeans and chills the scientific enterprise, retarding its progress in these important matters. Uncertainty is a prime mover and motivator of science and must be faced head-on.

That piece drew thousands of online comments, the great majority of them supportive. My frankness about the state of climate science was less popular in the scientific community, however. As the chair of a highly respected university earth sciences department told me privately, "I agree with pretty much everything you wrote, but I don't dare say that in public."

Many scientific colleagues, some of them my friends for decades, were outraged that I'd highlight problems with The Science and thus, as one of them said, 'give ammunition to the deniers." Another said it would have been okay to publish my essay in some obscure scientific journal but reproached me for doing so in a forum with so many readers. And a prominent defender of the idea that The Science is settled enough published a response to my Op-Ed that began by calling for New York University to reconsider my employment, went on to misrepresent many of the things I had written, but then, bafflingly, acknowledged that most of the uncertainties I'd mentioned were well known and much discussed among experts.4 It seems that by highlighting those uncertainties so plainly and publicly, I had inadvertently broken some code of silence, like the Mafia's omerta.

More than six years of study since the APS workshop have left me increasingly dismayed at the public discussions of climate and energy. Climate alarmism has come to dominate US politics, especially among Democrats, where I have otherwise long felt most comfortable politically. The 2020 Democratic presidential primary saw each candidate trying to outdo the other with over-the-top statements about "climate emergency" and "climate crisis" increasingly divorced from the science. The election run-up also witnessed increasingly sweeping policy proposals like the Green New Deal that would "fight climate change" with government interventions and subsidies. Not surprisingly, the Biden administration has made climate and energy a major priority, with the appointment of former secretary of state John Kerry as climate envoy and proposed spending of almost two trillion dollars to fight this "existential threat to humanity."

While I have no informed opinions on the fiscal and policy merits of proposals like the Green New Deal-I am a physicist, not an economist-I do know that any policy should be based upon what the science actually says about the changing climate. Trillion-dollar decisions about reducing human influences on the climate are, in the end, about values: risk tolerance, intergenerational and geographical equities, and a balance among economic development, environmental im- pact, and energy cost, availability, and reliability. But they must be informed by an accurate understanding of scientific certainties and uncertainties.

This book is an attempt to set us on the road to that understanding. And I intend to do it the only way that a scientist knows how: with documented facts, almost all drawn from the most up-to-date official assessments or quality research literature, presented in their proper context. As the late representative John Lewis, the conscience of Congress, said in his speech about the first impeachment of President Trump:5

When you see something that is not right, not just, not fair, you have a moral obligation to say something, do something.

My late Caltech colleague Richard Feynman was one of the greatest physicists of the twentieth century, renowned for both the creativity and importance of his research (including Nobel Prize-winning work on quantum electrodynamics). Irreverence, showmanship, and the ability to tell a good story were also part of what made him a legend. He was a character, one with extraordinary intellectual substance.

I was one of many aspiring physicists attracted to Caltech by Feynman's presence. Before I arrived in the fall of 1968, I had already read his wonderful "red book" series of physics lectures cover to cover multiple times. My four undergraduate years at Caltech were lived pretty much as those depicted in The Big Bang Theory, except without the laugh track. The highlights included some one-on-one conversations with Feynman (he loved interacting with young scientists), as well as a memorable session playing bongo drums with the great man himself during my first year.

Scientific integrity is central to the Caltech ethos. Its importance is impressed upon new students from their first day on campus, and Feynman's absolute intellectual honesty demonstrated for students and faculty alike what this means for a working scientist. At the 1974 Caltech commencement, he gave a now famous address titled "Cargo Cult Science." Its topic was the rigor scientists must adopt to avoid fooling not only themselves, but also others:

In summary, the idea is to try to give all of the information to help others to judge the value of your contribution; not just the information that leads to judgment in one particular direction or another.

The easiest way to explain this idea is to contrast it, for example, with advertising. Last night I heard that Wesson Oil doesn't soak through food. Well, that's true. It's not dishonest; but the thing I'm talking about is not just a matter of not being dishonest, it's a matter of scientific integrity, which is another level. The fact that should be added to that advertising statement is that no oils soak through food, if operated at a certain temperature. If operated at another temperature, they all will -including Wesson Oil. So it's the implication which has been conveyed, not the fact, which is true, and the difference is what we have to deal with.

Much of the public portrayal of climate science suffers from Feynman's Wesson Oil problem-in an effort to persuade rather than inform, the information presented withholds either essential context or what doesn't "fit." (And coincidentally, as with cooking oil, it's mostly a matter of temperature.)

Most of the climate researchers I've met pursue their work with the objectivity and rigor that are the norm in every field of science. But because the potential impact of a changing climate strikes at human existence itself, the issue understandably engenders passion and emotion. Some people argue that there's no harm in a bit of misinformation if it helps "save the planet," and indeed, when phrases like this (however unwarranted or inaccurate) are being used to describe the stakes, perhaps it isn't surprising that some climate scientists are less than objective when talking to the public. The late Stephen Schneider, a prominent climate researcher, said it explicitly as early as 1989 7:

<<TEXT CONDENSED, NONE OMITTED>>

On the one hand, as scientists we are ethically bound to the scientific method, in effect promising to tell the truth, the whole truth, and nothing but-which means that we must include all the doubts, the caveats, the ifs, ands, and buts. On the other hand, we are not just scientists but human beings as well. And like most people we'd like to see the world a better place, which in this context translates into our working to reduce the risk of potentially disastrous climatic change. To do that we need to get some broad based support, to capture the public's imagination. That, of course, entails getting loads of media coverage. So we have to offer up scary scenarios, make simplified, dramatic statements, and make little mention of any doubts we might have. This "double ethical bind" we frequently find ourselves in cannot be solved by any formula. Each of us has to decide what the right balance is between being effective and being honest. I hope that means being both. Many others have made similar points, or commented on the dark side of Schneider's supposed "double bind." For example: "It doesn't matter what is true, it only matters what people believe is true." -PAUL WATSON, COFOUNDER OF GREENPEACE 8 "We've got to ride this global warming issue. Even if the theory of global warming is wrong, we will be doing the right thing in terms of economic and environmental policy." -TIMOTHY WIRTH, PRESIDENT OF THE UN FOUNDATION 9 "Some colleagues who share some of my doubts argue that the only way to get our society to change is to frighten people with the possibility of a catastrophe, and that therefore it is all right and even necessary for scientists to exaggerate. They tell me that my belief in open and honest assessment is naïve." -DANIEL BOTKIN, FORMER CHAIR OF ENVIRONMENTAL STUDIES AT THE UNIVERSITY OF CALIFORNIAAT SANTA BARBARA10 And so the media is filled with scary climate predictions. Here are a few old enough to have been proven wrong: "[Inaction will cause] ... by the turn of the century [2000], an ecological catastrophe which will witness devastation as complete, as irreversible as any nuclear holocaust." -MOSTAFA TOLBA, FORMER EXECUTIVE DIRECTOR OF THE UNITED NATIONS ENVIRONMENT PROGRAM, 1982 11 "[Within a few years] winter snowfall [in the UK] will become a very rare and exciting event. Children just aren't going to know what snow is." -DAVID VINER, SENIOR RESEARCH SCIENTIST, 2000 12 "European cities will be plunged beneath rising seas as Britain is plunged into a Siberian climate by 2020." -MARK TOWNSEND AND PAUL HARRIS, QUOTING A PENTAGON REPORT IN THE GUARDIAN, 200413 Although Schneider later spent many words trying to explain his statement about the "double ethical bind," I believe the underlying premise is dangerously wrong. There should be no question about "what the right balance is between being effective and being honest." It is the height of hubris for a scientist even to consider deliberately misinforming policy discussions in service of what they believe to be ethical. This would seem obvious in other contexts: imagine the outcry if it were discovered that scientists were misrepresenting data on birth control because of their religious beliefs, for instance. Philip Handler, a former president of the National Academy of Sciences, identified the problem in a 1980 editorial that resonates eerily four decades later: Difficulty arises in the scientific community from confusion of the role of scientist qua scientist with that of scientist as citizen, confusion of the ethical code of the scientist with the obligation of the citizen, blurring the distinction between intrinsically scientific and intrinsically political questions. When scientists fail to recognize these boundaries, their own ideological beliefs, usually unspoken, easily becloud seemingly scientific debate. 14

<<PARAGRAPH BREAKS RESUME>>

With scientists' unique role comes a special responsibility. We're the only people who can bring objective science to the discussion, and that is our overriding ethical obligation. Like judges, we're obligated to put personal feelings aside as we do our job. When we fail to do this, we usurp the public's right to make in- formed choices and undermine their confidence in the entire scientific enterprise. There's nothing at all wrong with scientists as activists, but activism masquerading as The Science is pernicious.

We scientists shouldn't be selling cooking oil.

### Quarterly Capitalism ADV---PG Impact---2NC

#### Short-termism and special interest lobbying block provision of public goods---authoritarians are better

Dr. Dambisa Moyo 18, DPhil in Economics from the University of Oxford, MPA from Harvard University, MBA and BS from American University, “Why Democracy Doesn’t Deliver”, Foreign Policy, 4/26/2018, https://foreignpolicy.com/2018/04/26/why-democracy-doesnt-deliver/

Only 19 percent of Americans today say they can trust their government to do what is right. Meanwhile, citizens in developing countries see authoritarian leaders as more trustworthy than democratic politicians. Increasingly, it seems that people across the globe are skeptical of the ability of democratic governments to act effectively — including as good custodians of the economy. Indeed, the liberal democratic system is unwittingly undermining the economic growth that is necessary for its continued survival.

At the root of the problem is a predilection for short-​termism that has become embedded in the political and business culture of modern democracies. By design, Western politicians have relatively short political horizons; they are often in office for terms of less than five years. So they find their duties regularly interrupted by elections that distract from the job of addressing long-​term policy challenges. As a result, politicians are naturally and rationally drawn to focus their efforts on seducing their electorates with short-​term sweeteners — including economic policies designed to quickly produce favorable monthly inflation, unemployment, and GDP numbers.

Voters generally favor policies that enhance their own well-​being with little consideration for that of future generations or for long-​term outcomes. Politicians are rewarded for pandering to voters’ immediate demands and desires, to the detriment of growth over the long term. Because democratic systems encourage such short-​termism, it will be difficult to solve many of the seemingly intractable structural problems slowing global growth without an overhaul of democracy.

One of the most fundamental obstacles to effective governance is the short electoral cycle embedded in many democratic systems. Frequent elections taint policymaking, as politicians, driven by the rational desire to win elections, opt for quick fixes that have a tendency to undermine long-term growth. Meanwhile, they neglect to address more entrenched, longer-​term economic challenges, such as worsening education standards, the imminent pension crisis, and deteriorating physical infrastructure, that don’t promise immediate political rewards.

America’s failing infrastructure encapsulates the problem of both public and private myopia. A 2017 report by the American Society of Civil Engineers (ASCE) gave the country a grade of D+ for overall infrastructure, citing 2,170 high-​hazard dams, 56,007 structurally deficient bridges (9.1 percent of the nation’s total), and $1 trillion in needed upgrades to drinking water systems over the next 25 years.

At a minimum, the ASCE suggests that a $2 trillion investment is needed by 2020 to address the significant backlog of overdue maintenance and the pressing need for modernization. The effects of increased infrastructure investment on the prospects of low-​skilled labor could be substantial. Investing in infrastructure would have all sorts of other benefits, but the prevailing democratic political system discourages the sort of long-​term thinking necessary to do so.

Clearly there have been periods in the past when governments have chosen to undertake large infrastructure projects without succumbing to political myopia. In the United States, for example, the federal government drove the rollout of the Work Projects Administration (WPA) in the 1930s. Launched under President Franklin D. Roosevelt’s New Deal to help address America’s chronic unemployment, the WPA was America’s largest and most ambitious project dedicated to constructing public buildings, roads, bridges, schools, and courthouses. It was possible because the short-​term political incentive of reducing mass unemployment through the rapid creation of jobs aligned with a long-​term agenda.

Today, when it comes to infrastructure, China and India present a useful study in contrasts. Both countries needed roads to increase productivity. China built them, but India’s infrastructure programs got bogged down in red tape and political wrangling born of political fissures in its democratic system. Because vested interests in India have a stranglehold on policymaking and implementation, India’s democratic processes stifled decisions that could have helped drive economic growth. In the 2016-2017 World Economic Forum Global Competitiveness Report, India was ranked 68th of 138 countries for overall infrastructure, well behind China, which was ranked 42nd. The effects of underinvestment in infrastructure on the economy are real: For India, spending 1 percent of GDP on infrastructure is likely to boost the country’s GDP by 2 percent and create as many as 1.4 million jobs.

A second major obstacle to effective democratic governance is interest group lobbying, a feature in many liberal democracies that tends to interfere with the proper allocation of assets. In 2016, more than $3.15 billion was spent lobbying the U.S. Congress, roughly double the amount spent in 2000. Across sectors, lobbying by special interest groups has a discernible impact on public policy decisions in ways that negatively affect trade, infrastructure, and ultimately economic growth. For example, environmental groups oppose pipelines and new oil exploration projects, agricultural interests lobby for farm subsidies, and American trucking interest groups oppose additional tolls earmarked for road maintenance.

Political cycles too often keep politicians beholden to the individuals and corporate interests that help fund their campaigns and to the vagaries of public opinion polling. And because democratic politics rests on political contributions, it widens the inequality between rich and poor. It is the use of wealth to influence political outcomes that helps inequality take root. Until democracies push back on the use of wealth to influence elections and policies, initiatives to address inequality will be blunted.

### Quarterly Capitalism ADV---No Emerging Tech---2NC

### Quarterly Capitalism ADV---Inequality D---2NC

#### It’s thousands of years away.

---Kentucky Yellow

Andreas T. 1AC Schmidt & Daan Juijn 23 - Professor of Moral and Political Philosophy at the University of Groningen & MA in Philosophy, Politics & Economics, Senior Advanced AI Researcher at the Centre for Future Generations. “Economic inequality and the long-term future,” 2023, Politics, Philosophy & Economics 23(1), pg. 67-99.

Medium-term effects

Let us now move on to the intertemporal effects of income inequality up to the medium-term future. To this end, we consider – again, somewhat arbitrarily – effects on wellbeing that happen within the next 500 to 1000 years.

### Quarterly Capitalism ADV---Slow Growth D---2NC

## Participation ADV

### Participation ADV---Democracy IL D---2NC

### Participation ADV---Democracy D---2NC

#### Trump errs towards restraint.

Andrew Byers and Randall L. Schweller 24, Nonresident Fellow at Texas A&M University’s Albritton Center for Grand Strategy; Professor of Political Science and Director of the Program for the Study of Realist Foreign Policy at Ohio State University, “Trump the Realist”, Foreign Affairs, 7/1/24, accessed 9/2/24, https://archive.is/sUiIu#selection-1221.0-1224.0

In his first term, Trump’s realist instincts were frequently thwarted by his senior national security advisers. But the former president’s inclination for restraint nonetheless shaped his policies. Trump avoided new military entanglements, began extricating the United States from its 20-year occupation of Afghanistan, and engaged adversarial states such as China, North Korea, and Russia in ways that lessened the possibility of conflict. He shifted the burden of paying for mutual defense to allies and away from American taxpayers. He talked tough as a means of pressuring other leaders and appeasing his domestic base. But he never acted like a neoconservative primacist. Even when it came to Iran, the country toward which he was most belligerent, Trump always pulled back from the brink of using significant military force.