## 1NCs

### 1NC -- COMMON CORE

#### Common core standards are key to STEM education –spurs investment, innovation, and helps close the achievement gap – Aff also links to politics

**Neuhauser 15** -- Alan Neuhauser covers law enforcement and criminal justice for U.S. News & World Report. He also contributes to STEM and Healthcare of Tomorrow, and previously reported on energy and the environment. “Common Core: A Spark for STEM” [https://www.usnews.com/news/stem-solutions/articles/2015/06/30/common-core-a-spark-for-stem June 30](https://www.usnews.com/news/stem-solutions/articles/2015/06/30/common-core-a-spark-for-stem%20June%2030), 2015.

Ambitious new national science standards, building atop nationwide math and English standards, can play a role in *spurring investment and innovation in science, technology, engineering and math* education, a panel of experts and advocates said Tuesday at the [2015 U.S. News & World Report STEM Solutions Conference](https://www.usnews.com/news/stem-solutions) in San Diego.

"The standards are the best hope of laying out expectations that the country understands are expectations for everyone," said Delia Pompa, senior vice president of programs for La Raza, a Latino advocacy group.

She was joined on the panel by Chris Minnich, executive director of the Council of Chief State School Officers, where he led development of what became the Common Core State Standards that set nationwide benchmarks for math and English education. Next Generation Science Standards were released in April 2013.

The standards, though agreed to by 48 governors, have become a "political football," Minnich said, part of the larger ideological fight over the extent – or perceived extent – of federal regulation over state home-rule. Some educators and advocacy groups have also voiced concern that the standards may prove too stringent.

"They may think we're moving too fast or the tests are unfair – all that I get," Minnich said."If we can just get through this hard conversation of what kids should be able to do, in five to seven years we should see some pretty good progress."

He added: "What I've been heartened by is the teachers and the administrators across the country that I've interacted with, a majority of them get what we're trying to do."

*Tougher standards can prove a boon****,*** argued Okha Lee, a professor of childhood education at New York University.

"It raises the bar for content because it's academically rigorous," Lee said, advocating curricula that encourages students to "inquire," "ask questions, and "use models and argue from evidence."

"Good instruction should have been figuratively speaking noisy because the students are doing the talking and doing the work," Lee said. "We should hear the kids talking and not the adult talking."

Standards, however, are not a panacea. "They are a first step," Pompa acknowledged.

As Peter A ' Hearn, a K-12 specialist at the Palm Springs Unified School District in California described, "The achievement gap is really – it's pretty significant, and it's a challenge for students looking to go into the STEM careers that we know are the careers of the future."

The key to closing those gaps, he and the panelists said, is both a broad approach, and one that starts early.

"We have to start talking about STEM when kids are in preschool," Pompa said. "We have to start talking about STEM when kids are in the kitchen with their parents cooking and they can relate STEM to science principles. And we have to have opportunities to expose entire families to STEM careers, science packages."

#### Key to competitiveness and growth

**Gordon 14** -- Bart Gordon served in the U.S. House of Representatives from 1985-2011 including as Chairman of the Committee on Science & Technology from 2007-2011.  He is currently a partner at the global law firm K&L Gates LLP “[STEM Education: Key to America’s Global Competitiveness](http://scienceblogs.com/usasciencefestival/2014/04/19/stem-education-key-to-americas-global-competitiveness/)” http://scienceblogs.com/usasciencefestival/2014/04/19/stem-education-key-to-americas-global-competitiveness/

Our nation has a long and proud history as a global leader in the development of technological breakthroughs and the development of revolutionary products that change and save lives around the world.  In recent years, however, fewer young Americans are entering fields of science, technology, engineering and math (STEM) and as a result, our global competitiveness is in jeopardy.  For the past six years, the majority of patents issued by the U.S. Patent and Trademark Office have been awarded to international owners, and fewer American students are pursuing advanced science degrees and the World Economic Forum ranks the United States 52nd in quality of math and science education.  We can and must do better.

At the same time, STEM occupations are poised to grow more quickly in the future than the economy as a whole.  More than half of our nation’s economic growth since World War II can be attributed to development and adoption of new technologies and this area holds the path toward sustainable economic growth and prosperity for the next 50 years.  A report from the Georgetown University Center on Education and the workforce projected 2.4 million job openings in STEM fields by 2018.  Only by developing a generation of workers prepared for those opportunities can America secure its continued global competitiveness.

### 1NC – THE OTHER TWO AFFs

#### Pumping government money into education erodes the US economy – increased taxation causes massive inefficiencies and diverts money from productive sectors of the economy – empirics prove

**Mitchell 05** -- Daniel Mitchell, McKenna Senior Fellow in Political Economy “The Impact of Government Spending on Economic Growth” http://www.heritage.org/budget-and-spending/report/the-impact-government-spending-economic-growth

Policymakers are divided as to whether government expansion helps or hinders economic growth. Advocates of bigger government argue that government programs provide valuable "public goods" such as education and infrastructure. They also claim that increases in government spending can bolster economic growth by putting money into people's pockets.

Proponents of smaller government have the opposite view. They explain that government is too big and that higher spending undermines economic growth by transferring additional resources from the productive sector of the economy to government, which uses them less efficiently. They also warn that an expanding public sector complicates efforts to implement pro-growth policies-such as fundamental tax reform and personal retirement accounts- because critics can use the existence of budget deficits as a reason to oppose policies that would strengthen the economy.

Which side is right?

This paper evaluates the impact of government spending on economic performance. It discusses the theoretical arguments, reviews the international evidence, highlights the latest academic research, cites examples of countries that have significantly reduced government spending as a share of national economic output, and analyzes the economic consequences of those reforms.1 The online supplement to this paper contains a comprehensive list of research and key findings.

This paper concludes that a large and growing government is not conducive to better economic performance. Indeed, reducing the size of government would lead to higher incomes and improve America's competitiveness. There are also philosophical reasons to support smaller government, but this paper does not address that aspect of the debate. Instead, it reports on-and relies upon-economic theory and empirical research.[[1]](http://www.heritage.org/budget-and-spending/report/the-impact-government-spending-economic-growth%22%20%5Cl%20%22_ftn1)

The Theory: Economics of
Government Spending

Economic theory does not automatically generate strong conclusions about the impact of government outlays on economic performance. Indeed, almost every economist would agree that there are circumstances in which lower levels of government spending would enhance economic growth and other circumstances in which higher levels of government spending would be desirable.

If government spending is zero, presumably there will be very little economic growth because enforcing contracts, protecting property, and developing an infrastructure would be very difficult if there were no government at all. In other words, some government spending is necessary for the successful operation of the rule of law. Figure 1 illustrates this point. Economic activity is very low or nonexistent in the absence of government, but it jumps dramatically as core functions of government are financed. This does not mean that government costs nothing, but that the benefits outweigh the costs.

Costs vs. Benefits. Economists will generally agree that government spending becomes a burden at some point, either because government becomes too large or because outlays are misallocated. In such cases, the cost of government exceeds the benefit. The downward sloping portion of the curve in Figure 1 can exist for a number of reasons, including:

The extraction cost. Government spending requires costly financing choices. The federal government cannot spend money without first taking that money from someone. All of the options used to finance government spending have adverse consequences. Taxes discourage productive behavior, particularly in the current U.S. tax system, which imposes high tax rates on work, saving, investment, and other forms of productive behavior. Borrowing consumes capital that otherwise would be available for private investment and, in extreme cases, may lead to higher interest rates. Inflation debases a nation's currency, causing widespread economic distortion.

The displacement cost. Government spending displaces private-sector activity. Every dollar that the government spends necessarily means one less dollar in the productive sector of the economy. This dampens growth since economic forces guide the allocation of resources in the private sector, whereas political forces dominate when politicians and bureaucrats decide how money is spent. Some government spending, such as maintaining a well-functioning legal system, can have a high "rate-of-return." In general, however, governments do not use resources efficiently, resulting in less economic output.

The negative multiplier cost. Government spending finances harmful intervention. Portions of the federal budget are used to finance activities that generate a distinctly negative effect on economic activity. For instance, many regulatory agencies have comparatively small budgets, but they impose large costs on the economy's productive sector. Outlays for international organizations are another good example. The direct expense to taxpayers of membership in organizations such as the International Monetary Fund (IMF) and Organisation for Economic Co-operation and Development (OECD) is often trivial compared to the economic damage resulting from the anti-growth policies advocated by these multinational bureaucracies.

The behavioral subsidy cost. Government spending encourages destructive choices. Many government programs subsidize economically undesirable decisions. welfare programs encourage people to choose leisure over work. Unemployment insurance programs provide an incentive to remain unemployed. Flood insurance programs encourage construction in flood plains. These are all examples of government programs that reduce economic growth and diminish national output because they promote misallocation or underutilization of resources.

The behavioral penalty cost. Government spending discourages productive choices. Government programs often discourage economically desirable decisions. Saving is important to help provide capital for new investment, yet the incentive to save has been undermined by government programs that subsidize retirement, housing, and education. Why should a person set aside income if government programs finance these big-ticket expenses? Other government spending programs-Medicaid is a good example-generate a negative economic impact because of eligibility rules that encourage individuals to depress their incomes artificially and misallocate their wealth.

The market distortion cost. Government spending distorts resource allocation. Buyers and sellers in competitive markets determine prices in a process that ensures the most efficient allocation of resources, but some government programs interfere with competitive markets. In both health care and education, government subsidies to reduce out-of-pocket expenses have created a "third-party payer" problem. When individuals use other people's money, they become less concerned about price. This undermines the critical role of competitive markets, causing significant inefficiency in sectors such as health care and education. Government programs also lead to resource misallocation because individuals, organizations, and companies spend time, energy, and money seeking either to obtain special government favors or to minimize their share of the cost of government.

The inefficiency cost. Government spending is a less effective way to deliver services. Government directly provides many services and activities such as education, airports, and postal operations. However, there is evidence that the private sector could provide these important services at a higher quality and lower cost. In some cases, such as airports and postal services, the improvement would take place because of privatization. In other cases, such as education, the economic benefits would accrue by shifting to a model based on competition and choice.

The stagnation cost. Government spending inhibits innovation. Because of competition and the desire to increase income and wealth, individuals and entities in the private sector constantly search for new options and opportunities. Economic growth is greatly enhanced by this discovery process of "creative destruction." Government programs, however, are inherently inflexible, both because of centralization and because of bureaucracy. Reducing government-or devolving federal programs to the state and local levels-can eliminate or mitigate this effect.

Spending on a government program, department, or agency can impose more than one of these costs. For instance, all government spending imposes both extraction costs and displacement costs. This does not necessarily mean that outlays-either in the aggregate or for a specific program-are counterproductive. That calculation requires a cost-benefit analysis.

#### Decline causes unrest and conflict – extinction!

Kemp ’10 [Geoffrey Kemp, Director of Regional Strategic Programs at The Nixon Center, served in the White House under Ronald Reagan, special assistant to the president for national security affairs and senior director for Near East and South Asian affairs on the National Security Council Staff, Former Director, Middle East Arms Control Project at the Carnegie Endowment for International Peace, 2010, “The East Moves West: India, China, and Asia’s Growing Presence in the Middle East”, p. 233-4]

The second scenario, called Mayhem and Chaos, is the opposite of the first scenario; everything that can go wrong does go wrong. The world economic situation weakens rather than strengthens, and India, China, and Japan suffer a major reduction in their growth rates, further weakening the global economy. As a result, energy demand falls and the price of fossil fuels plummets, leading to a financial crisis for the energy-producing states, which are forced to cut back dramatically on expansion programs and social welfare. That in turn leads to political unrest: and nurtures different radical groups, including, but not limited to, Islamic extremists. The internal stability of some countries is challenged, and there are more “failed states.” Most serious is the collapse of the democratic government in Pakistan and its takeover by Muslim extremists, who then take possession of a large number of nuclear weapons. The danger of war between India and Pakistan increases significantly. Iran, always worried about an extremist Pakistan, expands and weaponizes its nuclear program. That further enhances nuclear proliferation in the Middle East, with Saudi Arabia, Turkey, and Egypt joining Israel and Iran as nuclear states. Under these circumstances, the potential for nuclear terrorism increases, and the possibility of a nuclear terrorist attack in either the Western world or in the oil-producing states may lead to a further devastating collapseof the world economic market, with a tsunami-like impact on stability. In this scenario, major disruptions can be expected**,** with dire consequences for two-thirds of the planet’s population.

## UQ

### Generic Econ

#### Econ fine now -- revised estimates show growth can rebound – consumer spending is key – prefer newest ev

**Heller 5-30-17** – Matthew Heller, contributor to CFO.com “U.S. Economic Growth Revised Upward to 1.2%” http://ww2.cfo.com/the-economy/2017/05/u-s-economic-growth/

The U.S. economy wasn’t quite as sluggish as originally reported in the first quarter but growth still fell well short of President Trump’s goal and hopes of a sharp rebound in the second quarter may be fading.

The Commerce Department said gross domestic product grew at a rate of 1.2% in the January-March period, an upward revision from the 0.7% reading in its first estimate, which was the worst performance in a year.

The upgrade reflected in part an increase in consumer spending to an annual rate of 0.6%, still the slowest in seven years but up from an initial estimate of 0.3%.

Some economists still believe that growth in the current April-June quarter will rebound sharply to above 3%, citing stronger consumer spending and an unemployment rate that has fallen to a decade low of 4.4%. Wage growth in the first quarter was the fastest in 10 years.

“Growth is bouncing back in the second quarter,” Gus Faucher, chief economist at PNC, told the [Los Angeles Times](http://www.latimes.com/business/la-fi-us-growth-20170526-story.html). “Consumer spending continues to expand with job and wage gains, and business investment is picking up, especially for energy-related industries.”

But others are skeptical. “Economic indicators so far aren’t entirely convincing on a second-quarter bounce in activity and show a U.S. economy struggling to surprise on the upside,” Scott Anderson, chief economist at Bank of the West in San Francisco, [told Reuters](http://www.reuters.com/article/us-usa-economy-idUSKBN18M1GP).

During the 2016 presidential campaign, Trump vowed to lift annual GDP growth to 4%, but the economy still seems to be growing at the same modest pace that has marked the recovery from the recession.

“Hopes of a sharp rebound [in the second quarter] have been tempered by weak business spending, a modest increase in retail sales last month, a widening of the goods trade deficit and decreases in inventory investment,” Reuters said.

The latest GDP report showed that the acceleration in business spending equipment was not as fast as previously estimated, rising at a 7.2% rate in the first quarter rather than the 9.1% reported in April.

#### Growth is occurring, but sluggish – expectations of future tax cuts are key – boosts consumer spending and capital investments

**Mutikani 5-27-17** – Lucia Mutikani, Correspondent at Thomson Reuters “U.S. economy slowed less than expected in first quarter; outlook cloudier” http://uk.reuters.com/article/uk-usa-economy-gdp-idUKKBN18M1GX

The U.S. economy slowed less than initially thought in the first quarter, but softening business investment and moderate consumer spending are clouding expectations of a sharp acceleration in the second quarter.

Gross domestic product increased at a 1.2 percent annual rate instead of the 0.7 percent pace reported last month, the Commerce Department said on Friday in its second GDP estimate for the first three months of the year.

That was the worst performance in a year and followed a 2.1 percent growth rate in the fourth quarter.

"Economic indicators so far aren't entirely convincing on a second-quarter bounce in activity and show a U.S. economy struggling to surprise on the upside," said Scott Anderson, chief economist at Bank of the West in San Francisco.

The first-quarter weakness is a blow to President Donald Trump's ambitious goal to sharply boost economic growth.

During the 2016 presidential campaign Trump had vowed to lift annual GDP growth to 4 percent, though administration officials now see 3 percent as more realistic.

Trump has proposed a range of measures to spur faster growth, including corporate and individual tax cuts. But analysts are sceptical that fiscal stimulus, if it materializes, will fire up the economy given weak productivity and labour shortages in some areas.

"If the economy is going to grow at 3 percent for as long as the eye can see, businesses better spend lots of money on capital goods. That is not happening," said Joel Naroff, chief economist at Naroff Economic Advisors in Holland, Pennsylvania.

The economy's sluggishness, however, is probably not a true reflection of its health, as first-quarter GDP tends to underperform because of difficulties with the calculation of data that the government is working to resolve.

The government raised its initial estimate of consumer spending growth for the first quarter, but said inventory investment was far smaller than previously reported. The trade deficit also was a bit smaller than estimated last month.

Economists had expected that GDP growth would be revised up to a 0.9 percent rate. Despite the tepid growth, the Federal Reserve is expected to raise interest rates next month.

The dollar was trading slightly higher against a basket of currencies on Friday, while U.S. stocks were flat after six straight days of gains. Prices for longer-dated U.S. government bonds rose.

APRIL DATA DISAPPOINTING

Though the economy appears to have regained some speed early in the second quarter, hopes of a sharp rebound have been tempered by weak business spending, a modest increase in retail sales last month, a widening of the goods trade deficit and decreases in inventory investment.

In a second report on Friday, the Commerce Department said non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending plans, were unchanged in April for a second straight month.

Shipments of these so-called core capital goods dipped 0.1 percent after rising 0.2 percent in March. Core capital goods shipments are used to calculate equipment spending in the government's gross domestic product measurement.

Second-quarter GDP growth estimates range between a rate of 2.0 percent and 3.7 percent rate.

"It looks instead that many companies may be delaying their equipment purchases for now to see if they get a better tax deal later on down the road," said Chris Rupkey, chief economist at MUFG Union Bank in New York.

The GDP report also showed an acceleration in business spending equipment was not as fast as previously estimated. Spending on equipment rose at a 7.2 percent rate in the first quarter rather than the 9.1 percent reported last month.

Growth in consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose at a 0.6 percent rate instead of the previously reported 0.3 percent pace. That was still the slowest pace since the fourth quarter of 2009 and followed the fourth quarter's robust 3.5 percent growth rate.

With consumer sentiment hovering at lofty levels, consumer spending could pick up. But there are worries that surging household debt could cut into spending as monthly repayments squeeze paychecks.

Businesses accumulated inventories at a rate of $4.3 billion in the last quarter, rather than the $10.3 billion reported last month. Inventory investment increased at a $49.6 billion rate in the October-December period.

Inventories subtracted 1.07 percentage point from GDP growth instead of the previously estimated 0.93 percentage point.

The government also reported that corporate profits after tax with inventory valuation and capital consumption adjustments fell at an annual rate of 2.5 percent in the first quarter, hurt by legal settlements, after rising at a 2.3 percent pace in the previous three months.

Penalties imposed by the government on the U.S. subsidiaries of Credit Suisse and Deutsche Bank related to the sale of mortgage-backed securities reduced financial corporate profits by $5.6 billion in the first quarter.

In addition, a fine levied on the U.S. subsidiary of Volkswagen ([VOWG\_p.DE](http://uk.reuters.com/business/quotes/overview?symbol=VOWG_p.DE)) related to violations of U.S. environmental regulations cut $4.3 billion from non-financial corporate profits.

### Trump edu policy good

#### Trump’s edu policy doesn’t scrap key education programs – it just cuts federal funding – states and localities are free to continue to carry out necessary programs – discard the aff’s hype

**Simmons 17** -- Award-winning opinion writer Deborah Simmons is a senior correspondent who reports on City Hall and writes about education, culture, sports and family-related topics. Mrs. Simmons has worked at several newspapers, and since joining The Washington Times in 1985, has served as editorial-page editor and features editor and on the metro desk. She has taught copy editing at the University of Maryland at College Park. Mar 17 2017 “3 things: Trump’s education spending plan” http://www.washingtontimes.com/news/2017/mar/17/3-things-trumps-education-spending-plan/

ANALYSIS/OPINION

Did President [Trump](http://www.washingtontimes.com/topics/trump/) really take a “meat cleaver” to federal education spending, as American Federation of Teachers President Randi Weingarten said? Or did [Mr. Trump](http://www.washingtontimes.com/topics/trump/), after becoming president, consider the hand that states, localities and parents had been dealt and deliver a blueprint that returns the power and authority to them?

[Mr. Trump](http://www.washingtontimes.com/topics/trump/) did not end programs. He ended federal funding for some programs. States and local authorities can continue programs they deem worthy. They just won’t get the federal money.

That smart move alone will force state and local leaders to do what state and local had been doing long before there ever was a Cabinet-level Department of Education.

So cast aside the union leader’s opinion. Facts speak louder than hyperbole.

1) [Mr. Trump](http://www.washingtontimes.com/topics/trump/)’s proposal does not whack the Department of Education’s roughly $68 billion budget. It does, however, scrap federal funding of some programs, trim funding for some and bolster funding for others.

For example, teacher-quality federal spending, along with its federal red tape, could be out. A $2.4 billion program, the grants program touching on everything from teacher prep programs to hiring, recruiting and training high-quality teachers.

Should a rural school district in Wyoming have to move in lockstep with a highly urban one like New York City regarding its teaching corps? No. What’s good for the NYC goose could prove to be an oil slick.

2) All jurisdictions face a possible loss of so-called impact aid money, the $66 million federal pot of money used to offset tax revenues that some communities face because they are home to federal property. This is a tricky one, as the federal government occupies nooks and crannies everywhere. Expect push backs from Congress and state capitals.

3) School choice finally gets the federal attention its parents and other supporters deserve. As expected, [Mr. Trump](http://www.washingtontimes.com/topics/trump/) wants to bolster education options via the portability factor. Military personnel, college students and people in need of government housing do it all the time. Section 8 vouchers, for example, can first be used in a tony D.C. neighborhood, then follow the recipient if they move to a different neighborhood. And the public money does not have to be used for “public” housing.

The Trump education plan specifically pitches $1.4 billion for school choice, including $18 million for charter schools, a new pot of $250 million for children to enroll in private and religious schools, and funding for disadvantaged students would bump up from $15 billion to $16 million.

Of course, the downside to [Mr. Trump](http://www.washingtontimes.com/topics/trump/) entire plan is congressional add-ons, such as the possibility that status-quo seat holders won’t shake lose of progressive’s passive-aggressive habits and that liberal’s tendencies will pile on rewrites and amendments to please their anti-choice advocates who love to preach to the soapbox choir.

To wit, the hyperbole from the teachers union.

Libertarians, by the way, are not waving the pom-poms on the Trump proposal, and that’s understandable.

For some lawmakers, even conservative ones, guidelines should be guideposts which then should become federal mandates — and therein lies the risk of hyperbole becoming reality.

### School Spending – Low Now

#### Trump guarantees link uniqueness – massive cuts to federal spending on public education

**Rozsa 5-18-17** – Matthew Rozsa is a breaking news writer for Salon. He holds an MA in History from Rutgers University-Newark and his work has appeared in Mic, Quartz and MSNBC. “Betsy DeVos plans to slash public education funding, eliminate college loan forgiveness: report” http://www.salon.com/2017/05/18/betsy-devos-plans-to-slash-public-education-funding-eliminate-college-loan-forgiveness-report/

Secretary of Education Betsy DeVos may have needed [the vote of Vice President Mike Pence](http://www.salon.com/2017/02/07/mike-pence-makes-betsy-devos-our-education-secretary-breaking-rare-50-to-50-senate-deadlock/) to attain her current position, but if reported budget documents are to be believed, the narrowness by which she confirmed hasn’t made President Donald Trump any less bold in pushing for her radical education agenda.

In order to afford its roughly $400 million program in favor of charter schools and school vouchers, the Trump administration wants to drastically reduce funding for college work-study programs and entirely eliminate public school funding that could be used for mental health, advanced coursework and other services, [according to a report by The Washington Post](https://www.washingtonpost.com/local/education/trumps-first-full-education-budget-deep-cuts-to-public-school-programs-in-pursuit-of-school-choice/2017/05/17/2a25a2cc-3a41-11e7-8854-21f359183e8c_story.html?utm_term=.c5a457d047f7). The Trump administration would also eliminate public-service loan forgiveness, all of which is part and parcel of its overall planned $10.6 billion reduction in federal education spending.

This isn’t the only time budget documents have revealed that the Trump administration will slash federal budgets as a way of achieving its policy goals. [Axios reported on Wednesday](https://www.axios.com/scoop-trumps-plan-to-slash-renewables-70-2410406110.html) that it had viewed budget documents revealing proposed cuts of almost 70 percent to the Energy Department’s renewable and energy efficiency program. Just as Trump and DeVos have advocated for increased funding to parochial schools and school vouchers, and can reduce public education spending as a way to achieve that goal, so too has Trump been an outspoken proponent of the energy industry and a harsh critic of pro-environmental regulations and policies.

The Trump administration and DeVos are expected to characterize these spending cuts as an effort to take the federal government out of the education process. As DeVos said in Salt Lake City earlier this month, “It’s time for us to break out of the confines of the federal government’s arcane approach to education. Washington has been in the driver’s seat for over 50 years with very little to show for its efforts.”

#### Even if his exact budget doesn’t pass, the final budget will still include massive cuts

**Russell 17** -- Jason Russell is the contributors editor for the Washington Examiner. “Trump's budget proposal cuts Education Department overall, but adds money for school choice” http://www.washingtonexaminer.com/trumps-budget-proposal-cuts-education-department-overall-but-adds-money-for-school-choice/article/2617567

President Trump's [proposed budget](http://www.washingtonexaminer.com/trump-proposes-america-first-hard-power-budget/article/2617508) would cut the Department of Education by 13 percent, or $9 billion. But not everything in the department would be cut, as federal school choice programs would get a $1.4 billion increase.

"This additional investment in 2018 includes a $168 million increase for charter schools, $250 million for a new private school choice program, and a $1 billion increase for Title I, dedicated to encouraging districts to adopt a system of student-based budgeting and open enrollment that enables Federal, State, and local funding to follow the student to the public school of his or her choice," the document says.

Also spared from cuts are funds for students with disabilities under the Individuals with Disabilities Education Act, Pell Grants for college students in need of financial aid, and special funding for "Historically Black Colleges and Universities and Minority-Serving Institutions."

More than 20 education programs would be eliminated or cut under the proposal, programs the document says don't fulfill their mission or are redundant.

It's unclear exactly how the new school choice programs would work. But keep in mind that the president's proposed budget is a request to Congress, whose budget almost always differs significantly from the president's. The actual budget will likely include the elimination of or cuts to some education programs while expanding support for school choice, like additional money for public charter schools.

Overall, expect the final budget to have the same trends that Trump proposes: less money for the Education Department as a whole, but more money for school choice.

#### School funding has been declining for nearly a decade

**Barshay 16** -- This column was written by Jill Barshay and produced by [The Hechinger Report](http://hechingerreport.org/), a nonprofit, independent news website focused on inequality and innovation in education. “School Spending per Student Drops for Third Straight Year” https://www.usnews.com/news/articles/2016-02-01/school-spending-per-student-drops-for-third-straight-year

Turn the [education spending](https://www.usnews.com/news/blogs/data-mine/2016/01/14/federal-education-funding-where-does-the-money-go) clock back to 2007.

Per-pupil spending in the nation's public schools fell for the third straight year in 2012-13\*, according to the most recent federal financial data, which was released on Jan. 27, 2016. In that school year, U.S. public schools spent only $10,763 per elementary, middle and high school student, on average, across the country. That's a tiny $62 per-pupil decrease from the previous school year (2011-12), after adjusting for inflation. But it comes on the heels of two straight years of spending declines, putting us back roughly to how much we spent on public education in 2007, according to the National Center for Education Statistics. Cumulatively, we're spending $858 less per student than we did at the peak, back in 2008-2009, when we spent $11,621, adjusted to today's dollars.

[READ: [The Every Student Succeeds Act Promotes Fairer School Spending](https://www.usnews.com/opinion/knowledge-bank/2015/12/10/the-every-student-succeeds-act-promotes-fairer-school-spending)]

"You've been educating more students with more need as the dollars have been dwindling," said Hilary Goldmann, executive director of National Association of Federally Impacted Schools, an advocacy organization that lobbies the government for education funds.

Per-Pupil School Spending, 2012-13
(Navigate to any state and click to see student spending data. Interactive map created by Jill Barshay of The Hechinger Report. Source data: Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2012-13, NCES)

The reasons for the 2012-13 dip in education spending are different than those in previous years. [Following the 2008 recession](https://www.usnews.com/news/blogs/data-mine/2015/12/10/state-education-funding-hasnt-recovered-from-recession), state and local budgets had dried up. Many regions were forced to make education cuts under balanced-budget rules. Those state and local cuts were only partly offset by a surge in federal funds, aimed at reviving the economy. By 2011-12, President Barack Obama's stimulus funds had been largely spent down, causing education spending to decline yet again.

[MORE: [Education Comes out on Top in Federal Spending Bill](https://www.usnews.com/news/articles/2015-12-17/education-comes-out-on-top-in-federal-spending-bill)]

I talked with Joel Packer, the executive director of the Committee for Education Funding, a Washington advocacy group, and he explained that Congress actually began cutting funds to education before the sequester budget battle. Programs that target high-poverty schools, such as Title I, and special education were both hit. Federal agencies have formulas for distributing this money, based on the number of poor and special needs children, but these formulas are based on a percentage of the money that Congress appropriates. When Congress appropriates less, schools get less – even as the number of poor children and special needs students in the school system rose.

## Links

### 2NC – Common Core

#### Studies prove – STEM boosts job growth and GDP

**Locicero 16** -- Ryan Locicero, PhD, P.E. --- AAAS and ST&P Fellow Working at the Intersection of Computer Science and Smart Watershed Management “U.S. Global Competitiveness: STEM” <http://ryanlocicero.com/u-s-global-competitiveness-stem/> Feb 20 2016.

Economic studies have shown that over half of the growth in Gross Domestic Product is indirectly related to job growth created by advancements in science and technology. The U.S. economic advantage within the global market is directly related to innovation, problem solving skills, and technical literacy. However, the U.S. currently ranks 48th in quality of mathematics and science education, 27th in mathematics, and 20th in science for International Student Assessment scores. There is currently great emphasis in boosting the U.S. based STEM workforce as the National Research Council’s Framework for K-12 Science Education and Next Generation Science Standards underlines the need for exposing K-12 students to engineering practices and methodologies that use content appropriate material. Furthermore, U.S. students are not currently trained to be globally competent. For example, of the 289,408 U.S. students who received academic credit for study abroad in 2012/13, only 23% majored in STEM, and only 4.1% were engineering students. Literature has also documented the importance of international experiences in the development of global competency. The most recent NSF strategic plan emphasizes that the future U.S. STEM workforce will need to collaborate across national boundaries and cultural backgrounds, and must be diverse and globally competent through training that includes partnerships with other government agencies and private and international entities. Research suggests that underrepresented groups in STEM, particularly women, are attracted to careers where they feel they can have a positive impact on society. This highlights the need to engage students that represent the 2060 projected demographics, > 50% female and > 50% under represented minority.

#### Independently, rigorous educational standards like common core are key to military strength and readiness

**Cowen and Lingenfelter 16** -- A former U.S. Navy officer, Jim Cowen is director of military affairs for the Collaborative for Student Success. Marcus Lingenfelter, who served in the U.S. Marine Corps, is vice president of state and federal programs at the National Math + Science Initiative. Feb 24 2016 “High education standards and the US military” http://thehill.com/blogs/congress-blog/education/270458-high-education-standards-and-the-us-military

The news is filled with stories about how U.S. children are slipping way behind other countries when it comes to key educational benchmarks. But the corollary is that these children grow up -- and as a result of the poor or inconsistent education standards in their younger years, many Americans don't have the grounding to be successful in higher education without remedial classes.

Federal statistics show 19 to 26 percent of all college freshmen are identified as needing remedial courses. That figure typically is lower on four-year campuses and climbs to 60 percent for some two-year schools, according to a recent report from state governors.

The stats are alarming because these are students who have received high school diplomas and thus have been certified as having attained basic educational proficiency.

As a microcosm of the U.S. at large, the military experiences a similar problem with would-be enlistees. Defense Secretary Ash Carter says that of the 21 million Americans aged 17 to 21, “we estimate that only about half are able to meet our high-quality standards on our entry exam – only about half. And when you factor in our standards for physical fitness and for character, only about a third are actually eligible to join the military.”

It is an appalling state of affairs when so few young Americans meet the educational threshold to serve. While symptomatic of a nationwide problem that portends a raft of problems for American economic competitiveness, it also has stark ramifications for our national security if we don’t, or can’t, reverse it.

Fixing the problem starts at the local level – at the neighborhood elementary school where students are first exposed to the level of academic rigor that will either carry them through to successful completion of the military entrance exam, or sink students because they weren’t challenged enough or taught to think critically and to problem solve.

An important ingredient for ensuring a high-quality education for students broadly, and a thus a larger pool of capable military recruits, is adoption of rigorous educational benchmarks. States must provide teachers and students with challenging standards -- whether those standards be the Common Core State Standards or other state-authored standards designed to promote college readiness and prepare students for advanced coursework, especially in math, science.

But simply setting high standards is not enough. Districts must redouble efforts to provide appropriate teacher training and student support, aligned, for example, with the College Board’s Advanced Placement curriculum framework and course objectives, so that students are fully prepared for college-level, post-secondary work.

The Department of Defense Education Activity, which manages K-12 education at 171 DoD schools worldwide for 75,000 children, recently adopted a new set of robust education standards. This is something of a landmark, given the military’s unique position as both a recruiter of young Americans and an educator of the children of servicemembers. It underscores the need for rigorous standards that are just as challenging from time zone to time zone, whether the students are children of civilians or military personnel.

When it comes to K-12 education, what’s good for the children of U.S. servicemembers is good for the nation and for national security.

Back in 2014, the Army’s top recruiting official summed up the devastating problem posed by the diminishing pool of recruits. “There's a reliance on an ever-smaller group of people to serve and defend the country," said Maj. Gen. Allen Batschelet, then the commanding general for the U.S. Army Recruiting Command.

“What do we do about that and how do we address that concern? That's the big national security question that I'm struggling with today," he added of a situation that has only worsened.

At least part of the answer has to be high standards.

### 2NC – Milliken v. Bradley

#### Reversing Milliken v Bradley requires *massive* amounts of government spending

**Colby 14** -- Tanner Colby,  frequent contributor to Slate magazine on issues of race, politics, and culture “The Massive Liberal Failure on Race” http://www.slate.com/articles/life/history/features/2014/the\_liberal\_failure\_on\_race/how\_the\_left\_s\_embrace\_of\_busing\_hurt\_the\_cause\_of\_integration.html

Nixon’s Supreme Court shut down Detroit’s busing plan on nakedly political grounds. Metropolitan areas are interdependent ecosystems. They share highways, electrical grids, sewerage systems—just not schools. But here’s the thing: *just because the plan was shut down for racist reasons doesn’t change the fact that the plan needed to be shut down. It was a ludicrous idea.* For Detroit to have met the standard of racial balance set by the court, it would have had to expand its bus fleet by 350 new vehicles at a cost of more than $12,000 each in order to move tens of thousands of children across 53 independent school districts at a hard cost of $25 per student per month during a time when the Detroit city school system was already several million dollars in debt. This was busing on the scale of the Normandy invasion, executed twice a day, five days a week, with 12- and 13-year-olds.

This was busing on the scale of the Normandy invasion, executed twice a day, five days a week, with 12- and 13-year-olds.

In the South, where busing originated, most people lived in small towns and cities. Even the biggest metro areas, Atlanta and Birmingham, Ala., weren’t really that big at the time. Though thoroughly segregated, blacks and whites lived in relative proximity in the South, and moving a couple hundred kids this way or that wasn’t a huge logistical obstacle. That wasn’t true in the bigger cities of the urban North and sprawling West, where massive, isolated ghettos had been formed by redlining and other discriminatory housing policies. In those cities, busing proposals reached great heights of absurdity. To meet its court-imposed deadlines, Los Angeles would have needed to expand its fleet by 800 buses to redistribute tens of thousands of students in a school district that covered hundreds of square miles.

Segregation in the North was a different disease than segregation in the Deep South. Yet Democrats prescribed the same course of treatment. Busing advocates had fallen victim to a common human fallacy: If it’s not working, do it more. It’s a mistake we all make when we really believe in something. And a lot of hardcore liberals ardently believed in integration. How did they fail so badly in their efforts to achieve it?

### Generic – States Net Benny

#### Federal aid for schools is misallocated, massively increases taxes, stifles local innovation, and diverts workers to unproductive activities – States solve best

**Edwards 15** -- Chris Edwards Editor of [www.DownsizingGovernment.org](http://www.downsizinggovernment.org/) Cato Institute June 10 15 “Reducing Wasteful Federal Spending” https://www.cato.org/publications/testimony/reducing-wasteful-federal-spending-0

Aid to the states is particularly susceptible to waste for a number of reasons:

Misallocation. In markets, the price mechanism and supply and demand allocate resources efficiently across the nation. The government has no such mechanism, and so federal aid is distributed based on guesswork and parochial politics. Allocating resources from Washington for local activities, such as schools, is less efficient than each state balancing the costs and benefits of its own spending programs.

Bad Incentives. State and local governments have an incentive to overspend when the funds come “free” from the federal government. As for federal policymakers, they are often more focused on securing spending for their states than on ensuring money is spent efficiently with high-quality results.

One Size Does Not Fit All. Americans have diverse needs and beliefs. Some programs make sense for some states, but not for others. Yet the federal aid system requires that all the states pay for programs created in Washington. Furthermore, aid comes with top-down regulations that raise costs and stifle local innovation. The states are supposed to be laboratories of democracy, but federal aid undermines that.

Intense Bureaucracy. Federal aid is not a costless injection of funding to the states. It engulfs government workers in unproductive activities such as proposal writing, program reporting, regulatory compliance, auditing, and litigation. Many of the 16 million people employed by state and local governments must deal with complex federal regulations related to the plethora of aid programs.

### Generic – Tax Payers mod

#### Education spending is *misappropriated* – decimates tax payer dollars, local economies, and turns the case

**Ross 15** – Terrance F. Ross is a former editorial fellow with The Atlantic​. “Where School Dollars Go to Waste” https://www.theatlantic.com/education/archive/2015/01/where-school-dollars-go-to-waste/384949/

America spends tons of money on education even though the final product [isn't very impressive](http://blogs.edweek.org/edweek/marketplacek12/2014/05/new_global_index_from_pearson_puts_us.html). If children are indeed the future, then they're certainly an expensive one: Of the $3.2 trillion in total expenditures for local and state governments in 2012, education accounted for nearly 28 percent, or $869.2 billion, according to the [latest data from the Census Bureau](http://www2.census.gov/govs/local/summary_report.pdf). That figure topped government spending in any other sector, almost doubling the second-largest recipient of taxpayer dollars—public welfare.

But while much attention centers on how much schools are spending, it's also worth examining how well it’s being spent. And it's not a new question. A few years ago the New York Times, for example, hosted a debate in its opinion section about the[worthiness of education spending](http://www.nytimes.com/roomfordebate/2011/08/23/spending-too-much-time-and-money-on-education/college-doesnt-create-success).

Meanwhile, audits regularly find wasted funds at the district level, including one last summer that identified[more than $2.7 million in misspent technology funding](http://www.star-telegram.com/news/local/community/fort-worth/article3865141.html)for schools in Fort Worth, Texas. Another audit—this one for Jefferson County Public Schools in Louisville, Kentucky—resulted in over 200 recommendations for improvement.[\*](https://www.theatlantic.com/education/archive/2015/01/where-school-dollars-go-to-waste/384949/#correction) The revelations were so damning that the state auditor, Adam Edelen, was quoted [blaming the problem](http://raycomgroup.worldnow.com/story/25571808/state-audit-of-jcps-uncovers-millions-of-wasted-taxpayer-dollars-inefficient-bureaucracy) on "an unchecked bureaucracy that has become bloated and inefficient at the expense of the classroom." It's undeniable that the burden on taxpayers to [foot the bill for education](http://dianeravitch.net/2014/01/14/why-philadelphia-cant-afford-to-pay-for-public-education/) is a heavy one, especially when [research shows](http://obs.rc.fas.harvard.edu/chetty/proptax_nta.pdf) that the quality of a school district directly correlates with the amount of tax dollars families put into their local economies.

A [piece last year in USA Today](http://www.usatoday.com/story/opinion/2014/02/09/michelle-rhee-susan-combs-wise-school-spending/5259291/) by Michelle Rhee, a Democrat who formerly served as the chancellor of Washington, D.C., public schools, and Susan Combs, Texas' Republican public comptroller, reveals just how concerned public officials on both sides are about the misappropriation of government funds.

Of course, education spending isn’t inherently bad—what matters is the result. Some school districts get lots in return for the amount of money they spend. And some governments have systems that track the return on investment. Texas, for example, launched [a tool](http://www.fastexas.org/) five years ago that assesses how school districts and individual campuses spend their money and compares the data with student achievement.

### Generic – Federal Intervention mod

#### Federal intervention causes *over-burdensome* regulations – suppresses innovation and competition -- turns the case – [only the states CP solves]

**McCluskey 16** -- Neal McCluskey, the director of Cato's Center for Educational Freedom “Cutting Federal Aid for K-12 Education” April 21, 2016 <https://www.downsizinggovernment.org/education/k-12-education-subsidies>

Federal control over K-12 education has risen dramatically in recent decades. Elementary and secondary spending under the Department of Education and its predecessor agencies rose from $4.5 billion in 1965 to $40.2 billion in 2016, in constant 2016 dollars.1 The Department of Education funds more than 100 subsidy programs, and each comes with regulations that extend federal control into state and local education.2

A substantial amount of funding for K-12 education comes from other federal agencies as well. For example, the Department of Agriculture will spend $22 billion in 2016 on school lunches and related programs.3 Across all federal departments, constant-dollar K-12 spending rose from $13.5 billion in 1965 to $80.1 billion in 2014.4

Congress may have taken a step back on federal control with its recent reauthorization of education spending called the Ensuring Student Success Act of 2016 (ESSA). On the surface, ESSA would decrease much of the prescriptive federal control asserted under the No Child Left Behind Act of 2002 (NCLB). But as of this writing, it is too early to know what ESSA regulations will look like, and there is a real danger of sustained federal micromanagement of the nation’s schools.

Over the years, the states have been happy to receive federal funds, but they have chafed under the mandates imposed by Washington. NCLB provoked a backlash because of its costly rules for academic standards, student testing, unrealistic proficiency demands, and other items. The Race to the Top program (RTTT), passed in 2009, provided grant money to states that agreed to additional federal micromanagement of their schools, including adopting national curriculum standards.5 The Obama administration imposed further requirements on states that desired waivers from parts of NCLB, such as waivers for NCLB’s utterly unrealistic requirement that all students be “proficient” in math and reading by 2014. The accumulation of federal rules has suppressed innovation, diversity, and competition in state education systems, while generating vast paper-pushing bureaucracies.

Despite the large increases in federal aid since the 1960s, public school academic performance has ultimately not improved. While scores on the National Assessment of Educational Progress have improved for some groups and younger ages, math and reading scores for 17-year-olds—essentially, the school system’s “final products”—have been stagnant. In addition, America’s performance on international exams has remained mediocre, yet we spend more per-pupil on K-12 education than almost any other country.6 Federal funding and top-down rules are not the way to create a high-quality K-12 education system in America.

Congress should phase out federal funding for K-12 education and end all related regulations. Policymakers need to recognize that federal aid is ultimately funded by the taxpayers who live in the 50 states, and thus provides no free lunch. Indeed, the states just get money back with strings attached, while losing billions of dollars from wasteful bureaucracy. There is no compelling policy reason, nor constitutional authority, for the federal government to be involved in K-12 education. In the long run, America’s schools would be better off without it.

#### Aff can’t solve – inefficiencies are structural

**Edwards 15** -- Chris Edwards Editor of [www.DownsizingGovernment.org](http://www.downsizinggovernment.org/) Cato Institute June 10 15 “Reducing Wasteful Federal Spending” https://www.cato.org/publications/testimony/reducing-wasteful-federal-spending-0

Causes of Waste in Federal Spending

In recent years, federal performance has been “dismal” and federal failure “endemic,” concluded Yale University law professor Peter Schuck in his 2014 book, Why Government Fails So Often.2 He examined dozens of federal programs and found that many were not delivering promised results, had large amounts of fraud and abuse, and intruded on activities that the private sector could perform better.

Schuck found that “many, perhaps most, governmental failures are structural. That is, they grow out of a deeply entrenched policy process, a political culture, a perverse official incentive system, individual and collective irrationality, inadequate information, rigidity and inertia, lack of credibility, mismanagement, market dynamics, the inherent limits of law, implementation problems, and a weak bureaucratic system.”3

Schuck is right: the problems are structural, and they have plagued the government since the beginning. A federal effort to run Indian trading posts starting in the 1790s, for example, was beset with inefficiency.4 During the 19th century, the Bureau of Indian Affairs was rife with fraud and corruption, while the Army Corps of Engineers was known for cost overruns and pork-barrel spending.5 And in the early 20th century, the government had a hard time closing unneeded Army forts, post offices, and Treasury assay offices because of parochial politics.6 The government is far larger today, and so the waste has multiplied.

Here are some of the structural reasons for federal waste:7

Huge Size. The government has more than 2,300 subsidy and benefit programs, and all of them are susceptible to waste, fraud, and other types of inefficiency.8Remarkably, the federal budget at $4 trillion is 100 times larger than the budget of the average-size state government. Federal spending is far too large for auditors and oversight committees to adequately monitor or review. Waste has ballooned as the government has grown larger.

Absence of Profits. Unlike businesses, federal agencies do not have the straightforward and powerful goal of earning profits. So agencies have little reason to restrain costs, improve the quality of their services, or increase their management effectiveness. Many federal activities are monopolies, and that further reduces their incentive to operate efficiently.

Absence of Losses. Unlike in the private sector, poorly performing federal activities do not go bankrupt. There are no automatic correctives to programs that have rising costs and falling quality. In the private sector, businesses abandon activities that no longer make sense, and about 10 percent of all U.S. companies go out of business each year.9 By contrast, “the moment government undertakes anything, it becomes entrenched and permanent,” noted management expert Peter Drucker.10

Output Measurement and Transparency. Business output can be measured by profits, revenues, and other metrics. But government output is difficult to measure, and the missions of federal agencies are often vague and multifaceted. That makes it hard for Congress and the public to judge agency performance and to hold officials accountable for results. While businesses interact with customers, suppliers, and capital markets, federal agencies are often insular and less open to outside feedback, and that makes them more vulnerable to failure.

Rigid Compensation. Federal employee pay is based on standardized scales generally tied to longevity, not performance. The rigid pay structure makes it hard to encourage improved efforts or to reward outstanding achievements. The pay structure also reduces morale among the best workers because they see the poor workers being rewarded equally. Furthermore, the best workers have the most incentive to leave, while the poor workers will stay, decade after decade.

Lack of Firing. Disciplining federal workers is difficult because of strong civil service and union protections. When surveyed, federal employees themselves say that their agencies do a poor job of disciplining poor performers.11Govexec.com recently noted, “There is near-universal recognition that agencies have a problem getting rid of subpar employees.”12 Just 0.5 percent of federal civilian workers get fired each year, which is just one-sixth the private-sector firing rate.13 The firing rate is just 0.1 percent in the federal senior executive service, which is just one twentieth the firing rate of corporate CEOs.14

Red Tape. Federal programs are loaded with rules and regulations, which reduces operational efficiency. One reason for all the rules is to prevent corruption and fraud, which are concerns because the government hands out so many contracts and subsidies. Another reason is that there is no profit goal in government, and so detailed rules provide an alternate way to monitor workers. Finally, government workers themselves have reasons to favor red tape: if they follow detailed rules, they can “cover their behinds” and shield themselves from criticism.

Bureaucratic Layering. Research has found that American businesses have become leaner in recent decades, with flatter managements.15 By contrast, the number of layers of federal management has greatly increased. Paul Light of the Brookings Institution found that the number of layers, or ranks by title, in the typical federal agency has jumped from 7 to 18 since the 1960s.16 Light argues that today’s “over-layered chain of command” in the government is a major cause of failure.17Overlaying stifles information flow and makes it harder to hold anyone accountable for failures.

Political Appointees. At the top of the executive branch is a layer of about 3,000 full-time political appointees.18 Political leadership of federal agencies has some benefits, but it also contributes to failure. Administrations come into office eager to launch new initiatives, but they are less interested in managing what is already there. Political appointees may think that they know all the answers, and so they repeat past mistakes. The average tenure of federal political appointees is short — just two and half years — and so they shy away from tackling longer-term, structural reforms.19Another problem is that many appointees are political partisans who lack management or technical experience.

Some of these problems could be reduced by procedural reforms in Congress and management reforms in the executive branch. But as long as the federal government is so large, it will continue wasting many billions of dollars. So the best way is improve federal management and reduce waste is to greatly reduce the government’s size.

### Generic – Stimulus spending bad

#### Stimulus spending causes widespread unemployment – empirics prove

Cox and Alm 12 — W. Michael Cox, Director of the William J. O’Neil Center for Global Markets and Freedom at Southern Methodist University, former Chief Economist and Senior Vice President of the Federal Reserve Bank of Dallas, and Richard Alm, Writer in Residence at the O’Neil Center for Global Markets and Freedom at Southern Methodist University, formerly covered the national economy for *U.S. News & World Report*, 2012 (“Sorry, Keynesians, More Spending Doesn't Boost Jobs,” *Investors.com*—the website of *Investor’s Business Daily*, July 6th, Available Online at http://news.investors.com/article/617318/201207061734/government-stimulus-doesnt-creat-more-jobs.htm?p=full, Accessed 07-20-2012)

Political leaders continue to peddle the snake oil that we can spend our way back to prosperity**.**

The Obama administration has pushed government's share of GDP past 40%, the highest ever without a major war. Europeans are grousing about austerity, seeing crippling debt not as a comeuppance but as an obstacle to the spending needed to revive a moribund economy.

In the 1930s, with the world in the Great Depression's death grip, British economist John Maynard Keynes argued that massive government spending would boost demand and put the unemployed back to work. Over the next eight decades, Keynesian stimulus became the standard remedy for weak economies — even though it has never worked**.**

To test the efficacy of Keynesian policies, we looked at the annual changes in U.S. government spending as a share of gross domestic product from 1901 to 2011, measured relative to the growth trend of 1.76%. Then we determined whether the higher spending had lowered unemployment rates(see chart above).

Many Americans believe President Franklin D. Roosevelt's Keynesian conversion beat back the Great Depression. It's pure myth. In the 1930s, the United Statesdoubled government outlays relative to GDP. The unemployment rate didn't fall;instead**,** it jumped from 3.2% in 1929 to 25.2% in 1933 — an outcome contrary to Keynes' doctrine.

Yet the policy's failure hasn't fazed Keynes' acolytes. They argue that U.S. policy was too timid and even more government spending was needed to cure the Depression. They point to World War II, where government spending rose to 50% from 20% of GDP and unemployment fell to 1.2%.

Only two periods of rising government spending have been associated with falling unemployment— 1917-19 and 1941-45. They're both times of major world wars, where millions of adults were plucked from the civilian labor force to serve in the military.

The share of the adult population on active duty rose from 0.3% in 1916 to 4.5% in 1918 and from 0.5% in 1940 to 12.3% in 1945.

In short, unemployment fell not because of government spending but because of government conscription — hardly a good way to cure joblessness or evidence of a Keynesian miracle**.**

At all other times during this 110-year sweep of U.S. history, government spending and unemployment rates have moved in the same direction**.** In the 1920s, both trended downward. The Depression decade saw them rise in tandem.

From the 1950s through the 1970s, spending and unemployment moved up and down together. In the 1980s-90s, they had another nicely choreographed decline.

Keynesian proponents could claim the positive correlation stems from increases in government spending to create jobs as unemployment rises. However, the pattern persists even with a lag, meaning that government spending programs have made unemployment worse**.**

So now we come to our current Keynesian episode**.** An $825 billion stimulus package, passed in February 2009, authorized spending for infrastructure, health care, *education*, energy efficiency, *scientific research and* dozens of *other projects*. Rebates and tax cuts sought to rouse skittish consumers.

At the time, proponents projected that the stimulus would keep the jobless rate below 8%. While government went on its pending spree, unemployment kept rising, peaking at 10% in October 2009. After three years of the stimulus, funded with borrowed money, unemployment hadn't yet gone down to 8%.

Yet another Keynesian policy failure hasn't led to a reappraisal of the belief that spending can solve the economy's problems.

To some, the slow recovery means that the stimulus wasn't strong enough, or the economy was in worse shape than anyone thought. Neither argument faces the glaring truth — Keynesian stimulus doesn't work the way its adherents say it does.

### Generic – Misallocation

#### Schools themselves misallocate funding – they’ll spend on things entirely contradictory to the aff’s goals

**Greene 10** – Jay P. Greene is endowed chair and head of the Department of Education Reform at the University of Arkansas.citing University of Washington professor and Gates Foundation advisor Marguerite Roza “Educational Economics: Where Do School Funds Go?” http://educationnext.org/how-schools-spend-their-money/

The main finding of Roza’s explorations is that education dollars are allocated in ways that are *sharply at odds with the stated priorities of public school systems.* Education leaders say they want to devote greater funding to low-income students, but within most school districts per-pupil spending is higher at schools with more-advantaged students. Education leaders say they want to focus resources on the core subjects of math, reading, history, and science, but per-pupil spending tends to be much higher for electives, extracurricular activities, and sports. Education leaders say they want to emphasize remedial instruction to help lagging students catch up, but in most school districts per-pupil spending is significantly greater for Advanced Placement (AP) and gifted classes than for remedial ones.

The chief culprit in this misallocation of resources relative to stated priorities is the uniform salary schedule for teachers. In virtually every public school throughout the country, teachers are paid primarily according to their credentials, seniority, and “additional” work assignments and not at all according to subject taught, number of students served, or the difficulty or importance of their assignments. The net effect of this arrangement is that labor costs, the bulk of per-pupil spending, are distributed by formulas that are completely unaligned with stated priorities.

Schools with more low-income students tend to receive less per-pupil spending within districts because the higher-paid teachers with greater experience often transfer to schools with more-advantaged students who are less difficult to educate. Non-core electives, like art, music, gym, and shop, receive higher per-pupil spending because they tend to have fewer students per class than required core subjects, like reading, math, history, and science. Since all teachers are paid the same regardless of the subject they teach, smaller classes necessarily translate into higher per-pupil spending. Extracurricular activities and sports receive higher per-pupil funding because fewer students participate and teachers receive extra pay for assuming these “additional” assignments. Per-pupil spending on AP and gifted classes exceeds remedial classes because, again, fewer students tend to be in those advanced classes.

“How can those inside and outside the system allow such blatantly contradictory spending patterns to persist in their own schools?” Roza asks. Her first explanation is ignorance: “They generally do not know these patterns exist, as district budgeting and accounting practices make it incredibly difficult to identify detailed spending patterns.” But elsewhere Roza suggests that the problem is less benign than ignorance. She writes, “Powerful forces work to protect the interests of those who benefit from the present allocation of resources. Among those who benefit from the status quo are the more experienced teachers, influential parents with children in high-achieving schools, and board members who represent wealthier neighborhoods.” She also highlights the role that teachers unions play in determining the allocation of resources by championing the uniform salary schedule, transfer rights for more experienced teachers, and work rules.

## Impact Things

### US key to global econ

#### US economic leadership key to the global economic system

Lew, 16 - Secretary, U.S. Department of the Treasury (Jacob, “Why U.S. Economic Leadership Matters”, April 11, 2016, Council on Foreign relations interview with Jacob Lew, http://www.cfr.org/united-states/why-us-economic-leadership-matters/p37731)

LEW: Thanks very much, Sebastian, for that introduction, and for your leadership at the Council. This is a remarkable institution with a long history of intellectual influence on America’s foreign policy. And, as always, it’s an honor to be here today. America’s leadership in the global economy is something we all care deeply about. And I want to thank Gideon and his Foreign Affairs team for publishing my essay on this topic. The piece opens with a story about the difficulty of getting IMF quota reform through Congress. And it asks, why was it so hard? Why was it so hard, and did it take five years to win approval at the end of last year? After all, the IMF has been a symbol of U.S. leadership since its birth at the end of World War II. And, along with the World Bank and the World Trade Organization, it’s provided the underlying architecture of a global economic system that’s helped produce remarkable gains over the past 70-plus years. American leadership was essential to the creation of that system and the progress that it’s yielded. Yet, even though it’s supported the well-being of our citizens and has helped the United States advance our values and our foreign policy objectives, America’s global economic leadership has not always been popular here at home. In the case of IMF quota reform, it took five years to convince Congress, to act, a delay that led many in the international community to question America’s leadership position in the global economy. The ultimate passage of IMF reform was pivotal, but it was just one of many important steps needed to sustain our economic leadership and adapt it to the challenges of our time. We know that the global landscape of the next century will be very different than that of the postwar era. And if we want it to work for the American people, we need to embrace new players on the global economic stage and make sure that they meet the standards of the system we created, and that we have a strong say in any new standards. The worst possible outcome would be to step away from our leadership role and let others fill in behind us. Making the case for global engagement is a responsibility we all share. And we must make the choices necessary to ensure both the future of the international architecture we built and America’s position in it. Over the last year, the Obama administration has made significant progress advancing U.S. leadership in the global economy. We worked with Congress to secure IMF reform, Trade Promotion Authority, and the reauthorization of the Export-Import Bank. We reached agreement with our international partners on the Trans-Pacific Partnership, a landmark climate agreement, the Iran nuclear deal, and a stepped-up strategy to confront terrorist financing. But to ensure the benefits of our global role, that those benefits remain available in future generations, we have more work ahead of us. Since its establishment in 1944, the Bretton Woods system of cooperation has evolved and endured by providing a foundation for mutual economic gain that could not be achieved by individual countries alone. Since 1950, real per-capita income worldwide has quadrupled, raising living standards for billions of people, extending life expectancies, and expanding access to education. Clear rules for global economic relations create opportunities and incentives to innovate, invest, and work—the critical drivers of economic progress. But a system of mutual responsibility does not automatically enforce itself. It requires responsible American leadership. It also requires constant improvement to raise standards and create better mechanisms to ensure that countries keep their commitments, refrain from unfair competitive behavior, and cooperate to confront new challenges. The rules-based system was a major reason that the global financial crisis never turned into a second Great Depression. The United States and other nations were able to coordinate efforts through the G-20 and the IMF to avoid the downward spiral of protectionism and predatory macroeconomic policies that characterized previous eras. The world’s major economies—the United States, the eurozone, Japan, and China—launched simultaneous economic stimulus programs and mobilized financial assistance to vulnerable parts of the global system. We’ve build on that cooperation in recent years to advance important U.S. goals, including the IMF’s response to fiscal stress caused by the Ebola epidemic in 2014 and its support for Ukraine following Russia’s aggression in Crimea. The scale and speed of assistance in both instances would not have been possible if the United States had to act alone or to stitch together donor contributions. The simple fact is that international financial institutions amplify U.S. influence on the global stage. We have also worked closely with partners to implement financial sanctions that show how this same global financial architecture can be used to persuade malign actors to abandon behavior that threatens peace and security. The Iran agreement is a direct result of the financial pressure imposed by an unprecedented global coalition. And we have and continue to work closely with our allies to impose costs on Russia for its actions in Ukraine, and on entities that are abetting North Korea’s nuclear violations. But the benefits of international coordination and our international standing cannot be taken for granted, and we must take the necessary steps to preserve and strengthen our position. Responsible and sustainable U.S. leadership in the global economic system begins at home. And we have to lead by example, as we did by bouncing back from the financial crisis that threatened America’s place in the global economy. The U.S. economy has now produced the longest streak of uninterrupted private-sector job growth in American history. Between 2009 and 2015, the budget deficit has declined from nearly 10 percent of GDP to 2 ½ percent. And improved financial regulation has helped to address the causes of the crisis, producing a better-capitalized and more stable financial system. Yet, along the way, political brinksmanship led some to question America’s capacity to meet this moment of leadership. The threat of government shutdowns and default heightened global anxieties. And Washington’s inability to reach a consensus on domestic priorities such as rebuilding aging infrastructure and reforming the broken business tax code—priorities with bipartisan support—creates unnecessary risks to America’s future economic strength. Recent advances—including multiyear budget targets, the passage of Trade Promotion Authority, and the reauthorization of the Export-Import Bank—have demonstrated that we have the capacity to work together to make important progress. But much more work remains. Beyond our borders, the world’s economic challenges will not end with the current administration, nor will the ongoing agenda for U.S. leadership. And there are a number of priorities that we must continue to press. First, we must work with our partners to further modernize the IMF, allowing it to intensify its scrutiny of critical issues like exchange rates, current account imbalances, and shortfalls in global aggregate demand. Because more information means better policy cooperation and more efficient financial markets, the IMF should continue to promote greater transparency among its members when it comes to economic data, especially as it relates to foreign reserves. Second, we must work with our partners to make the World Bank and the regional development banks more efficient and effective. These institutions need to have the resources and policy expertise to help countries promote sustainable development and address challenges like state fragility, forced migration, natural disasters, and disease epidemics. They must also be able to mobilize resources that cut carbon emissions and build societies resilient to climate change. Third, we must help modernize the global trading system by pushing for innovative features in new trade agreements. TPP, for example, includes strengthened labor and environmental provisions, robust protections for trade in services, and controls on the behavior of state-owned enterprises to ensure fair competition. Under the agreement, members have also pledged to avoid manipulating exchange rates. These high standards need to be the model for future agreements. Fourth, to prevent a repeat of the financial crisis, we must continue to lead efforts to reform the international financial regulatory system. U.S. leadership in this area has already resulted in more rigorous capital standards for banks, greater transparency in the derivatives market, and stronger tools for managing the failure of financial institutions. With many of the critical standard-setting reforms in place, the focus must shift to comprehensive and consistent implementation and close attention to emerging threats. Fifth, we must continue to combat terrorist financing, corruption, money laundering, and other financial crimes. The Treasury is strengthening its anti-money-laundering and counterterrorist financing rules at home, working through the Financial Action Task Force to improve enforcement globally and partnering with countries to combat terrorist financing specifically against ISIL. Because we must keep up with innovation in the private sector and by our adversaries, regulators must update their regimes while ensuring regulations do not impede legitimate provision of financial services, especially to the underserved. Finally, we’re committed to building on the progress that we’ve made in cooperating with emerging-market partners, including Brazil, Argentina, India, and Mexico on key priorities, such as facilitating investment, improving the implementation of tax policies, promoting financial inclusion, and combating money laundering and terrorist financing. As the two largest economies, the United States and China also have a unique responsibility to work together to advance shared prosperity, maintain a constructive global economic order, and make progress on critical challenges like climate change. This year we’ll hold the seventh U.S.-China Strategic and Economic Dialogue, which is a platform that has strengthened relations between our two countries and provided a forum for discussing important priorities, like China’s shift toward consumption-led growth and greater transparency and predictability in its policymaking. While the progress of the last year has helped to advance this important agenda, we cannot take our global role for granted, and we must always think about how our choices will affect our leadership in the future. With vision and foresight, previous generations of Americans have provided a foundation on which to advance our values and build a prosperous future for the United States and other countries. Our task now is to strengthen that architecture and adapt it to new challenges. If we come together and accomplish this, we’ll not only support today’s prosperity. We’ll also ensure that the next generation of Americans inherits an even stronger platform for navigating tomorrow’s economic landscape.

### Trump Booster

#### Trump changes the game – makes diversionary war uniquely likely

**Foster 16**, Virginia Military Institute international studies and political science professor, 12-19-16 (Dennis, “Would President Trump go to war to divert attention from problems at home?”, http://inhomelandsecurity.com/would-president-trump-go-to-war-to-divert-attention-from-problems-at-home/)

If the U.S. economy tanks, should we expect Donald Trump to engage in a diversionary war? Since the age of Machiavelli, analysts have expected world leaders to launch international conflicts to deflect popular attention away from problems at home. By stirring up feelings of patriotism, leaders might escape the political costs of scandal, unpopularity — or a poorly performing economy. One often-cited example of diversionary war in modern times is Argentina’s 1982 invasion of the Falklands, which several (though not all) political scientists attribute to the junta’s desire to divert the people’s attention from a disastrous economy. In a 2014 article, Jonathan Keller and I argued that whether U.S. presidents engage in diversionary conflicts depends in part on their **psychological traits** — how they frame the world, process information and develop plans of action. Certain traits predispose leaders to more belligerent behavior. Do words translate into foreign policy action? One way to identify these traits is content analyses of leaders’ rhetoric. The more leaders use certain types of verbal constructs, the more likely they are to possess traits that lead them to use military force. For one, conceptually simplistic leaders view the world in “black and white” terms; they develop unsophisticated solutions to problems and are largely insensitive to risks. Similarly, distrustful leaders tend to exaggerate threats and rely on aggression to deal with threats. Distrustful leaders typically favor military action and are confident in their ability to wield it effectively. **Thus, when faced with politically damaging problems that are hard to solve — such as a faltering economy — leaders who are both distrustful and simplistic are less likely to put together complex, direct responses. Instead, they develop simplistic but risky “solutions” that divert popular attention from the problem, utilizing the tools with which they are most comfortable and confident (military force).** Based on our analysis of the rhetoric of previous U.S. presidents, we found that presidents whose language appeared more simplistic and distrustful, such as Harry Truman, Dwight Eisenhower and George W. Bush, were more likely to use force abroad in times of rising inflation and unemployment. By contrast, John F. Kennedy and Bill Clinton, whose rhetoric pegged them as more complex and trusting, were less likely to do so. What about Donald Trump? Since Donald Trump’s election, many commentators have expressed concern about how he will react to new challenges and whether he might make quick recourse to military action. For example, the Guardian’s George Monbiot has argued that political realities will stymie Trump’s agenda, especially his promises regarding the economy. Then, rather than risk disappointing his base, Trump might try to rally public opinion to his side via military action. I sampled Trump’s campaign rhetoric, analyzing 71,446 words across 24 events from January 2015 to December 2016. Using a program for measuring leadership traits in rhetoric, I estimated what Trump’s words may tell us about his level of distrust and conceptual complexity. The graph below shows Trump’s level of distrust compared to previous presidents. **As a candidate, Trump also scored second-lowest among presidents in conceptual complexity.** Compared to earlier presidents, he used more words and phrases that indicate less willingness to see multiple dimensions or ambiguities in the decision-making environment. These include words and phrases like “absolutely,” “greatest” and “without a doubt.” A possible implication for military action I took these data on Trump and plugged them into the statistical model that we developed to predict major uses of force by the United States from 1953 to 2000. For a president of average distrust and conceptual complexity, an economic downturn only weakly predicts an increase in the use of force. **But the model would predict that a president with Trump’s numbers would respond to even a minor economic downturn with an increase in the use of force**. For example, were the misery index (aggregate inflation and unemployment) equal to 12 — about where it stood in October 2011 — the model predicts a president with Trump’s psychological traits would initiate more than one major conflict per quarter.

### Probability

#### Economic crisis is the most likely cause of great power conflict

Nader Elhefnawy 11, Professor of English at the University of Miami, writer on IR published in peer-reviewed journals including International Security, Astropolitics, and Survival, Spring 2011, “Twenty Years After the Cold War: A Strategic Survey,” Parameters, The U.S. Army War College Quarterly, <http://strategicstudiesinstitute.army.mil/pubs/parameters/Articles/2011spring/Ehlefnawy.pdf>

Relative calm has prevailed among the great powers since the demise of the Soviet Union. Large-scale warfare remains a possibility, but by and large interstate war has been confined to the margins of the international system, and limited in its intensity, with the operational realities of the world’s major armed forces characterized by alternative missions. Neoliberal globalization has been robust but economically problematic, characterized by slow growth, financial instability, and other factors contributing to social and political stress. East Asia, and especially China, constituted the principal exception to the slow growth characterizing these decades. East Asia has massively increased its share of world manufacturing, exports, and exchange reserves, while at the same time the EU expanded and consolidated the continent’s resources, with some “game-changing” implications (like the euro). Additionally, rising commodity prices have resulted in booms among resource exporters, particularly energy exporters, which have also permitted these nations to enjoy greater political leverage.¶ As a result, while the United States remains in a class of its own with regard to military power, and its large national market, there have been some substantial shifts in economic power from the United States and Japan to other actors over the past two decades. This is particularly true of China, the EU, and a select number of energy exporters, resulting in a more complex and diffuse distribution of power. At the same time the relationships of the major powers are less defined by concerns related to traditional, state-centered threats than at any time since the nineteenth century, if not earlier. While these may not be the traditional threats, they do present an unprecedented array of non-traditional security concerns in areas like energy, the environment, and finance, and physical threats presented by non-state actors, such as international terrorism and high-seas piracy. Despite these mounting threats, cooperation has consistently fallen short of the levels hoped for in the early 1990s.¶ Many of the current trends seem likely to continue through the foreseeable future. The interaction of the crises of the past several years (especially in energy and international finance) combined with long-mounting stresses in the global economy (slow growth, debt, ecological pressure) all raise the possibility of changes in some areas of development, particularly if these changes impact the world’s three principal loci of economic power: China, the European Union, and the United States. China may continue to grow rapidly, though perhaps less so as it matures, and begins to pursue goals beyond the mere maximizing of GDP. Even if the EU’s attempts at integration and expansion recede (as is plausible), Europe as a whole is likely to remain powerful, even if that power is less extensive and well-organized.¶ Meanwhile the US position is not unlike what the “declinists” of the 1980s and early 1990s anticipated. The most significant direct challenges to the United States some twenty years after the Cold War are not military, but economic: deindustrialization, balance of payments problems, debt, and surviving inside an ever-more integrated global economy and strained ecosystem. Relations among the great powers may yet grow more intense, but economic crisis seems the most likely cause of any future conflict, with the less traditional dimensions of security presenting the most realistic obstacles to the United States’ freedom of action if such events ever do materialize.

### Royal

#### Global war – diversionary theory’s true

ROYAL, 10 – Director of Cooperative Threat Reduction at the U.S. Department of Defense (Jedediah, “Economic Integration, Economic Signaling and the Problem of Economic Crises,” in Economics of War and Peace: Economic, Legal and Political Perspectives, ed. Goldsmith and Brauer, p. 213-215)

Less intuitive is how periods of economic decline may increase the likelihood of external conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defence behaviour of interdependent states. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow. First, on the systemic level, Pollins (2008) advances Modelski and Thompson's (1996) work on leadership cycle theory, finding that rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the often bloody transition from one pre-eminent leader to the next. As such, exogenous shocks such as economic crises could usher in a redistribution of relative power (see also Gilpin. 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Feaver, 1995). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflict as a rising power may seek to challenge a declining power (Werner. 1999). Separately, Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the likelihood of conflict among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remain unknown. Second, on a dyadic level, Copeland's (1996, 2000) theory of trade expectations suggests that 'future expectation of trade' is a significant variable in understanding economic conditions and security behaviour of states. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, if the expectations of future trade decline, particularly for difficult to replace items such as energy resources, the likelihood for conflict increases, as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states.4 Third, others have considered the link between economic decline and external armed conflict at a national level. Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write: The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favour. Moreover, the presence of a recession tends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg & Hess, 2002. p. 89) Economic decline has also been linked with an increase in the likelihood of terrorism (Blomberg, Hess, & Weerapana, 2004), which has the capacity to spill across borders and lead to external tensions. Furthermore, crises generally reduce the popularity of a sitting government. “Diversionary theory" suggests that, when facing unpopularity arising from economic decline, sitting governments have increased incentives to fabricate external military conflicts to create a 'rally around the flag' effect. Wang (1996), DeRouen (1995). and Blomberg, Hess, and Thacker (2006) find supporting evidence showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states, due to the fact that democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. DeRouen (2000) has provided evidence showing that periods of weak economic performance in the United States, and thus weak Presidential popularity, are statistically linked to an increase in the use of force. In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels.5 This implied connection between integration, crises and armed conflict has not featured prominently in the economic-security debate and deserves more attention. This observation is not contradictory to other perspectives that link economic interdependence with a decrease in the likelihood of external conflict, such as those mentioned in the first paragraph of this chapter. Those studies tend to focus on dyadic interdependence instead of global interdependence and do not specifically consider the occurrence of and conditions created by economic crises. As such, the view presented here should be considered ancillary to those views.

### Panzer

#### Collapse causes global transition wars – turns their impacts

Panzner ‘8 (Faculty at the New York Institute of Finance, 25-year veteran of the global stock, bond, and currency markets who has worked in New York and London for HSBC, Soros Funds, ABN Amro, Dresdner Bank, and JPMorgan Chase (Michael, Financial Armageddon: Protect Your Future from Economic Collapse, Revised and Updated Edition, p. 136-138, googlebooks)

Continuing calls for curbs on the flow of finance and trade will inspire the United States and other nations to spew forth protectionist legislation like the notorious Smoot-Hawley bill. Introduced at the start of the Great Depression, it triggered a series of tit-for-tat economic responses, which many commentators believe helped turn a serious economic downturn into a prolonged and devastating global disaster, But if history is any guide, those lessons will have been long forgotten during the next collapse. Eventually, fed by a mood of desperation and growing public anger, restrictions on trade, finance, investment, and immigration will almost certainly intensify. Authorities and ordinary citizens will likely scrutinize the cross-border movement of Americans and outsiders alike, and lawmakers may even call for a general crackdown on nonessential travel. Meanwhile, many nations will make transporting or sending funds to other countries exceedingly difficult. As desperate officials try to limit the fallout from decades of ill-conceived, corrupt, and reckless policies, they will introduce controls on foreign exchange, foreign individuals and companies seeking to acquire certain American infrastructure assets, or trying to buy property and other assets on the (heap thanks to a rapidly depreciating dollar, will be stymied by limits on investment by noncitizens. Those efforts will cause spasms to ripple across economies and markets, disrupting global payment, settlement, and clearing mechanisms. All of this will, of course, continue to undermine business confidence and consumer spending. In a world of lockouts and lockdowns, any link that transmits systemic financial pressures across markets through arbitrage or portfolio-based risk management, or that allows diseases to be easily spread from one country to the next by tourists and wildlife, or that otherwise facilitates unwelcome exchanges of any kind will be viewed with suspicion and dealt with accordingly. The rise in isolationism and protectionism will bring about ever more heated arguments and dangerous confrontations over shared sources of oil, gas, and other key commodities as well as factors of production that must, out of necessity, be acquired from less-than-friendly nations. Whether involving raw materials used in strategic industries or basic necessities such as food, water, and energy, efforts to secure adequate supplies will take increasing precedence in a world where demand seems constantly out of kilter with supply. Disputes over the misuse, overuse, and pollution of the environment and natural resources will become more commonplace. Around the world, such tensions will give rise to full-scale military encounters, often with minimal provocation. In some instances, economic conditions will serve as a convenient pretext for conflicts that stem from cultural and religious differences. Alternatively, nations may look to divert attention away from domestic problems by channeling frustration and populist sentiment toward other countries and cultures. Enabled by cheap technology and the waning threat of American retribution, terrorist groups will likely boost the frequency and scale of their horrifying attacks, bringing the threat of random violence to a whole new level. Turbulent conditions will encourage aggressive saber rattling and interdictions by rogue nations running amok. Age-old clashes will also take on a new, more healed sense of urgency. China will likely assume an increasingly belligerent posture toward Taiwan, while Iran may embark on overt colonization of its neighbors in the Mideast. Israel, for its part, may look to draw a dwindling list of allies from around the world into a growing number of conflicts. Some observers, like John Mearsheimer, a political scientist at the University of Chicago, have even speculated that an "intense confrontation" between the United States and China is "inevitable" at some point. More than a few disputes will turn out to be almost wholly ideological. Growing cultural and religious differences will be transformed from wars of words to battles soaked in blood. Long-simmering resentments could also degenerate quickly, spurring the basest of human instincts and triggering genocidal acts. Terrorists employing biological or nuclear weapons will vie with conventional forces using jets, cruise missiles, and bunker-busting bombs to cause widespread destruction. Many will interpret stepped-up conflicts between Muslims and Western societies as the beginnings of a new world war.

### Institutions

**decline risks a breakdown of international institutions—that causes war**

**Kreitner 11**

Ricky Kreitner (intern at Business Insider). “Serious People Are Starting To Realize That We May Be Looking At World War III.” Business Insider. August 8th, 2011. <http://www.businessinsider.com/serious-people-are-starting-to-realize-that-we-may-be-looking-at-world-war-iii-2011-8>

Noting liberal despair over the government's inability to combat economic depression, and conservative skepticism that traditional tools will be effective, John Judis of The New Republic argues that a global depression far longer and more severe than anyone expected now seems nearly impossible to avoid. Judis believes that the coming "depression" will be accompanied by **geopolitical upheaval and institutional collapse**. "As the experience of the 1930s testified, a prolonged global downturn can have profound political and **geopolitical repercussions**. In the U.S. and Europe, the downturn has already inspired unsavory, right-wing populist movements. It could also bring about **trade wars** and intense **competition over natural resources**, and the eventual breakdown of important institutions like European Union and the World Trade Organization. **Even a shooting war is possible**." Daniel Knowles of the Telegraph has noticed a similar trend. In a post titled, "This Really Is Beginning To Look Like 1931," Knowles argues that we could be witnessing the transition from recession to global depression that last occurred two years after the 1929 market collapse, and eight years before Germany invaded Poland, triggering the Second World War: "The difference today is that so far, the chain reaction of a default has been avoided by bailouts. Countries are not closing down their borders or arming their soldiers – they can agree on some solution, if not a good solution. But the fundamental problem – the spiral downwards caused by confidence crises and ever rising interest rates – is exactly the same now as it was in 1931. And as Italy and Spain come under attack, we are reaching the limit of how much that sticking plaster can heal. Tensions between European countries unseen in decades are emerging." Knowles wrote that post three days ago. Since then it has become abundantly obvious that Europe will soon become unwilling or unable to continue bailing out every country with a debt problem. Meanwhile, the U.S. economy continues to chug along, to the extent it is chugging at all, on the false security offered by a collective distaste for one ratings agency and its poor mathematics.

### Empirics

#### Empirics demonstrate the propensity for escalation

James 2014 (Harold James, Professor of history at Princeton University’s Woodrow Wilson School who specializes in European economic history, 7/2/14, “Debate: Is 2014, like 1914, a prelude to world war?,” http://www.theglobeandmail.com/globe-debate/read-and-vote-is-2014-like-1914-a-prelude-to-world-war/article19325504/)

As we get closer to the centenary of Gavrilo Princip’s act of terrorism in Sarajevo, there is an ever more vivid fear: it could happen again. The approach of the hundredth anniversary of 1914 has put a spotlight on the fragility of the world’s political and economic security systems. At the beginning of 2013, Luxembourg’s Prime Minister Jean-Claude Juncker was widely ridiculed for evoking the shades of 1913. By now he is looking like a prophet. By 2014, as the security situation in the South China Sea deteriorated, Japanese Prime Minister Shinzo Abe cast China as the equivalent to Kaiser Wilhelm’s Germany; and the fighting in Ukraine and in Iraq is a sharp reminder of the dangers of escalation. Lessons of 1914 are about more than simply the dangers of national and sectarian animosities. The main story of today as then is the precariousness of financial globalization, and the consequences that political leaders draw from it. In the influential view of Norman Angell in his 1910 book The Great Illusion, the interdependency of the increasingly complex global economy made war impossible. But a quite opposite conclusion was possible and equally plausible – and proved to be the case. Given the extent of fragility, a clever twist to the control levers might make war easily winnable by the economic hegemon. In the wake of an epochal financial crisis that almost brought a complete global collapse, in 1907, several countries started to think of finance as primarily an instrument of raw power, one that could and should be turned to national advantage. The 1907 panic emanated from the United States but affected the rest of the world and demonstrated the fragility of the whole international financial order. The aftermath of the 1907 crash drove the then hegemonic power – Great Britain - to reflect on how it could use its financial power. Between 1905 and 1908, the British Admiralty evolved the broad outlines of a plan for financial and economic warfare that would wreck the financial system of its major European rival, Germany, and destroy its fighting capacity. Britain used its extensive networks to gather information about opponents. London banks financed most of the world’s trade. Lloyds provided insurance for the shipping not just of Britain, but of the world. Financial networks provided the information that allowed the British government to find the sensitive strategic vulnerabilities of the opposing alliance. What pre-1914 Britain did anticipated the private-public partnership that today links technology giants such as Google, Apple or Verizon to U.S. intelligence gathering. Since last year, the Edward Snowden leaks about the NSA have shed a light on the way that global networks are used as a source of intelligence and power. For Britain’s rivals, the financial panic of 1907 showed the necessity of mobilizing financial powers themselves. The United States realized that it needed a central bank analogous to the Bank of England. American financiers thought that New York needed to develop its own commercial trading system that could handle bills of exchange in the same way as the London market. Some of the dynamics of the pre-1914 financial world are now re-emerging. Then an economically declining power, Britain, wanted to use finance as a weapon against its larger and faster growing competitors, Germany and the United States. Now America is in turn obsessed by being overtaken by China – according to some calculations, set to become the world’s largest economy in 2014. In the aftermath of the 2008 financial crisis, financial institutions appear both as dangerous weapons of mass destruction, but also as potential instruments for the application of national power. In managing the 2008 crisis, the dependence of foreign banks on U.S. dollar funding constituted a major weakness, and required the provision of large swap lines by the Federal Reserve. The United States provided that support to some countries, but not others, on the basis of an explicitly political logic, as Eswar Prasad demonstrates in his new book on the “Dollar Trap.” Geo-politics is intruding into banking practice elsewhere. Before the Ukraine crisis, Russian banks were trying to acquire assets in Central and Eastern Europe. European and U.S. banks are playing a much reduced role in Asian trade finance. Chinese banks are being pushed to expand their role in global commerce. After the financial crisis, China started to build up the renminbi as a major international currency. Russia and China have just proposed to create a new credit rating agency to avoid what they regard as the political bias of the existing (American-based) agencies. The next stage in this logic is to think about how financial power can be directed to national advantage in the case of a diplomatic tussle. Sanctions are a routine (and not terribly successful) part of the pressure applied to rogue states such as Iran and North Korea. But financial pressure can be much more powerfully applied to countries that are deeply embedded in the world economy. The test is in the Western imposition of sanctions after the Russian annexation of Crimea. President Vladimir Putin’s calculation in response is that the European Union and the United States cannot possibly be serious about the financial war. It would turn into a boomerang: Russia would be less affected than the more developed and complex financial markets of Europe and America. The threat of systemic disruption generates a new sort of uncertainty, one that mirrors the decisive feature of the crisis of the summer of 1914. At that time, no one could really know whether clashes would escalate or not. That feature contrasts remarkably with almost the entirety of the Cold War, especially since the 1960s, when the strategic doctrine of Mutually Assured Destruction left no doubt that any superpower conflict would inevitably escalate. The idea of network disruption relies on the ability to achieve advantage by surprise, and to win at no or low cost. But it is inevitably a gamble, and raises prospect that others might, but also might not be able to, mount the same sort of operation. Just as in 1914, there is an enhanced temptation to roll the dice, even though the game may be fatal.

### Growth Solves War

#### Stats go neg --- growth solves war

* GPI = global peace index
* GCI = global competitive index

Dinov and Ho 13 – Associate Professor of Statistics at UCLA, PhD, Mathematics, Florida State University MS, Statistics, Florida State University; MA in finance and statistics from USC

(Ivo, “An Empirical Study on Economic Prosperity and Peace”, Spring 2013, <http://www.socr.ucla.edu/docs/KaManHo_UCLA_USJ_paper_2013_text.pdf>, UCLA)

Moreover, the data of GPI was expanded to additional new countries in a more rapid pace than the data of GCI each year. As a result, the number of missing values for GCI increased every year. In 20 11, there were 25 "new" countries that had their GPI score available, but not the corresponding GCI scores. The median of GPI scores (154 countries) was 1.92 while within the 25 "new" countries, 22 had their GPI scores larger than the overall median of 1.92. The average GPI score indicated that these missing values of GCI might not be at random. The newly investigated countries tended to be less peaceful and had missing values on GCI. A missing value on GCI reflected that the country was paid less attention to in terms of competiveness. With these missing values on GCI, the Discrimination Analysis between GCI and GPI could not be performed and the positive relationship between economic prosperity and peacefulness was underestimated: if there were less missing values on GCI, the statistical evidences of the finding of the significant positive association between economic prosperity and peace would be even stronger. THE INTEGRATION OF THE DISCRIMINATION ANALYSIS AND THE LOG-LINEAR REGRESSION MODEL CONNECTED THE TWO APPROACHES In Table 5, the first column displayed the colored labels produced by the Discrimination Analysis while the second column displayed the residuals £ produced by the Log-Linear Regression Model of all the observations (without missing values in any variables) in the year 2010. In the second column, the residuals £ were ranked in descending order in terms of absolute values. Interesting patterns can be discovered in the observation of the two columns of 92 observations: since the residuals £ were ranked in the table, the "location" of a country (top or bottom in Table 5) indicated some information about the group that the particular country belonged to. Let observation No.23 (Syria) be the 25th percentile, observation No.46 (Austria) be the 50th percentile, and observation No.69 (Belgium) be the 75th percentile. All the "red" countries located at the bottom of the table above 7th percentile. Twelve out of thirteen (92.31 %) The Discrimination Analysis was presented to complement the Log-Linear Model because of the limitation of the regression function. Inserting a regression to the data means that the connection between a particular explanatory variable and the response variable is represented by one single coefficient. However, that coefficient represents the overall trend of the data but is not necessarily representative of an individual country's data. This limitation of a regression in investigating the relationship between the explanatory variables and the response variable of an individual country gives incentives to further examine correlations for individual countries. For instance, for the 2010 data of North America, the range of the correlation between the variable GPI and GCI was -0.94 to 0.96, while the range of the correlation between GPI and exports was -0.59 to 0.95. Suppose the coefficient of GCI were 0.01 (the average of -0.94 and 0.96), then the coefficient 0.01 would be representative of the overall trend, i.e. when the coefficient for individual countries between GPI and GCI was close to 0.01. However, for countries with extreme values of coefficient (close to either -0.94 or 0.96), the value 0.01 could not be considered representative in helping to explain the relationship between GPI and GCI. Many more inconsistent relationships between variables could be found and these details given by the study of correlations suggested that a different model other than the Log-Linear Regression Model is necessary. Robert Solow's article "A Contribution to the Theory of Economic Growth" is known as the cornerstone of the modem Neoclassical Growth Model in which economic growth is separated into technical progress, capital, and labor (Solow, 1956). In his calculation, four-fifths of the growth in the United States output was derived by technical progress (Solow, 1956). Understanding that labor, capital, and technical process are the ingredients that generate economic growth helps to explain why the between economic prosperity and peace in the Log-Linear Model was 0.55. Under the assumption of the Neoclassical Growth Model, economic growth is driven by technology, capital, and labor, but not exogenous factors such as history, policy, and social structure that could ultimately shape the condition of peacefulness (Harberger, 2005). However, the purpose of the present study is not to argue that peace should be a new variable to be added to the Neoclassical Growth Model. Instead, it is to enhance the understanding about the interaction between economic prosperity and peace and to state a challenge to the assumptions of the Neoclassical Growth Model. In addition, the original Neoclassical Growth Theory assumed that capital was subject to diminishing returns in a closed economy. Diminishing returns implies that marginal or per-unit output of production decreases as the amount of production increases. A closed economy is a self-sufficient system without international trade or external assistance. A model capturing economic growth in a closed economy may not be sufficient for discussion of the present empirical study because in real life international trade is a significant component in the world economy. Therefore, it was necessary to take Lucas (1988) and Romer's (1991) expansion with international trade into consideration. Economic prosperity in this study was captured by the variables trade, GCI, and exportslimports as a percentage of GDP. The selection of these variables in the two approaches was justified by Lucas's finding of the positive association between exports and economic development (Lucas, 1988). The variables in the LogLinear Model were representative of the endogenous factors including labor, wage rate of labor, capital, technology, and international trade in an open economy. The underlying justification was that large amounts of exports and imports entailed correspondingly large amounts of labor, capital, and technology as long as international trade, an indicator that the Log-Linear Model was a good candidate to represent elementary components of the Neoclassical Growth Model, was present. The interaction between the explanatory variables and the response variable GPI provided helpful insights into the interaction between economic prosperity and peace. The Log-Linear Model presented an overall statistically significant trend between economic prosperity and peace. The Discrimination Analysis presented a further investigation between economic prosperity and peace by dividing countries into four types. The results of the "yellow" and the "green" countries complemented the finding in the Log-Linear Model such that economic prosperity and peacefulness have a positive association, or alternatively a negative correlation between GPI and GCI. In addition, the discussions of the "red" and the "blue" countries revealed that each set of countries shared some characteristics, for instance the "red" countries tended to involve in certain armed conflicts. In this approach, the classification method, without intentionally maximizing the success rate in the analysis, fitted the evidence of similar characteristics between countries that fell into the same group. Shared characteristics, such as engagements in conflicts, could be found by further investigation among different groups of countries implied that these countries truly belonged to the same group. For example, based on the numerical values of GCI and GPI, France and the United States in 2011 were classified to be "red" countries, both of which were simultaneously involved in the armed conflict in Afghanistan. Furthermore, this classification exposed that the overall trend of the Log-Linear Model could be interpreted as four distinct groups. The four groups, i.e. four performance groups distinguished by colors, demonstrated how economic prosperity and peace interacted with each other at a certain level of competitiveness and peacefulness. In the integration part, the "red" and the "green" countries had a tendency to have smaller values of residuals £ compared to other countries, which implied that the statistically significant variables GCI, military, and trade explained a larger proportion of peace within the "red" and the "green" countries. A small residual in a regression indicated that the geometric distance between the point of the observation and the fitting straight line of the linear model. One common characteristic of the "red" and the "green" countries was that they were more competitive relative to other countries with a GCI > 4.72, meaning that these economies are prosperous or would potentially become prosperous. These more competitive economies were equipped with sufficient labor, capital, technology, population, and other endogenous elements that determined economic growth according to the mechanisms of the Neoclassical Modem Growth Model. In the present study, these endogenous elements were represented by the variables GCI, exports, imports, and population. To compare, correlating with larger residuals £ within the "blue" countries, the endogenous forces of the growth theory explained the smaller proportion of peacefulness. In other words, the exogenous forces such as history, policy, and other factors beyond the endogenous mechanisms of economic development played a larger role in explaining peacefulness for the "blue" countries. When the endogenous forces (for example trading and competitiveness) of the growth mechanism were more active, they contributed more in terms of explaining economic prosperity; when they were less active, the exogenous forces entered the fray and played a more important role in explaining economic prosperity. If the exogenous forces serve as criteria that enable growth, then there should not be any discernible differences of residuals among different types of countries. Table 5 compared the color labels produced by the Discrimination Analysis and the residuals produced by the Log-Linear Model. The four colors were classified according to GCI and GPI, which reflected both endogenous and exogenous forces. On the other hand, the residuals overwhelmingly reflected exogenous forces. The result of the integration of the two approaches showed that less competitive countries were usually attached to larger residuals. The difference in magnitude of the residuals implied that the exogenous forces ' potentially present a mechanical impact on economic prosperity. The integration result stated a fair challenge to the model Neoclassical Growth Theory's assumption that the exogenous forces do not have any mechanical impact on growth. The different residuals among various types of countries were not produced by luck because observations were classified according to the variables GCI and GPI in magnitude instead of any random classification rules. In conclusion, this study explored the relationship that peacefulness, as a condition shaped by exogenous factors, interacted with economic growth or prosperity-there was a clear association between economic prosperity and peacefulness. Peaceful countries participated more in trading activities and achieved greater economic prosperity. The endogenous forces including trading and competitiveness explained the larger proportion of peace in more competitive economies, while the proportion became smaller in less competitive economies. This result challenges the Neoclassical Modern Growth Theory's assumption that exogenous forces do not have any mechanical impact on growth. Moreover, this study paved the way for future research on the interactions between economic prosperity and peace and the interplay between the endogenous and exogenous factors of economic growth.

### Slow Growth Causes War

#### Slow growth makes the US uncooperative and desperate – leads to hegemonic wars

**Goldstein 7** - Professor of Global Politics and International Relations @ University of Pennsylvania, Avery Goldstein, “Power transitions, institutions, and China's rise in East Asia: Theoretical expectations and evidence,” [Journal of Strategic Studies](http://www.informaworld.com/smpp/title~db%3Dall~content%3Dt713636064), Volume[30](http://www.informaworld.com/smpp/title~db%3Dall~content%3Dt713636064~tab%3Dissueslist~branches%3D30#v30), Issue [4 & 5](http://www.informaworld.com/smpp/title~db%3Dall~content%3Dg780703608)August 2007, pages 639 – 682

Two closely related, though distinct, theoretical arguments focus explicitly on the consequences for international politics of a shift in power between a dominant state and a rising power. In War and Change in World Politics, Robert **Gilpin suggested that**peace prevails when a dominant state’s capabilities enable it to ‘govern’ an international order that it has shaped. Over time, however, **as economic and technological diffusion proceeds** during eras of peace and development, **other states are empowered.**Moreover, the burdens of international governance drain and distract the reigning hegemon, and **challengers**eventually **emerge who seek to rewrite the rules of governance. As the power advantage of the** erstwhile **hegemon ebbs, it may become desperate enough to resort to** theultima ratio of international politics, **force, to forestall the**increasingly urgent**demands of a rising challenger**. Or **as the power of the challenger rises, it may be tempted to press its case with**threats to use**force. It is the rise and fall of the great powers that creates**the circumstances under which major wars, what Gilpin labels **‘hegemonic wars’,**break out.13 Gilpin’s argument logically encourages pessimism about the implications of a rising China. It leads to the expectation that international trade, investment, and technology transfer will result in a steady **diffusion of American economic power, benefit**ing the **rapidly developing states** of the world, including China. As **the US**simultaneously scurries to put out the many brushfires that threaten its far-flung global interests (i.e., the classic problem of overextension), it **will be unable to devote sufficient resources to maintain or restore its** former **advantage** over emerging competitors like China. **While the erosion of the** once clear **American advantage plays itself out, the US will find it ever more difficult to preserve the order** in Asia **that it created** during its era of preponderance**. The expectation is an increase in the likelihood for the use of force – either by a** Chinese **challenger** able to field a stronger military in support of its demands for greater influence over international arrangements in Asia**, or by a besieged American hegemon desperate to head off further decline**. **Among the trends that alarm** those who would look at Asia through the lens of Gilpin’s theory **are China’s expanding share of world trade and wealth**(much of it resulting from the gains made possible by the international economic order a dominant US established); **its acquisition of technology in key sectors** that have both civilian and military applications (e.g., information, communications, and electronics linked with to forestall, and the challenger becomes increasingly determined to realize the transition to a new international orderwhose contours it will define. the ‘revolution in military affairs’); and an expanding military burden for the US (as it copes with the challenges of its global war on terrorism and especially its struggle in Iraq) that limits the resources it can devote to preserving its interests in East Asia.14 Although similar to Gilpin’s work insofar as it emphasizes the importance of shifts in the capabilities of a dominant state and a rising challenger, the power-transition theory A. F. K. Organski and Jacek Kugler present in The War Ledger focuses more closely on the allegedly dangerous phenomenon of ‘crossover’– the point at which a dissatisfied challenger is about to overtake the established leading state.15 In such cases, **when the power gap narrows, the dominant state becomes increasingly desperate.** Though suggesting why a rising China may ultimately present grave dangers for international peace when its capabilities make it a peer competitor of America, Organski and Kugler’s **power-transition theory**is less clear about the dangers while a potential challenger still lags far behind and faces a difficult struggle to catch up. This clarification is important in thinking about the theory’s relevance to interpreting China’s rise because a broad consensus prevails among analysts that Chinese military capabilities are at a minimum two decades from putting it in a league with the US in Asia.16 Their theory, then, **points with alarm to trends in China’s growing wealth and power relative to the United States**, but **especially** looks ahead to what it sees as **the period of maximum danger – that time when a dissatisfied China could be in a position to overtake the US on dimensions believed crucial for assessing power. Reports** beginning in the mid-1990s that offered extrapolations **suggest**ing **China’s growth would give it the world’s largest**gross domestic product (**GDP** aggregate, not per capita) **sometime in the first** few**decades of the twentieth century** fed these sorts of concerns about a potentially dangerous challenge to American leadership in Asia.17 The huge gap between Chinese and American military capabilities (especially in terms of technological sophistication) has so far discouraged prediction of comparably disquieting trends on this dimension, but inklings of similar concerns may be reflected in occasionally alarmist reports about purchases of advanced Russian air and naval equipment, as well as concern that Chinese espionage may have undermined the American advantage in nuclear and missile technology, and speculation about the potential military purposes of China’s manned space program.18 Moreover, **because a dominant state may react to the prospect of a crossover and believe that it is wiser to embrace the logic of preventive war and act early to delay a transition while the task is more manageable**, Organski and Kugler’s **power-transition theory** also **provides grounds for concern about the period prior to the possible crossover.**19 pg. 647-650

### Heg

#### It makes solving global problems impossible

Lieberthal & O'Hanlon 12, Director of the China center and Director of research at Brookings, 12

(7/10, The Real National Security Threat: America's Debt, www.brookings.edu/research/opinions/2012/07/10-economy-foreign-policy-lieberthal-ohanlon)

Lastly, **American economic weakness undercuts U.S. leadership abroad. Other countries sense our weakness and wonder about our purported decline. If this perception becomes more widespread**, and the case that we are in decline becomes more persuasive, **countries will begin to take actions that reflect their skepticism about America's future. Allies and friends will doubt our commitment** and may pursue nuclear weapons for their own security, for example; **adversaries will sense opportunity and be less restrained in throwing around their weight** in their own neighborhoods. **The** crucial **Persian Gulf and** Western **Pacific regions will** likely **become less stable. Major war will become more likely.** When running for president last time, **Obama** eloquently **articulated big foreign policy visions**: healing America's breach with the Muslim world, controlling global climate change, dramatically curbing global poverty through development aid, moving toward a world free of nuclear weapons. These were, and remain, worthy if elusive goals. **However, for Obama or his successor**, there is now **a** much **more urgent big-picture issue: restoring U.S. economic strength**. **Nothing else is really possible if that fundamental prerequisite to effective foreign policy is not reestablished.**

## Non-DA things

### STEM good UQ CP

**Locicero 16** -- Ryan Locicero, PhD, P.E. --- AAAS and ST&P Fellow Working at the Intersection of Computer Science and Smart Watershed Management “U.S. Global Competitiveness: STEM” <http://ryanlocicero.com/u-s-global-competitiveness-stem/> Feb 20 2016.

Economic studies have shown that over half of the growth in Gross Domestic Product is indirectly related to job growth created by advancements in science and technology. The U.S. economic advantage within the global market is directly related to innovation, problem solving skills, and technical literacy. However, the U.S. currently ranks 48th in quality of mathematics and science education, 27th in mathematics, and 20th in science for International Student Assessment scores. There is currently great emphasis in boosting the U.S. based STEM workforce as the National Research Council’s Framework for K-12 Science Education and Next Generation Science Standards underlines the need for exposing K-12 students to engineering practices and methodologies that use content appropriate material. Furthermore, U.S. students are not currently trained to be globally competent. For example, of the 289,408 U.S. students who received academic credit for study abroad in 2012/13, only 23% majored in STEM, and only 4.1% were engineering students. Literature has also documented the importance of international experiences in the development of global competency. The most recent NSF strategic plan emphasizes that the future U.S. STEM workforce will need to collaborate across national boundaries and cultural backgrounds, and must be diverse and globally competent through training that includes partnerships with other government agencies and private and international entities. Research suggests that underrepresented groups in STEM, particularly women, are attracted to careers where they feel they can have a positive impact on society. This highlights the need to engage students that represent the 2060 projected demographics, > 50% female and > 50% under represented minority.

An effective educational model would combine K-20 students, teachers/faculty, and community members with local and global scientists, engineers, planners, municipalities, design professionals, graduate students and professors in evolving transdisciplinary community-based participatory research projects with multiple symbiotic outcomes. Several recommended options for improving the implementation of STEM education standards include:

A systems approach to place-based education standards that considers real world STEM challenges at various nexuses (e.g. water-energy-materials-human nexus).

Investment in inquiry-based and content appropriate outdoor research laboratories within school campuses, community green spaces, and local neighborhoods.

International K-20 collaborative research efforts and knowledge transfer.

STEM standards that allow K-20 students the ability to collect and visualize real-time data to inform decision-making and actively engage community on local and global issues.

Regional University Centers of Exemplary Mentoring that provides scholarships, peer mentoring, and professional development support to K-20, and graduate students.

Recruitment and retaining K-20 STEM students that reflect the 2060 demographics.

This educational model would allow for structured transdisciplinary K-20, university, private-public partnerships with systematic feedback loops where the partners contribute resources, (e.g. professors, graduate and undergraduate students, professionals, easements) and disseminate findings iteratively based on the integrated needs of the community served. Being able to approach global challenges in a meaningful way, students will have a unique skillset that will make them competitive for many jobs trying to address complex problems like meeting the UN’s Sustainable Development Goals and solving the Grand Challenges identified by the National Academy of Engineering. Anticipated challenges to consider are teacher turn over and relocation, allocation of resources to develop integrated partnerships, meeting the needs of the partner organizations in a symbiotic manner, developing incentive based accountability, and developing appropriate metrics for measuring both short-term and long-term success.

### Free Market Solvency Advocate

**Scafidi 16** -- Benjamin Scafidi is Professor of Economics and Director of the Education Economics Center in the Coles College of Business at Kennesaw State University. The author thanks Joshua Hall, Jason Taylor, and an anonymous referee for helpful comments. This article draws heavily from the author’s two Friedman Foundation for Educational Choice publications (Scafidi 2012b, 2013). “The Dismal Productivity Trend for K−12 Public Schools and How to Improve It” https://object.cato.org/sites/cato.org/files/serials/files/cato-journal/2016/2/cato-journal-v36n1-9.pdf

Conclusion Richard Vedder is well known for his work on higher education. But his contribution to our understanding of the productivity problem in K−12 education is significant too. Regarding the latter, in 1996, Vedder pointed out the declining productivity in K−12 education—that is, stagnant outputs with significantly greater taxpayer-funded inputs over time (Vedder 1996). To reverse the decline in productivity, Vedder (2000) offers a creative proposal to inject more competition among providers and choice for consumers into the K−12 school system, by converting American public schools into for-profit, employee-owned enterprises. While Vedder has been rightly concerned with productivity in American institutions of higher education, the analysis presented here shows that the productivity problem in American public K−12 schools is significantly greater. Specifically, over the 1929−30 to 1999−2000 time period analyzed in Vedder (2004), the real increase in current spending per student in higher education increased by 267 percent, while the corresponding increase for public K−12 schools was about 874 percent. Furthermore, in the first decade of the 21st century, staffing per 100 students declined in American colleges and universities by 4.8 percent. Thus, at least one side of the higher education productivity equation has improved in recent years. However, the trend in public K−12 education has continued to worsen—during the first decade of the 21st century, public school staffing per 100 students increased by 7 percent. Perhaps it is time to heed Vedder’s advice for public K−12 education and expand competition and choice through vouchers, tax credits, and by converting individual public schools into autonomous, employee-owned enterprises.

### Milliken v. Bradley case D

**Colby 14** -- Tanner Colby,  frequent contributor to Slate magazine on issues of race, politics, and culture “The Massive Liberal Failure on Race” http://www.slate.com/articles/life/history/features/2014/the\_liberal\_failure\_on\_race/how\_the\_left\_s\_embrace\_of\_busing\_hurt\_the\_cause\_of\_integration.html

In 1999, the Civil Rights Project at UCLA published a widely read report titled “Resegregation in American Schools.” Analyzing racial-balance percentages from school districts nationwide, the study found that our educational system made steady, significant progress toward a healthy racial composition up until the mid- to late-1980s. After that, the trend reversed dramatically. As of the 1996-97 school year, the ratio of black to white students in public schools fell below the level achieved in 1972. In 2006, 73 percent of black children attended schools with at least 50 percent minority enrollment, and 38.5 percent attended schools with at least a 90 percent minority enrollment. Since then, the numbers have kept heading in the same direction.

In the left’s narrative, the culprit for this backsliding is always the same: conservative, Republican-appointed justices like William Rehnquist and Antonin Scalia, who gutted the legal foundation for Brown and rolled back busing and other integration initiatives in order to protect the white, suburban majority. But that’s only half true, a fact illustrated by the very word liberal academics have coined to describe the phenomenon: resegregation.

Does anyone remember the mid- to late-1980s as a flowering of adolescent racial harmony in America?

Resegregation is a misleading term because it implies that the left’s large-scale integrationist schemes were working, and would have continued to work, if not for the meddling of Republicans. But to believe that premise, you’d have to accept the assertion that the peak year for school integration happened 25 years ago. Does anyone remember the mid- to late-1980s as a flowering of adolescent racial harmony in America? I don’t. The truth is that the left has crafted a narrative about the death of Brown v. Board, a convenient one that serves its own ends. The reality is much more grim, and it starts in the place where Democrats drove the school bus into the ditch: Detroit.

The urban riots that rocked Detroit in 1967 were among the worst in the nation. White flight in the Motor City was well ahead of the curve. By the early ’70s the city’s public school population was 69.8 percent black and climbing fast, even though the metro area, as a whole, was only 19 percent black. In 1971, in the case of Milliken v. Bradley, District Judge Stephen J. Roth found that the Detroit school board had employed illegal measures to keep its schools racially segregated, in violation of Brown v. Board. But because so many whites had already fled the city, there weren’t enough white kids left to integrate Detroit’s schools. Roth ruled that the only way to create a meaningful racial balance in Detroit’s public schools was to include all of the surrounding suburban school districts in the proposed remedy; he mandated that the state of Michigan create a busing plan that would take thousands of black kids out into fortress suburbia and haul thousands of white kids back downtown.

Though nearly two decades had passed since Brown v. Board, school desegregation was really just getting started, and the buses had barely left the lot when America elected Richard Nixon, who, as a part of his Southern Strategy, had campaigned against forced busing and had brokered a deal with South Carolina Sen. Strom Thurmond, trading convention delegates in exchange for a promise to stem the tide of integration as much as possible. Once in office, Nixon appointed anti-integration staffers to the federal agency charged with enforcing integration. And when the departure of Justice Abe Fortas left a vacancy on the Supreme Court, the president told his attorney general that the replacement should be “a conservative Southerner” who was “against busing, and against forced housing integration. Beyond that he can do what he pleases.”

After Nixon’s first two appointees for Fortas’ spot were rejected for [upholding Jim Crow laws](http://en.wikipedia.org/wiki/clement_haynsworth) and/or [espousing white supremacist ideologies](http://en.wikipedia.org/wiki/harold_carswell), the president managed to find Harry Blackmun, a Midwestern conservative palatable enough to win confirmation. Unfortunately, thanks to death and retirement, Nixon was given the opportunity to appoint a total of four justices in under four years, packing the Court with anti-integrationists. When Milliken made it to the Supreme Court on appeal in 1974, the justices reversed the lower court’s decision by a 5–4 margin—with all of Nixon’s men in the affirmative—saying that the adjacent municipalities of a metropolitan area could not be compelled to cross city or county lines in a cooperative desegregation program. Suburban whites who paid suburban property taxes could not be made to send their kids to the city for school. Detroit could only bus students inside Detroit, which by that point meant it could only integrate black kids with other black kids.

Justice Byron White wrote a lengthy dissenting opinion, noting that segregated school systems had been overturned under the equal protection clause of the 14thAmendment to the Constitution, which charged states, not cities or counties, with providing citizens equal protection under the law. Therefore Michigan had the constitutional authority to balance race across an entire metropolitan area if it was so ordered. In overruling the inter-district plan, the Supreme Court elevated the sovereignty of suburban school districts over the sovereignty of the state of Michigan in a way that had never been done before.

# AFF

## UQ

### STEM – Low Now

#### Recent survey proves – STEM is in crisis – that decreases economic productivity across the board

**ACAlliance 16** -- The American Competitiveness Alliance (ACAlliance) is a coalition of organizations dedicated to advancing modern immigration policies that ensure America’s global competitiveness by attracting and keeping talent here in the United States. Led by Co-Chairs former Treasurer of the United States Rosario Marin and former New Mexico Governor Bill Richardson, the ACAlliance works to educate and inform stakeholders of the positive impact immigration reform can have on our economy, while cautioning against proposals that would do our economy harm. “National Survey: American Businesses Struggling to Hire STEM Talent Due to Increasing Scarcity, Higher Costs and Government Fees” https://acalliance.org/national-survey-american-businesses-struggling-to-hire-stem-talent-due-to-increasing-scarcity-higher-costs-and-government-fees/

Washington D.C. — 25 February, 2016 — [The American Competitiveness Alliance](http://www.acalliance.org/) (ACAlliance), a coalition of organizations dedicated to advancing common-sense immigration policies, today released a national survey highlighting the increasing challenges businesses face when recruiting STEM (science, technology, engineering, and math) and IT professionals, including scarcity of talent, climbing administrative and regulatory costs, and constricting wage pressures.

As a result of this scarcity, wages have steadily increased for high-paying, in-demand positions in STEM fields, with three in four executives reporting higher salaries for their STEM workers than in the previous five years. Further, many of these jobs go unfilled for weeks or even months due to the limited pool of qualified candidates and increasing costs associated with recruitment and retention of skilled employees. Subsequent economic pressures decrease productivity and limit expansion, negatively impacting the marketplace and hampering job growth.

The survey – conducted by the Benenson Strategy Group – analyzed responses from 400 hiring managers and executives from companies nationwide and found that:

8 in 10 executives report their company is investing more in STEM recruiting as a result of IT hiring challenges;

82 percent of business professionals report hiring a skilled foreign worker costs as much or more than hiring a U.S. worker;

3 in 4 professionals say the costs associated with sponsoring and complying with the H-1B visa program are already too high for most American companies.

The recent doubling of H-1B visa fees for some employers is particularly troubling in light of these data. In December 2015, the U.S. Congress included a provision in the omnibus spending bill which increased the visa processing fee from $2,000 to $4,000 per application. Businesses without the resources to pay this and other increasing costs – typically, smaller, local businesses already struggling to compete against their larger rivals – will be hardest hit. Large businesses, meanwhile, may relocate operations outside the U.S., where a large base of skilled talent is readily available to ensure they remain globally competitive.

“These data make clear that we need a multi-faceted approach to tackling America’s SKILLS gap,” said Matthew Slaughter, Dean of the Tuck School of Business at Dartmouth and Academic Advisor for the American Competitiveness Alliance. “While a robust investment in STEM education will help our economy in the long-run, we clearly need policies from Washington that support growth, not slow it.”

[A 2013 Georgetown University Center on Education and the Workforce report](https://cew.georgetown.edu/report/recovery-job-growth-and-education-requirements-through-2020/) found that the U.S. is already on track to face a shortage of five million workers by the end of this decade, with nearly 80 percent of those positions requiring various levels of advanced education.

### Slow Growth Now

#### Growth is slowing under Trump

**Beams 5/19/17** – Nick Beams, After three decades as national secretary of the Socialist Equality Party (Australia) and its predecessor, the Socialist Labour League (SLL), Nick Beams formally retired from the position at the party’s National Committee meeting last weekend. A well-known authority on Marxist political economy, he has been a leading figure in the Trotskyist movement for over 40 years. “Productivity figures and job cuts expose Trump’s growth fraud” http://www.wsws.org/en/articles/2017/05/19/econ-m19.html?src=ilaw

One of the factors that led to the election of Donald Trump to the US presidency was his commitment to boost the growth rate of the US economy, striking a chord in industrial states hit by job losses and factory closures.

Just four months into his presidency these promises lie in tatters. Underlying US economic trends continue to worsen, amid increased financial parasitism. The announcement by Ford that it will cut 10 percent of its global workforce is an expression of this process—the ruthless and relentless demands by finance capital for job destruction and cost-cutting to boost “shareholder value.”

The Ford decision is only one manifestation of the parasitic processes in the US and major economies internationally. Some of the effects were highlighted in the results of research conducted by the Conference Board think tank published in the Financial Times earlier this week.

Labour productivity in the US—one of the main drivers of economic expansion—will rise this year by only one-third of the rate that prevailed before the financial crisis of 2008. While the expected increase for 2017 is 1 percent, compared with an increase of only 0.5 percent last year, it is still well below the level of 2.9 percent recorded between 1999 and 2006.

Trump said his policies of lower taxes and deregulation would lift growth in US gross domestic product (GDP) to at least 3 percent, compared with its present level below 2 percent. But their only real effect, if enacted, will be to shovel more money into the hands of the financial elites.

The prospects for growth are no better in the longer term. Even barring the eruption of another crisis, the Congressional Budget Office estimates that the potential growth for the US economy is 1.9 percent from 2012 to 2017, compared to average annual growth of 3.1 percent from 1981 to 2007.

### A2: Trump provides UQ

#### Deep cuts to education won’t happen

**Balingit 6/6** – Mariah, contributor to WaPo “‘All but impossible’: Republican senator says Trump’s education cuts would go too far” https://www.washingtonpost.com/news/education/wp/2017/06/06/all-but-impossible-republican-senator-says-trumps-education-proposal-is-doa/?utm\_term=.3000d8852925

The Republican chairman of a Senate Appropriations subcommittee expressed deep skepticism Tuesday morning that the Trump administration’s education budget proposal would survive congressional scrutiny, citing its suggestion to cut programs popular on both sides of the aisle.

“This is a difficult budget request to defend,” Sen. Roy Blunt (R-Mo.) said at a hearing held by the subcommittee on labor, health and human services. “I think it’s likely that the kinds of cuts that are proposed in this budget will not occur, so we need to fully understand your priorities and why they are your priorities.”

[[Trump’s first full education budget: Deep cuts to public school programs in pursuit of school choice](https://www.washingtonpost.com/local/education/trumps-first-full-education-budget-deep-cuts-to-public-school-programs-in-pursuit-of-school-choice/2017/05/17/2a25a2cc-3a41-11e7-8854-21f359183e8c_story.html?utm_term=.1a2f26d7ee79)]

Blunt was addressing Education Secretary Betsy DeVos, who appeared on Capitol Hill to defend a proposal that seeks to slash spending for popular programs while boosting funds for private school vouchers and other school choice initiatives. In a previous appearance last month — before a House subcommittee — DeVos had stoked controversy as she declined to say whether she would block federal funds from private schools that discriminate against LGBT students.

[[DeVos won’t say whether she’d withhold federal funds from private schools that discriminate](https://www.washingtonpost.com/local/education/devos-to-testify-on-trumps-budget-her-first-time-before-congress-since-rocky-confirmation-hearing/2017/05/23/db2934e8-3fe2-11e7-adba-394ee67a7582_story.html?utm_term=.e5fd80fdfb83)]

President Trump has proposed slashing $10.6 billion from federal education initiatives, including after-school programs, teacher training, and career and technical education, and reinvesting $1.4 billion of the savings into promoting his top education priority: school choice, including $250 million for vouchers to help students attend private and religious schools.

The administration also is seeking far-reaching changes­ to student aid programs, including the elimination of subsidized loans and Public Service Loan Forgiveness and a halving of the federal work-study program that helps college students earn money to support themselves while in school.

Among the programs targeted for funding cuts: Special Olympics, federal work-study and 21st Century Learning Centers, which support after-school programs in high-poverty areas.

“I think the significant cuts to things like career and technical education, TRIO and federal work study will make it harder for students to get into and complete college and find well-paying jobs,” Blunt said. “The outright elimination of several large formula grant programs — like the 21st Century Learning Centers — I think will be all but impossible to get through this committee.”

#### More ev-- No chance Trump’s budget cuts pass – election concerns outweigh

**Douglas and Campisi 5/31** -- William Douglas and Jessica Campisi of the McClatchy Washington Bureau “Why there’s no way Trump will get his budget cuts” http://www.sacbee.com/news/politics-government/article153619119.html

You really think Congress is going to go along with the White House’s big spending cuts to state and local programs? With an election year looming and governors warning of dire consequences?

Forget it.

“Members of Congress are not going to go home and defend Meals on Wheels cuts,” said Paul Light, a professor of public service at New York University who’s a scholar of the federal government. “Members of Congress do not want to cut popular programs.”

Nor do the nation’s governors. Thirty-seven seats are up for re-election this year and next, and Republicans [currently control 27](https://insideelections.com/ratings/governor). Austerity is usually not a useful strategy to peddle in tight races.

As a result, Washington is seeing a familiar pattern: Governors and local officials issue scary scenarios about the horrific impact of spending cuts. They hold somber conferences in and out of town and launch a slew of lobbyists to Capitol Hill to argue against the reductions.

The ritual ends almost the same way every time: States get most of the federal money they need, if not more.

President Donald Trump’s program-slashing $4.1 trillion budget, like those of his predecessors, isn’t going to happen, said former South Carolina Gov. Jim Hodges, because presidential budgets are rarely successful wish lists.

Instead, they are conversation starters for Congress, which ultimately decides how much the country spends and on what, he said.

“This budget will go in the trash can because the revenue scenarios are too rosy and the math doesn’t add up,” said Hodges, a Democrat who served from 1999 to 2003 and currently heads a Washington-based lobbying firm. “And that’s before you get to the policy prescriptions, which will unite Democrats and Republicans against it.”

Trump seeks to increase military spending by 10 percent and carve out $1.6 billion in funding to start construction of a wall on the border with Mexico. He’s calling for huge cuts in key domestic and foreign programs to help pay for his priorities.

But he’s already encountering the same resistance his predecessors did when they tried to slash programs that are popular with lawmakers and their constituents.

Former President Barack Obama’s final budget proposal, for example, called for cutting the Housing and Urban Development Department’s Community Development Block Grant, a program that provides communities with funding to address needs ranging from housing to infrastructure, to $2.8 billion from $3 billion.

Trump wants to[eliminate](https://www.publicintegrity.org/2017/04/20/20825/strange-budget-bedfellows-programs-targeted-cuts-both-trump-and-obama) the popular program altogether. His budget claims that the program “is not well-targeted to the poorest populations and has not demonstrated results.”

Congress ignored Obama’s proposal and preserved Community Development Block Grant funding at $3 billion.

“These CDBG grants are irreplaceable in terms of helping small cities meet their infrastructure needs,” said Michael Wallace, program director for federal advocacy for the National League of Cities. “The president’s budget won’t get enacted, but it will influence the process. This is a budget that would cut out city leaders as decision-makers in any of these federal programs. And that’s a shot across the bow, I think, at cities right now.”

State and local officials are leaving nothing to chance. They began their offensive [even before](https://www.nga.org/cms/nga-letters/governors-principles-for-federal-budget) budget details were formally unveiled last week. They maintain that even though the budget won’t get far, that doesn’t mean Congress won’t pluck a recommended cut or two and approve it.

“The cuts would be significant if Congress didn’t restore them,” said Oklahoma City Mayor Mick Cornett, president of the U.S. Conference of Mayors. “It’s not a system that we’ve created. It’s necessary for us to get in fights to restore the funding.”

They’re likely to find partners on Capitol Hill, as Trump’s budget has been panned by Democrats and several Republicans for its steep cuts in entitlement programs such as Medicaid, which provides health care to the poor and others, the Supplemental Nutrition Assistance Program and the Low Income Home Energy Assistance Program. Trump’s projection of 3 percent economic growth annually has also been scorned by members of both parties.

There are enough deep cuts in Trump’s budget affecting enough congressional lawmakers’ favorite programs or causes that “it’s just a nonstarter,” according to NYU’s Light.

Indeed, members of the House of Representatives and the Senate in both parties have already begun picking Trump’s plan apart, even while in some instances praising it for its cost-cutting zeal.

Republican Rep. Mark Sanford, like fellow South Carolinian Hodges, [ripped](http://www.mcclatchydc.com/news/politics-government/congress/article152461974.html) the proposal for its growth projection. Kansas Sens. Pat Roberts and Jerry Moran, both Republicans, railed against Trump’s plan to cut crop insurance by $28.5 billion over 10 years.

Freshman Rep. Jodey Arrington, R-Texas, lauded Budget Director Mick Mulvaney at a House Budget Committee hearing last week for crafting a budget that will balance in a decade but added, “Recognizing there are cuts to be made everywhere, why now, and why such deep cuts in our farm-sector safety net?”

Sen. Lindsey Graham, R-S.C., told Mulvaney at a Senate Budget Committee hearing last week that he wouldn’t vote for Trump’s budget because of its proposed 32 percent cut – roughly $19 billion – in U.S. diplomacy and [foreign aid](http://www.mcclatchydc.com/news/politics-government/congress/article152681429.html)spending.

It’s all a familiar script.

### --Thumper

#### if they win Trump cuts spending, they lose on a thumper – cuts to vocational training tank economic growth

**Dougherty 5-31-17** – [Shaun M. Dougherty](http://theconversation.com/profiles/shaun-m-dougherty-379789) Assistant Professor of Education & Public Policy, University of Connecticut “How Trump’s harsh education cuts undermine his economic growth goals” http://theconversation.com/how-trumps-harsh-education-cuts-undermine-his-economic-growth-goals-78297

The Trump administration has some ambitious goals that include [trillions in tax cuts](http://money.cnn.com/2017/04/27/news/economy/trump-tax-plan-debt/), a significant military buildup and a fresh investment in infrastructure.

The White House released details of how it plans to pay for it all in its [full budget request for fiscal year 2018](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf): by slashing spending on pretty much everything else, but also by boosting economic growth enough to [generate more than US$2 trillion in new revenue](https://www.nytimes.com/2017/05/22/us/politics/trump-budget-winners-losers.html?mcubz=0) over a decade.

What the president’s team is failing to consider is that many of its spending cuts, such as reduced investment in [welfare](http://www.jstor.org/stable/3132242?seq=1#page_scan_tab_contents) and education, will actually impede the administration’s ability to [achieve its target growth rate](http://www.npr.org/sections/thetwo-way/2017/05/23/529710769/trump-budget-plan-relies-on-optimistic-growth-assumptions-analysts-say) of 3 percent, up from about 2 percent today.

[My own research](http://massbudget.org/report_window.php?loc=Career-and-Technical-Education.html) focuses on how career and technical education (CTE) has implications for growth by promoting educational attainment, training and productivity. Trump’s proposed cuts to CTE offer an illustrative example of the economic consequences of reducing social spending.

Taking an ax to education

The administration’s [budget](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/edu.pdf) seeks to [slash spending](http://www.npr.org/sections/ed/2017/05/22/529534031/president-trumps-budget-proposal-calls-for-deep-cuts-to-education) on the Education Department by $9.2 billion, or 13.5 percent, which is the [biggest proposed cut](http://blogs.edweek.org/edweek/campaign-k-12/2017/05/trump_budget_would_slash_Education_Dept._Spending_Boost_School_Choice.html?cmp=eml-enl-eu-news2) since President Ronald Reagan unsuccessfully [tried to gut the agency](http://www.nytimes.com/1982/11/14/education/reagan-record-in-education-mixed-results.html?pagewanted=all) in the 1980s.

In K-12 education, the administration would like to eliminate at least four distinct programs – including Title II grants for teacher and principal training and programs designed to help lower-income students transition to college – and make significant reductions to many others. On the other hand, there’s a big investment in a few programs to support school choice and vouchers, an [articulated priority](https://theconversation.com/trump-budget-would-abandon-public-education-for-private-choice-78071) of Trump and Education Secretary Betsy DeVos.

The higher education budget faces severe cuts as well. Trump wants to [eliminate subsidized student loans](https://www.usnews.com/news/politics/articles/2017-05-22/budget-seeks-end-to-subsidized-student-loans-forgiveness) as well as a loan forgiveness program, and slash federal work study spending in half. These changes would [substantially undermine efforts](https://www.theatlantic.com/education/archive/2017/05/trumps-education-budget-takes-aim-at-the-working-class/527718/) to help lower-income Americans attain a college degree, which would be a [further drag](https://www.americanprogress.org/issues/education/news/2015/06/26/116019/the-relationship-between-student-debt-and-college-completion/) on economic and productivity growth.

Of particular concern to me, however, is the $168 million, or 15 percent, reduction in block grants to states, called Perkins funding, which are used to support career and technical education in high schools and community college. Given the administration’s preference for funding programs that promote economic growth, the cut to CTE – which disproportionately benefits Trump’s base of largely white working-class voters – is bewildering.

CTE, also known as vocational education, [exposes youth to practical, hands-on skills](https://www.acteonline.org/cte/#.WSxX2saZOV5) as a complement to academic coursework. Historically, CTE has included programs like auto mechanics and cosmetology but increasingly also includes high-growth industries such as information technology and health services.

By supporting these kinds of career paths, CTE tends to train students for positions that could support small business growth, and that fill demand in the high growth fields of health services, information technology and advanced manufacturing.

How CTE helps the economy

Though CTE is on Trump’s list of cuts, it is the area of education spending that my research suggests has the most potential to boost economic growth. These benefits would be realized through better-paying jobs and fewer dropouts, which also help achieve other positive economic and social outcomes.

[Career Academies](http://www.mdrc.org/project/career-academies-exploring-college-and-career-options-ecco#overview), which began about 35 years ago, are one such approach to providing CTE in high school by integrating career pathways into the school curriculum. They boast some of the best evidence on the effectiveness of CTE. A [2008 report on the program](http://www.mdrc.org/publication/career-academies-long-term-impacts-work-education-and-transitions-adulthood) suggests it can help students earn 11 percent more in wages compared with their peers.

[My own recent work](https://edexcellence.net/publications/career-and-technical-education-in-high-school-does-it-improve-student-outcomes) using data from Arkansas shows that students who took more CTE courses in high school were more likely to be employed and earn more money – about 3 percent to 5 percent – than their peers who took fewer. Furthermore, I also found these students were more likely to finish high school and go on to college, both of which improve job prospects.

[Evidence from Massachusetts shows](http://massbudget.org/report_window.php?loc=Career-and-Technical-Education.html) similar [educational benefits of CTE](http://edex.s3-us-west-2.amazonaws.com/publication/pdfs/%282016.04.07%29%20Career%20and%20Technical%20Education%20in%20High%20School.pdf). Specifically, I found that students enrolled in vocational programs were significantly more likely to graduate from high school and attain [industry-recognized certificates](https://learningnetwork.cisco.com/community/certifications) in specialized fields like IT.

Increasing high school graduation is critical; there is [ample evidence](https://www.jstor.org/stable/2138804?seq=1#page_scan_tab_contents) that higher levels of educational attainment result in higher wages and better long-term employment prospects.

[Studies show](http://www.sanjuan.edu/cms/lib8/CA01902727/Centricity/Domain/4026/Drop%20Out%20Articles%20Packet.pdf) that a high school graduate will earn 50 percent to 100 percent more in lifetime earnings than high school dropouts and will be less likely to draw on welfare or get tangled up in the criminal justice system. The graduate’s higher earnings also mean [she’ll pay more in taxes](http://cdrpsb.org/download.php?file=policybrief1.pdf).

Beyond improving individual outcomes, investment in education and training [fuels broader economic growth](http://press.uchicago.edu/ucp/books/book/chicago/H/bo3684031.html) by bolstering productivity. The decreased demand for social services and welfare also frees up more state and federal resources to be invested in other areas of the economy.

Ideology over sound policy

The Trump administration has claimed the high price tag of its tax cuts will pay for themselves through higher economic growth. A budget that aims to gut important social programs – which not only improve individual lives directly but also boost the economy – would make that a lot less achievable.

In the end, the Trump budget, it seems, is motivated more by ideology than sound, evidence-based policy. In education, the administration is clearly prioritizing school choice at the expense of bedrock areas like CTE that are known to promote achievement and a variety of economic benefits.

As a result, education development will suffer, as will the administration’s rosy economic growth projections.

## Link Biz

### Quick

#### Education spending boosts productivity in the short and long term

**Elmendorf 14** -- Douglas William Elmendorf is an American economist who is the Dean and Don K. Price Professor of Public Policy at Harvard Kennedy School “Effects on Economic Growth of Federal Investment and Reductions in Federal Deficits and Debt” https://www.cbo.gov/publication/45450

As I mentioned in Wednesday’s [blog post](https://www.cbo.gov/publication/45448), we think that some of our answers to follow-up questions from Congressional hearings may be of general interest, so we’re posting them.

Following a hearing on the budget and economic outlook, a Member of Congress asked whether federal investment or reductions in federal deficits and debt would be better for achieving economic growth. Below is our answer (provided as part of a [set of answers to questions for the record](https://www.cbo.gov/publication/45396)):

Both sound federal investment and reductions in federal deficits and debt can boost economic growth in the long term. Their relative effectiveness in achieving that goal would depend on the specifics of the federal investments or deficit-reducing policy changes that were adopted. In the short term, reducing federal deficits and debt would tend to lower economic growth, whereas increasing federal investment would tend to raise it.

Most federal investment for nondefense purposes contributes to the economy in the long term by improving the private sector’s ability to invent, produce, and distribute goods and services. In contrast, federal investment for defense purposes contributes to the production of weapon systems and other defense goods but does not typically contribute to future nondefense output because much of it is narrowly focused on defense; the exception is the small portion of defense investment that funds basic and applied research.

Federal nondefense investment, done wisely, can contribute to private-sector productivity in various ways. Without public highways, for example, the cost to the trucking industry of delivering goods would be much higher; without government research and development (R&D), the Internet and whole segments of the economy would not exist; if not for receiving a public education (funded in part by federal spending), many workers would earn lower wages. In the view of the Congressional Budget Office, the government has made higher productivity possible in all of those cases by making investments that the private sector would not have made on its own or would have made in smaller amounts than their broad public benefits would justify.

The result of that higher productivity is a larger economy in the long term, all else being equal. However, the magnitude of the increase in economic output that would result from an increase in federal investment is highly uncertain. Moreover, the factors that contribute to the uncertainty present important considerations for policymakers who face decisions about how—and how much—the federal government should invest.

### A2: Stimulus Bad

#### Stimulus spending for education is uniquely good – long-term boosts in productivity increase consumption and investment opportunities

**Olson and Sheiner 17** -- Peter Olson is a research analyst at the Brookings Institution's Hutchins Center on Fiscal & Monetary Policy, Louise Sheiner is a senior fellow in Economic Studies and policy director for the Hutchins Center on Fiscal and Monetary Policy “The Hutchins Center Explains: Fiscal stimulus and the Fed” https://www.brookings.edu/blog/up-front/2017/01/26/the-hutchins-center-explains-fiscal-stimulus-and-the-fed/

HOW ABOUT SPENDING ON PUBLIC INVESTMENT?

The Fed clearly would prefer that any fiscal expansion be aimed at increasing the long-run potential growth rate. John Williams, president of the Federal Reserve Bank of San Francisco, recently stated: “[Today I don’t think we need short-term fiscal stimulus](https://www.ft.com/content/059952aa-d542-11e6-944b-e7eb37a6aa8e). What we need is really better policies and investments in the long-term health of the economy.” Increased government spending on investment—bridge projects, scientific research, education—raises the level of future GDP, whereas spending on consumption does not. So as Williams suggests, even when fiscal stimulus doesn’t make sense for near-term support for the economy, increased spending on public investment might. ([For a Hutchins Center explainer on public investment, see here](https://www.brookings.edu/blog/up-front/2017/01/03/the-hutchins-center-explains-public-investment/).)

As Governor Lael Brainard said at the Hutchins Center recently:

Changes in fiscal policy that raise the level or growth rate of productivity or that induce greater labor force participation and higher levels of skill and education in the workforce raise the nation’s productive capacity and result in more sustainable increases in output and living standards. The higher productivity and workforce levels engendered by these policies would likely increase investment opportunities and raise expectations of future income growth, sustainably boosting the levels of investment and consumption and, as a result, the longer-run neutral rate. Such policies are more likely to be sustainable because the boost to GDP that they provide continues to accumulate over time, limiting increases in the debt-to-GDP ratio and preserving fiscal space. [Fiscal space is how much more debt a government can take on before it runs into trouble.]

Some economists, such as Douglas Elmendorf, dean of the Harvard Kennedy School of Government, and Louise Sheiner—one of the authors of this post—[have argued that now is a particularly good time for the government to undertake more investment](https://www.brookings.edu/research/persistently-low-interest-rates-argue-for-delayed-budget-belt-tightening-even-in-an-aging-america/) because interest rates are so low, which makes borrowing to finance that investment much cheaper.

### Studies (indict)

#### Funding for schools boosts economic performance – recent analyses disprove studies to the contrary

**Baxandall et al 16** -- Phineas Baxandall is a Senior Analyst at the Massachusetts Budget and Policy Center Colin Jones is a Senior Policy Analyst at the Massachusetts Budget and Policy Center, Kurt Wise, Staff member @ Massachusetts Budget and Policy Center. “Building a Strong Economy: The Roles of Education, Transportation, and Tax Policy” http://massbudget.org/report\_window.php?loc=Building-a-Strong-Economy-The-Roles-of-Education-Transportation-and-Tax-Policy.html

Effective economic policies can expand opportunity and improve the economic security of working families. When everyone in the workforce has access to the education and training needed to reach their full potential, the productivity of those workers and the overall economy improves. When a state has high-quality transportation infrastructure, the economy is also more productive because goods can more easily get to market, employees can get to work more quickly, consumers can more easily reach vendors, and less money is wasted by overdue repairs.

Improving the quality of the education our children receive and the transportation infrastructure our economy relies on requires up-front investments for long term pay-offs. Determining whether and how to raise revenue for these long term investments is a critical challenge for state policy makers. This paper analyses the evidence on the short and long term effects of investments in the education of our people and in improving our roads, bridges, and public transit systems. It also examines the effects of tax policies that could fund these investments. Currently in Massachusetts the highest-income households pay the smallest share of their income in state and local taxes. We examine the evidence on the likely economic effects of tax reforms that would bring the overall level of state and local taxation for very high-income households close to that of other residents.

INVESTING IN EDUCATION

One of the most important things we do together through state and local government is educate our kids. With strong schools in every community, we can provide all kids the education necessary to be successful in their lives and careers, and to be actively engaged in civic life.

The immediate gains of education benefit the kids themselves: learning key academic concepts, developing social skills, building self-confidence, and establishing positive relationships with peers and mentors. These individual benefits accumulate over the long-term to serve as a core foundation for strengthening our state economy. In general, states with better educated workforces have stronger economies with higher living standards.

The Connection Between School Funding and Achievement

In order to improve the education of all kids, but especially those in high-poverty districts, Massachusetts in the early 1990s overhauled the state role in funding local schools. The Education Reform Act of 1993 increased state aid for local school districts and created a new funding formula for distributing this aid more equitably (for detailed background, see [Demystifying the Chapter 70 Formula](http://www.massbudget.org/report_window.php?loc=Facts_10_22_10.html)).

After these funding reforms were phased-in starting in 1993, Massachusetts schools reached the highest level of performance in the U.S. and became increasingly competitive internationally.  For example, the Commonwealth ranked at or near the top on the most recent National Assessment of Education Progress (NAEP) in math and reading, and these results also held for Massachusetts low-income and African-American students relative to peers in other states.  Compared to advanced industrial nations, Massachusetts ranks 6th in literacy, 9th in science, and 15th in math.

Despite this positive trend in Massachusetts schools, some economic research has raised doubts about the effectiveness of increased school funding. Several studies in past decades argued that there is no clear link between school funding in general and better results.

More recent and advanced analyses, in contrast, have documented that additional school spending from specific reforms across the country did improve academic performance, reduce poverty rates, and increase the income earned by students as adults.  Economists from the National Bureau of Economic Research showed that spending increases of 20 percent over the course of the K-12 education of low-income students increases high school graduation rates by 23 percentage points, increases annual earnings by 25 percent, and similarly reduces poverty by 20 percentage points.  These results are large enough to close between two-thirds and all of the achievement gap on these measures between low-income kids and those with higher income.  This analysis also found that some of the prior research doubting the link between funding and performance may have been designed in ways that produced inaccurate results.  This critique of prior studies confirms the conclusions of more updated school finance research. These reviews have explained that earlier studies on this question used flawed methods, making them unreliable for capturing the relationship between funding and positive outcomes.

### Wages

#### Better schools boosts skills, wages, and productivity – contributes massive growth potential to the US economy

**Baxandall et al 16** -- Phineas Baxandall is a Senior Analyst at the Massachusetts Budget and Policy Center Colin Jones is a Senior Policy Analyst at the Massachusetts Budget and Policy Center, Kurt Wise, Staff member @ Massachusetts Budget and Policy Center. “Building a Strong Economy: The Roles of Education, Transportation, and Tax Policy” http://massbudget.org/report\_window.php?loc=Building-a-Strong-Economy-The-Roles-of-Education-Transportation-and-Tax-Policy.html

Better Education Can Build a Stronger Economic Future

The economic benefits of education to society at large are driven largely by the impact of education on the skills and productivity of workers. Many researchers have established the connection between the knowledge, skills, and work habits gained by students in school and economic growth.  One specific estimate suggests that an increase of 100 points on the international PISA literacy, math, and science tests (which would be a roughly 20 percent increase in recent U.S scores) provides close to 2 percent greater annual growth to a national economy.  This data can be used to project the potential economic impact of raising academic achievement.

The Washington Center for Equitable Growth recently provided detailed estimates of the economic benefit of raising academic achievement in the United States. The 2012 PISA test showed that the United States ranked 24th out of 34 advanced industrial countries in math and science.  However, if the performance of U.S lower- and middle-income students were raised to the level of upper-income students, the United States would be the third highest performing country, slightly behind South Korea and Japan.

Completely closing all achievement gaps based on income is a very ambitious target, especially for the short-term. Under a more modest scenario where achievement gaps were closed by 30 percent, the U.S could expect additional economic growth of $956 billion per-year through the year 2075.

There is also clear evidence that the level of education of a state workforce plays a major role in determining the strength of the state economy. States with well-educated workforces consistently have strong, high-wage economies, while states with poorly educated workers rarely have high-wage economies.

Examining education and wage data across the country, a recent study found:

In the 22 states with the least-educated workforces (30 percent or less with a bachelor’s degree or more education), median wages hover around $15 an hour, the only exceptions being Alaska and Wyoming. In the three states where more than 40 percent of the population has a bachelor’s or more education, median wages are $19 to $20 an hour, nearly a third higher. For a full-time, full-year worker, a median wage of $15 versus $20 an hour means the difference between making $30,000 a year and making $40,000 a year. For a household with one person working full time and one person working half time, it is the difference between making $45,000 a year and making $60,000 a year.

## Impact D

### Global Econ

#### US not key to the global economy – synchronized growth provides resiliency

**Argitis and Robinson 5/19/17** -- Theophilos Argitis and Blaise Robinson “Global Expansion Is in Sync, Even If Everything Else Is in Chaos” https://www.bloomberg.com/news/articles/2017-05-19/the-global-economic-expansion-has-rarely-been-this-synchronized

Synchronized Growth

A synchronized expansion means the global economy doesn’t need to rely as much on the U.S. for growth. That limits the emergence of imbalances that could destabilize global growth, such as an abrupt change in the U.S. dollar that leaves emerging markets vulnerable.

And global economies have rarely been so in sync.

The variation of growth rates this year Group of 20 economies will be the lowest since at least 1980, according to Bloomberg calculations and IMF data. In fact, no G-20 economy is expected to post a decline in output this year, which would be the first time since 2010.

Growth rate differences are diminishing even as the global expansion accelerates, with G-20 growth forecast to average 2.4 percent in 2017, from 1.8 percent last year.

It’s the same trend -- more synchronization at a faster rate -- for inflation rates as well.

That’s led chief executives to strike an optimistic tone.

“We’re encouraged by signs of momentum in the global economy,” said Gregory Hayes, chief executive of United Technologies Corp., which builds everything from aircraft engines to elevators, on an April 26 earnings call. “We’ve seen really good strength here in the U.S. We’ve seen recovery in Europe. Even in China, we saw good economic growth in the first quarter.”

### Competitiveness

#### US decline is inevitable – competitiveness is largely irrelevant

**Bew 17** -- John Bew is a New Statesman contributing writer. His most recent book, [Realpolitik: A History](http://www.amazon.co.uk/gp/product/0199331936/ref%3Das_li_tl?ie=UTF8&camp=1634&creative=19450&creativeASIN=0199331936&linkCode=as2&tag=newstatesmanc-21), is published by Oxford University Press. “The eclipse of the West What has driven the new age of isolation - and the return of great power politics?” http://www.newstatesman.com/world/2017/01/eclipse-west

Those who speak of the imminent decline of the West often view it through the lens of the growing power of Asia, or in terms of the US’s declining competitiveness against new superpowers such as China and India. Yet the more immediate challenge is its internal fragmentation in the face of these pressures.

For Brexit Britain, access to new markets and centres of innovation in Asia is highly prized. Part of the rationale behind Brexit is that the EU lacks the requisite dynamism to wrap up quick deals. Even outside the EU, however, it is not so easy to escape entangling commitments. Under David Cameron, Britain was prepared to risk the wrath of  the US in signing up to the China-led Asian Infrastructure Investment Bank. Given the importance of agreeing to a trade deal with the US, Theresa May’s government will now have to think twice before attempting such a trick.

Such realpolitik calculations give our foreign policy a 19th-century feel. On the one hand, this may be a natural turning of the historical wheel. On the other hand, since the end of the Cold War, the West has lost a narrative about itself and a vision of how the world is supposed to work. This, in part, is an intellectual problem. The post-1945 international system was built on certain assumptions that reflected the views of the Allies who triumphed in the Second World War. Chief among these was a version of historical development that held that economic and social progress would create the foundations for peace.

Many of these assumptions have been challenged in Western states by populations which reject the world-view that they imply. And they are fraying under the pressure of what the writer Pankaj Mishra, borrowing from Friedrich Nietzsche, calls the politics of ressentiment. Until a successor vision emerges for the management of global affairs, one that has a broad domestic consensus behind it, it will be our fate to deal with the moving parts – the changing alliances, porous borders and emerging threats – as they collide and splinter.

Much has been said about the internal crises draining the legitimacy of the Western elites, the ripping up of consensus and the quasi-revolutionary mood that is sweeping across nations. And yet, to an extent that has not been fully grasped, the crisis of the West has been tied to repeated failures in foreign policy.

Since the start of this century, the limits of Western power have been illustrated time and again – nowhere more so than in the Middle East. Compounding this, there has been a loss of appetite for lengthy and complicated foreign entanglements – in diplomacy as much as in war – and of the patience needed to see them through.

The Western way of war has become discredited in Afghanistan, Iraq and Libya. The fashion for counterinsurgency that characterised the past two decades partly grew out of a desire to evolve towards a more sophisticated, humane and more politically palatable use of force. In extremis, there was talk of campaigns being won – such as when British troops were sent to Helmand Province, Afghanistan, in 2006 to wrest control from the Taliban – without a shot being fired. Even in the rare cases of success, such as the US-led “surge” in Iraq, the political and financial costs of such lengthy campaigns are unsustainable. Not before time, rusty old concepts such as “deterrence” are being given a hearing again.

Blessed with decades of relative security, we have lost the custom of thinking strategically. Having enjoyed a preponderance of force and wealth, we have failed to grasp the changing nature of power in international affairs. Since 1989, from a position of strength, the West has evangelised about its capacity for “soft power”, even attempting to quantify it as some sort of saleable commodity. Russia – a country with scandalously low life expectancy, haemorrhaging population levels and a sclerotic economy – has made a mockery of this. Moscow has not only deployed conventional “hard” power in Syria and Ukraine, but crafted its own version of “soft”, or cultural, influence using instruments such as the media groups Sputnik and RT (formerly Russia Today).

Underpinning all of this is a loss of confidence in the merits of “Western civilisation” that would have seemed odd to our forebears in 1945. It is too easily forgotten that the vision of liberal internationalism was Western in inception, and it was based on a belief in the legitimacy and superiority of the Western way of government. Although imperfections were admitted, the organising philosophy was to apply these goods – such as the rule of law and the principle of self-determination – on an international scale.

### Econ – No Impact

#### No impact – governance is resilient

Drezner 12 – Daniel is a professor in the Fletcher School of Law and Diplomacy at Tufts. (“The Irony of Global Economic Governance: The System Worked”, October 2012, http://www.globaleconomicgovernance.org/wp-content/uploads/IR-Colloquium-MT12-Week-5\_The-Irony-of-Global-Economic-Governance.pdf)

It is equally possible, however, that a renewed crisis would trigger a renewed surge in policy coordination. As John Ikenberry has observed, “the complex interdependence that is unleashed in an open and loosely rule-based order generates some expanding realms of exchange and investment that result in a growing array of firms, interest groups and other sorts of political stakeholders who seek to preserve the stability and openness of the system.”103 The post-2008 economic order has remained open, entrenching these interests even more across the globe. Despite uncertain times, the open economic system that has been in operation since 1945 does not appear to be closing anytime soon.

### Quick

#### Countries turn inward – no fighting

Lloyd **deMause** **2002**, director of The Institute for Psychohistory, “Nuclear War as an Anti-Sexual Group Fantasy” Updated December 18th 02, http://www.geocities.com/kidhistory/ja/nucsex.htm

The nation "turns inward" during this depressed phase of the cycle. Empirical studies have clearly demonstrated that major economic downswings are accompanied by "introverted" foreign policy moods, characterized by fewer armed expeditions, less interest in foreign affairs in the speeches of leaders, reduced military expenditures, etc. (Klingberg, 1952; Holmes, 1985). Just as depressed people experience little conscious rage--feeling "I deserve to be killed" rather than "I want to kill others" (Fenichel, 1945, p. 393)--interest in military adventures during the depressed phase wanes, arms expeditures decrease and peace treaties multiply.

### Empirics

#### The impact is empirically denied

**Naim 10** January/February 2010, \*Moisés Naím is editor in chief of Foreign Policy, “It Didn't Happen,” http://www.foreignpolicy.com/articles/2010/01/04/it\_didnt\_happen?page=full, AJ

Just a few months ago, the consensus among influential thinkers was that the economic crisis would unleash a wave of geopolitical plagues. Xenophobic outbursts, civil wars, collapsing currencies, protectionism, international conflicts, and street riots were only some of the dire consequences expected by the experts. It didn't happen. Although the crash did cause severe economic damage and widespread human suffering, and though the world did change in important ways for the worse -the International Monetary Fund, for example, estimates that the global economy's new and permanent trajectory is a 10 percent lower rate of GDP growth than before the crisis -the scary predictions for the most part failed to materialize. Sadly, the same experts who failed to foresee the economic crisis were also blindsided by the speed of the recovery. More than a year into the crisis, we now know just how off they were. From telling us about the imminent collapse of the international financial system to prophecies of a 10-year recession, here are six of the most common predictions about the crisis that have been proven wrong: The international financial system will collapse. It didn't. As Lehman Brothers, Bear Stearns, and Fannie Mae and Freddie Mac crashed, as Citigroup and many other pillars of the financial system teetered on the brink, and as stock markets everywhere entered into free fall, the wise men predicted a total system meltdown. The economy has "fallen off a cliff," warned investment guru Warren Buffett. Fellow financial wizard George Soros agreed, noting the world economy was on "life support," calling the turbulence more severe than during the Great Depression, and comparing the situation to the demise of the Soviet Union. The natural corollary of such doomsday scenarios was the possibility that depositors would lose access to the funds in their bank accounts. From there to visions of martial law imposed to control street protests and the looting of bank offices was just an easy step for thousands of Internet-fueled conspiracy theorists. Even today, the financial system is still frail, banks are still failing, credit is scarce, and risks abound. But the financial system is working, and the perception that it is too unsafe to use or that it can suddenly crash out of existence has largely dissipated. The economic crisis will last for at least two years and maybe even a decade. It didn't. By fall of 2009, the economies of the United States, Europe, and Japan had begun to grow again, and many of the largest developing economies, such as China, India, and Brazil, were growing at an even faster pace. This was surely a far cry from the doom-laden -and widely echoed -prophecies of economist Nouriel Roubini. In late 2008 he warned that radical governmental actions at best would prevent "what will now be an ugly and nasty two-year recession and financial crisis from turning into a systemic meltdown and a decade-long economic depression." Roubini was far from the only pessimist. "The danger," warned Harvard University's Kenneth Rogoff, another distinguished economist, in the fall of 2008, "is that instead of having a few bad years, we'll have another lost decade." It turned out that radical policy reactions were far more effective than anyone had expected in shortening the life of the recession. The U.S. dollar will crash. It didn't. Instead, the American currency's value increased 20 percent between July 2008 and March 2009, at the height of the crisis. At first, investors from around the world sought refuge in the U.S. dollar. Then, as the U.S. government bailed out troubled companies and stimulated the economy with aggressive public spending, the U.S. fiscal deficit skyrocketed and anxieties about a dollar devaluation mounted. By the second half of 2009, the U.S. currency had lost value. But devaluation has not turned out to be the catastrophic crash predicted by the pessimists. Rather, as Financial Times columnist Martin Wolf noted, "The dollar's correction is not just natural; it is helpful. It will lower the risk of deflation in the U.S. and facilitate the correction of the global 'imbalances' that helped cause the crisis." Protectionism will surge. It didn't. Trade flows did drop dramatically in late 2008 and early 2009, but they started to grow again in the second half of 2009 as economies recovered. Pascal Lamy, director-general of the World Trade Organization, had warned that the global financial crisis was bound to lead to surges in protectionism as governments sought to blame foreigners for their problems. "That is exactly what happened in the 1930s when [protectionism] was the virus that spread the crisis all over the place," he said in October 2008, echoing a widely held sentiment among trade experts. And it is true that many governments dabbled in protectionism, including not only the U.S. Congress's much-derided "Buy American" provision, but also measures such as increased tariffs or import restrictions imposed in 17 of the G-20 countries. Yet one year later, a report from the European Union concluded that "a widespread and systemic escalation of protectionism has been prevented." The protectionist temptation is always there, and a meaningful increase in trade barriers cannot be ruled out. But it has not happened yet. The crisis in rich countries will drag down developing ones. It didn't. As the economies of America and Europe screeched to a halt during the nightmarish first quarter of 2009, China's economy accelerated, part of a broader trend in which emerging markets fared better through the crisis than the world's most advanced economies. As the rich countries entered a deep recession and the woes of the U.S. financial market affected banking systems everywhere, the idea that emerging economies could "decouple" from the advanced ones was widely mocked. But decouple the y did. Some emerging economies relied on their domestic markets, others on exports to other growing countries (China, for example, displaced the United States last year as Brazil's top export market). Still others had ample foreign reserves, low exposure to toxic financial assets, or, like Chile, had taken measures in anticipation of an eventual global slowdown. Not all developing countries managed to escape the worst of the crisis -and many, such as Mexico and Iran, were deeply hurt -but many others managed to avoid the fate of the advanced economies. Violent political turmoil will become more common. It didn't. Electorates did punish governments for the economic hard times. But this was mostly in Europe and mostly peaceful and democratic. "There will be blood," prophesied Harvard historian Niall Ferguson last spring. "A crisis of this magnitude is bound to increase political [conflict] ... It is bound to destabilize some countries. It will cause civil wars to break out that have been dormant. It will topple governments that were moderate and bring in governments that are extreme. These things are pretty predictable." No, it turns out: They aren't.

http://massbudget.org/report\_window.php?loc=Building-a-Strong-Economy-The-Roles-of-Education-Transportation-and-Tax-Policy.html

### A2: Stats

#### Alternative Variables cause war – they mix correlation with causation

**Bazzi and Blattman, 11** (Samuel Bazzi (Department of Economics at University of California San Diego) and Christopher Blattman (assistant professor of political science and economics at Yale University) November 2011 “Economic Shocks and Conflict: The (Absence of?) Evidence from Commodity Prices” <http://www.chrisblattman.com/documents/research/2011.EconomicShocksAndConflict.pdf?9d7bd4>)

VI. Discussion and conclusions A. Implications for our theories of political instability and conflict The state is not a prize?—Warlord politics and the state prize logic lie at the center of the most influential models of conflict, state development, and political transitions in economics and political science. Yet we see no evidence for this idea in economic shocks, even when looking at the friendliest cases: fragile and unconstrained states dominated by extractive commodity revenues. Indeed, we see the opposite correlation: if anything, higher rents from commodity prices weakly 22 lower the risk and length of conflict. Perhaps shocks are the wrong test. Stocks of resources could matter more than price shocks (especially if shocks are transitory). But combined with emerging evidence that war onset is no more likely even with rapid increases in known oil reserves (Humphreys 2005; Cotet and Tsui 2010) we regard the state prize logic of war with skepticism.17 Our main political economy models may need a new engine. Naturally, an absence of evidence cannot be taken for evidence of absence. Many of our conflict onset and ending results include sizeable positive and negative effects.18 Even so, commodity price shocks are highly influential in income and should provide a rich source of identifiable variation in instability. It is difficult to find a better-measured, more abundant, and plausibly exogenous independent variable than price volatility. Moreover, other time-varying variables, like rainfall and foreign aid, exhibit robust correlations with conflict in spite of suffering similar empirical drawbacks and generally smaller sample sizes (Miguel et al. 2004; Nielsen et al. 2011). Thus we take the absence of evidence seriously. Do resource revenues drive state capacity?—State prize models assume that rising revenues raise the value of the capturing the state, but have ignored or downplayed the effect of revenues on self-defense. We saw that a growing empirical political science literature takes just such a revenue-centered approach, illustrating that resource boom times permit both payoffs and repression, and that stocks of lootable or extractive resources can bring political order and stability. This countervailing effect is most likely with transitory shocks, as current revenues are affected while long term value is not. Our findings are partly consistent with this state capacity effect. For example, conflict intensity is most sensitive to changes in the extractive commodities rather than the annual agricultural crops that affect household incomes more directly. The relationship only holds for conflict intensity, however, and is somewhat fragile. We do not see a large, consistent or robust decline in conflict or coup risk when prices fall. A reasonable interpretation is that the state prize and state capacity effects are either small or tend to cancel one another out. Opportunity cost: Victory by default?—Finally, the inverse relationship between prices and war intensity is consistent with opportunity cost accounts, but not exclusively so. As we noted above, the relationship between intensity and extractive commodity prices is more consistent with the state capacity view. Moreover, we shouldn’t mistake an inverse relation between individual aggression and incomes as evidence for the opportunity cost mechanism. The same correlation is consistent with psychological theories of stress and aggression (Berkowitz 1993) and sociological and political theories of relative deprivation and anomie (Merton 1938; Gurr 1971). Microempirical work will be needed to distinguish between these mechanisms. Other reasons for a null result.—Ultimately, however, the fact that commodity price shocks have no discernible effect on new conflict onsets, but some effect on ongoing conflict, suggests that political stability might be less sensitive to income or temporary shocks than generally believed. One possibility is that successfully mounting an insurgency is no easy task. It comes with considerable risk, costs, and coordination challenges. Another possibility is that the counterfactual is still conflict onset. In poor and fragile nations, income shocks of one type or another are ubiquitous. If a nation is so fragile that a change in prices could lead to war, then other shocks may trigger war even in the absence of a price shock. The same argument has been made in debunking the myth that price shocks led to fiscal collapse and low growth in developing nations in the 1980s.19 B. A general problem of publication bias? More generally, these findings should heighten our concern with publication bias in the conflict literature. Our results run against a number of published results on commodity shocks and conflict, mainly because of select samples, misspecification, and sensitivity to model assumptions, and, most importantly, alternative measures of instability. Across the social and hard sciences, there is a concern that the majority of published research findings are false (e.g. Gerber et al. 2001). Ioannidis (2005) demonstrates that a published finding is less likely to be true when there is a greater number and lesser pre-selection of tested relationships; there is greater flexibility in designs, definitions, outcomes, and models; and when more teams are involved in the chase of statistical significance. The cross-national study of conflict is an extreme case of all these. Most worryingly, almost no paper looks at alternative dependent variables or publishes systematic robustness checks. Hegre and Sambanis (2006) have shown that the majority of published conflict results are fragile, though they focus on timeinvariant regressors and not the time-varying shocks that have grown in popularity. We are also concerned there is a “file drawer problem” (Rosenthal 1979). Consider this decision rule: scholars that discover robust results that fit a theoretical intuition pursue the results; but if results are not robust the scholar (or referees) worry about problems with the data or empirical strategy, and identify additional work to be done. If further analysis produces a robust result, it is published. If not, back to the file drawer. In the aggregate, the consequences are dire: a lower threshold of evidence for initially significant results than ambiguous ones.20

### A2: Diversionary War

#### You’re wrong about diversionary War

Drezner 12 – Daniel is a professor in the Fletcher School of Law and Diplomacy at Tufts. (“The Irony of Global Economic Governance: The System Worked”, October 2012, http://www.globaleconomicgovernance.org/wp-content/uploads/IR-Colloquium-MT12-Week-5\_The-Irony-of-Global-Economic-Governance.pdf)

The final outcome addresses a dog that hasn’t barked: the effect of the Great Recession on cross-border conflict and violence. During the initial stages of the crisis, multiple analysts asserted that the financial crisis would lead states to increase their use of force as a tool for staying in power.37 Whether through greater internal repression, diversionary wars, arms races, or a ratcheting up of great power conflict, there were genuine concerns that the global economic downturn would lead to an increase in conflict. Violence in the Middle East, border disputes in the South China Sea, and even the disruptions of the Occupy movement fuel impressions of surge in global public disorder.

The aggregate data suggests otherwise, however. The Institute for Economics and Peace has constructed a “Global Peace Index” annually since 2007. A key conclusion they draw from the 2012 report is that “The average level of peacefulness in 2012 is approximately the same as it was in 2007.”38 Interstate violence in particular has declined since the start of the financial crisis – as have military expenditures in most sampled countries. Other studies confirm that the Great Recession has not triggered any increase in violent conflict; the secular decline in violence that started with the end of the Cold War has not been reversed.39 Rogers Brubaker concludes, “the crisis has not to date generated the surge in protectionist nationalism or ethnic exclusion that might have been expected.”40

None of these data suggest that the global economy is operating swimmingly. Growth remains unbalanced and fragile, and has clearly slowed in 2012. Transnational capital flows remain depressed compared to pre-crisis levels, primarily due to a drying up of cross-border interbank lending in Europe. Currency volatility remains an ongoing concern. Compared to the aftermath of other postwar recessions, growth in output, investment, and employment in the developed world have all lagged behind. But the Great Recession is not like other postwar recessions in either scope or kind; expecting a standard “V”-shaped recovery was unreasonable. One financial analyst characterized the post-2008 global economy as in a state of “contained depression.”41 The key word is “contained,” however. Given the severity, reach and depth of the 2008 financial crisis, the proper comparison is with Great Depression. And by that standard, the outcome variables look impressive. As Carmen Reinhart and Kenneth Rogoff concluded in This Time is Different: “that its macroeconomic outcome has been only the most severe global recession since World War II – and not even worse – must be regarded as fortunate.”42

### A2: trade wars

#### No risk of trade wars

Alden ‘12 (Edward, Bernard L. Schwartz senior fellow at the Council on Foreign Relations (CFR), specializing in U.S. economic competitiveness “What Exactly Is a “Trade War”? Time to Abolish a Silly Notion,” <http://blogs.cfr.org/renewing-america/2012/10/23/what-exactly-is-a-trade-war-time-to-abolish-a-silly-notion/>, October 23, 2012)

I have a suggestion for everyone who writes about international trade: it is time to bury, once and for all, the concept of a “trade war.” The phrase is so ubiquitous that it will be awfully hard to abolish; I have probably been guilty myself from time to time. Indeed, it is almost a reflex that every time the United States or some other nation takes any action that restricts imports in any fashion, reporters and editorial writers jump to their keyboards to warn that a trade war is looming. But it is a canard that makes it far harder to have a sensible discussion about U.S. trade policy. No sooner had President Obama and Mitt Romney finished their latest round of “who’s tougher on trade with China?” in their final debate Monday night than the New York Times – to take one of many possible examples – warned that “formally citing Beijing as a currency manipulator may backfire, economic and foreign-policy experts have said. In the worst case, it could set off a trade war, leading to falling American exports to China and more expensive Chinese imports.” But what exactly is a “trade war”? To take the U.S.-China example, the notion seems to be that, if the United States restricts Chinese imports, China will respond by restricting imports of U.S. goods, in turn leading to further U.S. restrictions and so on and so on until trade between the two countries plummets. The closest historical example is the reaction to the infamous Smoot-Hawley tariff act of 1930, which raised the average U.S. tariff on imports to historically high levels. As trade historian Douglas Irwin of Dartmouth has show persuasively, Smoot-Hawley did not cause the Great Depression, and probably did not even exacerbate it very much since trade was a tiny part of the U.S. economy. But Smoot-Hawley did result in Great Britain, Canada and other U.S. trading partners raising their own tariffs in response. Irwin suggests that the higher tariffs were probably responsible for about a third of the 40 percent drop in imports between 1929 and 1932, and perhaps a slightly higher percentage of export losses. And the new trade barriers put in place took many decades to dismantle. With imports and exports today comprising roughly a third of the U.S. economy, and the few remaining tariffs mostly in the single digits, the consequences of similar tit-for-tat tariff increases today would be far more severe. But what are the chances of such a “trade war” actually occurring? Pretty close to zero, for two big reasons. First, in 1930, there was no World Trade Organization, no North American Free Trade Agreement, no European Community/Union – in short, no rules to prevent countries from jacking up tariffs or imposing quotas whenever governments felt domestic political pressure to do so. Today, such unilateral action is largely forbidden. Indeed, the tit-for-tat measures we have seen in the U.S.-China trade relationship have all been taken within the framework of WTO rules. When the Obama administration curbed purchases of Chinese steel in 2009 under the “Buy America” provisions of the stimulus, for example, China responded with an “anti-dumping” case which led to tariffs on imports of U.S. steel. But the United States challenged that action in the WTO, and just last week the WTO ordered China to lift the duties. No trade war – instead the phrase “see you in court” comes to mind. Secondly, almost every nation in the world seems fully aware of the dangers of aggressive protectionism. One of the striking things about the Great Recession– which resulted in global trade volumes plunging by more than 12 percent in 2009, the biggest drop since World War II – is how little of the protectionism that is permitted under WTO rules actually occurred. Chad Bown of the World Bank has documented the surprising low level of new trade barriers imposed during the recession and its aftermath. The danger of competitive currency devaluations – which are not clearly covered under WTO rules – is a greater threat than tariffs. This is one of the reasons that Romney’s pledge to label China a currency manipulator could be playing with fire, particularly after more than seven years in which the value of the renminbi has been creeping up steadily against the dollar. And his suggestion that the United States would impose tariffs in response is just silly – it would be a blatant violation of WTO rules and would quickly be slapped down as such. Again, however, no trade war – just an unfavorable WTO decision with which a Romney administration would quickly comply.

### A2: Heg

#### No impact to heg --- empirics

Fettweis 11—Professor of Poli Sci @ Tulane University [Christopher J. Fettweis, “The Superpower as Superhero: Hubris in U.S. Foreign Policy,” Paper prepared for presentation at the 2011 meeting of the American Political Science Association, September 1-4, Seattle, WA, September 2011, pg. http://ssrn.com/abstract=1902154]

The final and in some ways most important pathological belief generated by hubris places the United States at the center of the current era of relative peace. “All that stands between civility and genocide, order and mayhem,” explain Kaplan and Kristol, “is American power.”68 This belief is a variant of what is known as the “hegemonic stability theory,” which proposes that international peace is only possible when there is one country strong enough to make and enforce a set of rules.69 Although it was first developed to describe economic behavior, the theory has been applied more broadly, to explain the current proliferation of peace. At the height of Pax Romana between roughly 27 BC and 180 AD, for example, Rome was able to bring an unprecedented level of peace and security to the Mediterranean. The Pax Britannica of the nineteenth century brought a level of stability to the high seas. Perhaps the current era is peaceful because the United States has established a de facto Pax Americana in which no power is strong enough to challenge its dominance, and because it has established a set of rules that are generally in the interests of all countries to follow. Without a benevolent hegemon, some strategists fear, instability may break out around the globe.70 Unchecked conflicts could bring humanitarian disaster and, in today’s interconnected world, economic turmoil that could ripple throughout global financial markets. There are good theoretical and empirical reasons, however, to doubt that U.S hegemony is the primary cause of the current stability.

First, the hegemonic-stability argument shows the classic symptom of hubris: It overestimates the capability of the United States, in this case to maintain global stability. No state, no matter how strong, can impose peace on determined belligerents. **The U.S. military** may be the most imposing in the history of the world, but it can only police the system if the other members generally cooperate. Self-policing must occur, in other words; if other states had not decided on their own that their interests are best served by peace, then no amount of international constabulary work by the United States could keep them from fighting. The five percent of the world’s population that lives in the United States simply cannot force peace upon an unwilling ninety-five percent. Stability and unipolarity may be simply coincidental.

In order for U.S. hegemony to be the explanation for global stability, the rest of the world would have to expect reward for good behavior and fear punishment for bad. Since the end of the Cold War, the United States has not been especially eager to enforce any particular rules. Even rather incontrovertible evidence of genocide has not been enough to inspire action. Hegemonic stability can only take credit for influencing those decisions that would have ended in war without the presence, whether physical or psychological, of the United States. Since most of the world today is free to fight without U.S. involvement, something else must be preventing them from doing so.71 Stability exists in many places where no hegemony is present. Ethiopia and Eritrea are hardly the only states that could go to war without the slightest threat of U.S. intervention, yet few choose to do so.

Second, it is worthwhile to repeat one of the most basic observations about misperception in international politics, one that is magnified by hubris: Rarely are our actions as consequential upon their behavior as we believe them to be. The ego-centric bias suggests that while it may be natural for U.S. policymakers to interpret their role as crucial in the maintenance of world peace, they are almost certainly overestimating their own importance. At the very least, the United States is probably not as central to the myriad decisions in foreign capitals that help maintain international stability as it thinks it is.

Third, if U.S. security guarantees were the primary cause of the restraint shown by the other great and potentially great powers, then those countries would be demonstrating an amount of **trust** in the intentions, judgment and wisdom of another that would be **without precedent in** international **history**. If the states of Europe and the Pacific Rim detected a good deal of danger in the system, relying entirely on the generosity and sagacity (or, perhaps the naiveté and gullibility) of Washington would be the height of strategic irresponsibility. Indeed it is hard to think of a similar choice: When have any capable members of an alliance virtually disarmed and allowed another member to protect their interests? It seems more logical to suggest that the other members of NATO and Japan just do not share the same perception of threat that the United States does. If there was danger out there, as so many in the U.S. national security community insist, then the grand strategies of the allies would be quite different. Even during the Cold War, U.S. allies were not always convinced that they could rely on U.S. security commitments. Extended deterrence was never entirely comforting; few Europeans could be sure that United States would indeed sacrifice New York for Hamburg. In the absence of the unifying Soviet threat, their trust in U.S. commitments for their defense would presumably be lower—if in fact that commitment was at all necessary outside of the most pessimistic works of fiction.

Furthermore, in order for hegemonic stability logic to be an adequate explanation for restrained behavior, allied states must not only be fully convinced of the intentions and capability of the hegemon to protect their interests; they must also trust that the hegemon can interpret those interests correctly and consistently. As discussed above, the allies do not feel that the United States consistently demonstrates the highest level of strategic wisdom. In fact, they often seem to look with confused eyes upon our behavior, and are unable to explain why we so often find it necessary to go abroad in search of monsters to destroy. They will participate at times in our adventures, but minimally and reluctantly.

Finally, while believers in hegemonic stability as the primary explanation for the long peace have articulated a logic that some find compelling, they are rarely able to cite much evidence to support their claims. In fact, the limited empirical data we have suggests that there is little connection between the relative level of U.S. activism and international stability. During the 1990s, the United States cut back on defense fairly substantially, spending $100 billion less in real terms in 1998 that it did in 1990, which was a twenty-five percent reduction.72 To defense hawks and other believers in hegemonic stability, this irresponsible “peace dividend” endangered both national and global security. “No serious analyst of American military capabilities doubts that the defense budget has been cut much too far to meet America’s responsibilities to itself and to world peace,” argued Kristol and Kagan.”73 If global stability were unrelated to U.S. hegemony, however, one would not have expected an increase in conflict and violence.

The verdict from the last two decades is fairly plain: The world grew more peaceful while the United States cut its forces. 74 No state believed that its security was endangered by a less-capable U.S. military, or at least none took any action that would suggest such a belief. **No defense establishments were enhanced** to address power vacuums; **no security dilemmas drove insecurity or arms races; no regional balancing occurred** after the stabilizing presence of the U.S. military was diminished. The rest of the world acted as if the threat of international war was not a pressing concern, despite the reduction in U.S. capabilities. The incidence and magnitude of global conflict declined while the United States cut its military spending under President Clinton, and kept declining as the Bush Administration ramped that spending back up. The two phenomena are unrelated.

These figures will not be enough to convince skeptics. Military spending figures by themselves are insufficient to disprove a connection between overall U.S. actions and international stability, and one could also presumably argue that spending is not the only or even the best indication of hegemony, that it is instead U.S. foreign political and security commitments that maintain stability. Since neither was significantly altered during this period, instability should not be expected. Alternately, advocates of hegemonic stability could believe that relative rather than absolute spending is decisive in bringing peace. Although the United States cut back on its spending during the 1990s, its relative advantage never wavered.

However, two points deserve to be made. First, even if it were true that either U.S. commitments or relative spending account for global pacific trends, it would remain the case that stability can be maintained at drastically lower levels. In other words, even if one can be allowed to argue in the alternative for a moment and suppose that there is in fact a level of engagement below which the United States cannot drop without increasing international disorder, a rational grand strategist would still cut back on engagement and spending until that level is determined. Basic logic suggests that the United States ought to spend the minimum amount of its blood and treasure while seeking the maximum return on its investment. And if, as many suspect, this era of global peace proves to be inherently stable because normative evolution is typically unidirectional, then no increase in conflict would ever occur, irrespective of U.S. spending.75 Abandoning the mission to stabilize the world would save untold trillions for an increasingly debt-ridden nation.

Second, it is also worth noting that if opposite trends had unfolded, if other states had reacted to news of cuts in U.S. defense spending with more aggressive or insecure behavior, then surely hegemonists would note that their expectations had been justified. If increases in conflict would have been interpreted as evidence for the wisdom of internationalist strategies, then logical consistency demands that the lack thereof should at least pose a problem. As it stands, the only evidence we have regarding the relationship between U.S. power and international stability suggests that the two are unrelated. Evidently the rest of the world can operate quite effectively without the presence of a global policeman. Those who think otherwise base their view on faith alone.

It requires a good deal of hubris for any actor to consider itself indispensable to world peace. Far from collapsing into a whirlwind of chaos, the chances are high that the world would look much like it does now if the United States were to cease regarding itself as God’s gladiator on earth. The people of the United States would be a lot better off as well.