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Notes

General Argument
This disadvantage argues that immigrants have a negative effect on the economy because they lower the wages that are offered domestically. The argument relies on the simple logic of supply and demand. If the demand for workers stays constant and the affirmative increases the supply of those workers (by allowing more immigrants to come to the United States for work), then the value of those workers will decline. The disadvantage argues that wages are an important part of the US economy, and that decline could cause war.

Versions — High-Skilled Immigration and Open Borders
There are two different versions of the DA — one to read vs. the Open Borders Affirmative and the other to read vs. the High Skilled Immigration Affirmative.

This DA does not link to the Gender Asylum affirmative — the aff simply doesn't increase the number of people in the United States by a large enough amount to meaningfully impact wages.

Note About Open Borders
There is overlap between the Wages DA and some of the Open Borders case arguments, so if they are reading the Wages DA off-case, they should take the duplicate arguments out of the Economy Advantage frontline in the 1NC.

Negative

1NC Shells

1NC — Open Borders

The [first/next] off-case is the Wages Disadvantage.

First, wage growth is high now because of a tight labor market.

Gillespie 18 – economic analyst @ CNN (Patrick, "America gets a raise: Wage growth fastest since 2009," *CNN*, http://money.cnn.com/2018/02/02/news/economy/january-jobs-report-2018/index.html)//BB

The U.S. economy added 200,000 jobs in January, and **wages grew at the fastest pace in eight years**. **The unemployment rate stayed at 4.1%, the lowest since 2000**, the Labor Department said Friday. **Wages were up 2.9% compared with a year earlier**, the best pace since June 2009. **Wage growth has been the last major measure to make meaningful progress since the end of the Great Recession**. **The Federal Reserve** would like **wage**s to grow even faster -- 3% or more -- but Friday's **report was a welcome sign for workers after years of stagnant pay**. **Economists say it's time to take note of how** strong, or "**tight**," **the U.S. job market is.** Friday's numbers show **2018 "will be a year of rising wages and the tightest labor market in over a generation**," said Joseph Brusuelas, chief U.S. economist at RSM, an accounting and consulting firm. Some economists anticipate that the Republican tax law will continue to boost wages, because some large corporations are giving their workers raises. One-time bonuses, which many other companies have given out, are not counted in the wage growth calculation. Several states also raised their minimum wage at the start of the year, which helped overall wages grow. And **experts say wages had to rise at some point as the country kept adding jobs and unemployment stayed low**. **In a tight job market, there are more jobs available than there are workers to fill them**. **That forces employers to offer higher pay to attract and keep workers**. "It's too early to call **this** a trend but the **breakout [in wage growth] is very welcome news**," **says** Robert **Frick, chief economist at Navy Federal** "**It's a very big deal, let's hope it continues**." Employers' words may finally be translating into action. For years, employers have increasingly said they can't find skilled workers -- or any workers -- to apply for job openings. Some economists say there's a wide gap between the skills employers are demanding and the ones workers have. But other experts contest that if **employers** were really **desperate for workers**, they would **raise their wages to recruit or retain new employees.** Regardless, America has nearly 6 million job openings, near a record high. "There is no question that **employers are now having to be more aggressive to compete for workers**," says Peter Harrison, CEO of Snagajob, a jobs platform focused on hourly work. Job gains in January came across the board. Construction companies hired 36,000 workers. Health care businesses added 21,000 new hires. Restaurants and bars gained 31,000 more bartenders, waiters and cooks. Manufacturing gained 15,000 jobs. "**We are really firing on all cylinders**," says Josh Wright, chief economist at iCIMS, a software firm focused on human resources. "**It just shows how broad the growth and the positive feelings are across the economy**."

Second, open borders cause a race-to-the-bottom in wages. That dramatically increases inequality.

Eskow 16 - serves on the IEET Board of Directors and as a Senior Fellow with the Campaign for America's Future, CEO of Health Knowledge (Richard, ""Open Borders": A Gimmick, Not a Solution," *Huffington Post*, https://www.huffingtonpost.com/rj-eskow/open-borders-a-gimmick-no_b_7945140.html)//BB

Proposals like "open borders" aren't made in a vacuum. We already know how such programs lead to abuse — and the victims are likely to be immigrants themselves. The Downward Spiral Bier argues that workers from other countries should work for $2 or $3 per hour once they get here. That, in a nutshell, is why Sanders is right and the open-borders crowd is wrong. **The open-borders idea is inextricably linked to an approach in which US wages, along with those of foreign workers, are trapped in a race to the bottom**. **This approach would lead to a downward spiral for the middle class, as powerful corporate forces impose their will on an inexhaustible supply of cheap and replaceable labor**. Bier mocks the idea that an **open borders** policy means "doing away with the concept of the nation state." But his policy prescription **would leave a sovereign people unable to set its own minimum wage or determine its own employment policies**. False Choice Perhaps the term "open border" should be replaced with the phrase "cheap lawnmowing," since that is the essence of the argument as one writer presents it. In characteristically hyperbolic libertarian style, Jason Brennan's "Libertarianism: What Everyone Needs to Know" says this about the idea: "Most people on the progressive left actively try to restrain the world's poorest and most vulnerable people from making life-saving and life-changing trades with willing employers. They thus condemn the world's poor to death and misery. The progressive left is delighted with me when I donate money to the poor through OxFam. But the left forbids me from hiring the poor to mow my lawn, even though that helps them more than an OxFam donation." This is a false choice. The world's masses will not be forced to choose between perpetual poverty on the one hand or taking a weed whacker to Jason Brennan's crabgrass on the other. That is where the thinking of Sanders and his colleagues is far more sophisticated and systems-based than that of Bier, Klein, or other open-borders advocates. An Ugly Misstatement One of those advocates is Dylan Matthews, who works for Klein at Vox. Matthews repeats many of the libertarians' discredited arguments. He even accuses Sanders of "treating Americans' lives as more valuable and worthy of concern than the lives of foreigners." That is an ugly misstatement of Sanders' position. Sanders, himself the son of an immigrant, is a strong supporter of immigration and immigrants' rights who wants to ensure that we have fair and humane policies in this area. He supports the DREAM Act, and believes the Administration's Deferred Action for Childhood Arrivals (DACA) should be expanded to include the parents of citizens, the parents of legal permanent residents and the parents of DREAMers. The issue isn't immigration. The issue is fair play for all working people. **Principled opposition to "open borders" can and should be based on the recognition that the rights of all workers — immigrant and native-born, in the US and overseas — are eroded when workplace protections are weakened anywhere, and when human lives are subjected to the global flow of capital**. Changing the System Sanders, unlike his open-borders opponents, recognizes that **the global workforce faces a systemic problem. The concentration of wealth and political power, both in the US and globally, is diminishing workers' wages and making them less able to improve their own working conditions**. That problem must be addressed systemically, with a transformation that is both economic and political. **The principal instrument for that change is the democratic nation-state, an entity which the open-borders concept would seriously weaken**. In that sense, **open borders resembles NAFTA-style corporate trade: both give corporations the ability to apply their economic power across national boundaries in pursuit of maximal profits at minimal cost, either by outsourcing jobs to workers overseas or paying minimal wages to workers at home**. As we said at the outset, "**open borders" is a superficially attractive idea — until it's subjected to critical thinking, at which point its true nature is revealed. Its proponents attempt to make a "moral case" in its defense. But there is no moral case to be made for sacrificing democratic decision-making and national sovereignty to oligarchic and corporate whims**. **"Open borders" is a recipe for the further commodification of human beings. It treats people as economic inputs to be moved about the globe at the whim of global capital**. It is neither rational nor humane, and it has yet to receive the thorough public debunking it deserves. **We need a systemic solution to global wealth inequality, rather than intellectual gimmicks designed to promote exploitation and sow confusion**.

Third, high wages are the single most important factor for economic growth.

Bivens 17 – PhD @ The New School for Social Research (Josh, "Inequality is slowing US economic growth," *Economic Policy Institute*, https://www.epi.org/publication/secular-stagnation/)//BB

This new attention to the crisis of American pay is totally proper. **The failure of wages of the vast majority of Americans to benefit from economy-wide growth in productivity** (or income generated in an average hour of work) **has been the root cause of the**

stratospheric rise in inequality and the concentration of economic growth at the very top of the income distribution. Had this upward redistribution not happened, incomes for the bottom 90 percent of Americans would be roughly 20 percent higher today.3 In short, **the rise in inequality driven by anemic wage growth has imposed an "inequality tax" on American households** that has robbed them of a fifth of their potential income. **There would be huge benefits to American well-being from blocking or reversing this upward redistribution. This welfare gain stemming from blocking upward redistribution is the primary reason to** champion policy measures to **boost wage growth** and lead to a more equal distribution of income gains. Put simply, **a dollar is worth more to a family living paycheck to paycheck than it is to families comfortably in the top 1 percent of the income distribution**. **Proponents of** increases in the minimum wage and other **measures to boost American wages have** often **argued that there are benefits to these policies besides the welfare gains stemming from pure redistribution**. These proponents have often argued **that boosting wages would** even **benefit aggregate economic outcomes**, **like** growth in gross domestic product (**GDP**) or employment. **Recent evidence about developments in the American and global economies strongly indicate that these arguments are correct: boosting wages of the bottom 90 percent would** not just raise these households' incomes and welfare (a more-than-sufficient reason to do so), it would also **boost overall growth. For the past decade** (and maybe even longer), **the primary constraint on American economic growth has been too-slow spending** by households, businesses, and governments. In economists' jargon, **the constraint has been growth in aggregate demand lagging behind growth in the economy's productive capacity** (including growth of the labor force and the stock of productive capital, such as plants and equipment). Much research indicates that **this shortfall of demand could become a chronic problem** in the future, **constantly pulling down growth** unless macroeconomic policy changes dramatically.

[Read this only if they didn't already read in the 1AC.]

Finally, economic-induced decline leads causes nuclear war.

Mann 14 – Eric Mann, special agent with a United States federal agency, with significant domestic and international counterintelligence and counter-terrorism experience, former special assistant for a U.S. Senator and served as a presidential appointee for the U.S. Congress, BA from U of South Carolina, MA in Security Studies from Georgetown, 2014 ("Austerity, Economic Decline, and Financial Weapons Of War: A New Paradigm For Global Security," Graduate Thesis submitted to Johns Hopkins University for MA in Global Security Studies, May, Available Online at https://jscholarship.library.jhu.edu/bitstream/handle/1774.2/37262/MANN-THESIS-2014.pdf, Accessed 08-08-2018)

The conclusions reached in this thesis demonstrate how **economic considerations within states can figure prominently into the calculus for future conflicts**. The findings also suggest that **security issues with economic or financial underpinnings will transcend classical determinants of war and conflict, and change the manner by which rival states engage in hostile acts toward one another**. The research shows that **security concerns emanating from economic uncertainty and the inherent vulnerabilities within global financial markets will present new challenges for national security, and provide developing states new asymmetric options for balancing against stronger states.**¶ **The security areas**, identified in the proceeding chapters, **are likely to mature into global security threats in the immediate future**. As the case study on South Korea suggest, **the overlapping security issues associated with economic decline and reduced military spending by the United States will affect allied confidence in America's security guarantees**. The study shows that **this outcome could cause regional instability or realignments of strategic partnerships in the Asia-pacific region with ramifications for U.S. national security**. **Rival states and non-state groups may also become emboldened to challenge America's status** in the unipolar international system.¶ **The potential risks associated with stolen or loose WMD**, **resulting from poor security, can also pose a threat to U.S. national security**. The case study on Pakistan, Syria and North Korea show how **financial constraints affect weapons security making weapons vulnerable to theft, and how financial factors can influence WMD proliferation** by contributing to the motivating factors behind a trusted insider's decision to sell weapons technology. The **inherent vulnerabilities within the global financial markets will provide terrorists' organizations and other non-state groups**, who object to the current international system or distribution of power, **with opportunities to disrupt global finance and perhaps weaken America's status**. A more ominous threat originates from states intent on increasing diversification of foreign currency holdings, establishing alternatives to the dollar for international trade, or engaging financial warfare against the United States.

1NC — High Skilled Immigration

The [first/next] off-case is the Wages Disadvantage.

First, wage growth is high now because of a tight labor market.

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Second, increased 'high skilled' immigration collapses wages.

Huang 10 – PhD in economics @ KU (Serena, "THE IMPACT OF HIGH-SKILLED IMMIGRATION ON WAGES OF U.S. NATIVES," http://www2.ku.edu/~econ/people/documents/JMP_HuangOt2010.pdf)//BB

Despite the large amount of research on immigration, there is no consensus regarding its wage consequences. **This study sheds new light on the effect of immigration** in the United States **by focusing on the high-skilled labor market, using a rich data set on scientists and engineers**, **exploiting cross-occupation variation in immigration, and incorporating a new instrumental variable. I find a negative and significant impact of immigrants on the wages of high-skilled native workers** between 1993 and 2006. **This analysis begins with the widely-accepted general equilibrium model and estimates the elasticity of substitution between immigrants and natives**. Assuming a multi-level nested CES production function, empirical results fail to reject the null hypothesis that high-skilled immigrants and natives are perfect substitutes within the same education-experience group. One would expect immigrants to lower wages of natives, given perfect substitution. The second method uses a reduced-form approach to gauge the effect of increased immigration on wages. **Using a new instrument, the ratio of foreign- to U.S.-born bachelor's degree holders, individual level regressions find a negative and significant effect of immigration on native wages**. IV estimates indicate that **a ten percent increase in employment due to an influx of high-skilled immigrants reduces wages of natives** in the same occupation **by** 2.8 to **4.4 percent. These results are consistent with theoretical predictions that increased labor supply puts downward pressure on wages**. Because there is some evidence of imperfect substitution between female immigrants and 28 natives, the effect of immigration may be less severe among women. Reduced-form estimates confirm this hypothesis and indicate increased immigration has larger negative wage effects on male native workers but does not reduce wages of female natives.

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Bivens 17 – PhD @ The New School for Social Research (Josh, "Inequality is slowing US economic growth," *Economic Policy Institute*, https://www.epi.org/publication/secular-stagnation/)//BB

This new attention to the crisis of American pay is totally proper. **The failure of wages of the vast majority of Americans to benefit from economy-wide growth in productivity** (or income generated in an average hour of work) **has been the root cause of the stratospheric rise in inequality and the concentration of economic growth at the very top of the income distribution**. Had this upward redistribution not happened, incomes for the bottom 90 percent of Americans would be roughly 20 percent higher today.3 In short, **the rise in inequality driven by anemic wage growth has imposed an "inequality tax" on American households** that has robbed them of a fifth of their potential income. **There would be huge benefits to American well-being from blocking or reversing this upward redistribution. This welfare gain stemming from blocking upward redistribution is the primary reason to** champion policy measures to **boost wage growth** and lead to a more equal distribution of income gains. Put simply, **a dollar is worth more to a family living paycheck to paycheck than it is to families comfortably in the top 1 percent of the income distribution**. **Proponents of** increases in the minimum wage and other **measures to boost American wages have** often **argued that there are benefits to these policies besides the welfare gains stemming from pure redistribution**. These proponents have often argued **that boosting wages would** even **benefit aggregate economic outcomes**, **like** growth in gross domestic product (**GDP**) or employment. **Recent evidence about developments in the American and global economies strongly indicate that these arguments are correct: boosting wages of the bottom 90 percent would** not just raise these households' incomes and welfare (a more-than-sufficient reason to do so), it would also **boost overall growth. For the past decade** (and maybe even longer), **the primary constraint on American economic growth has been too-slow spending** by households, businesses, and governments. In economists' jargon, **the constraint has been growth in aggregate demand lagging behind growth in the economy's productive capacity** (including growth of the labor force and the stock of productive capital, such as plants and equipment). Much research indicates that **this shortfall of demand could become a chronic problem** in the future, **constantly pulling down growth** unless macroeconomic policy changes dramatically.

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Mann 14 — Eric Mann, special agent with a United States federal agency, with significant domestic and international counterintelligence and counter-terrorism experience, former special assistant for a U.S. Senator and served as a presidential appointee for the U.S. Congress, BA from U of South Carolina, MA in Security Studies from Georgetown, 2014 ("Austerity, Economic Decline, and Financial Weapons Of War: A New Paradigm For Global Security," Graduate Thesis submitted to Johns Hopkins University for MA in Global Security Studies, May, Available Online at https://jscholarship.library.jhu.edu/bitstream/handle/1774.2/37262/MANN-THESIS-2014.pdf, Accessed 08-08-2018)

The conclusions reached in this thesis demonstrate how **economic considerations within states can figure prominently into the calculus for future conflicts**. The findings also suggest that **security issues with economic or financial underpinnings will transcend classical determinants of war and conflict, and change the manner by which rival states engage in hostile acts toward one another**. The research shows that **security concerns emanating from economic uncertainty and the inherent vulnerabilities within global financial markets will present new challenges for national security, and provide developing states new asymmetric options for balancing against stronger states.**¶ **The security areas**, identified in the proceeding chapters, **are likely to mature into global security threats in the immediate future**. As the case study on South Korea suggest, **the overlapping security issues associated with economic decline and reduced military spending by the United States will affect allied confidence in America's security guarantees**. The study shows that **this outcome could cause regional instability or realignments of strategic partnerships in the Asia-pacific region with ramifications for U.S. national security**. **Rival states and non-state groups may also become emboldened to challenge America's status** in the unipolar international system.¶ **The potential risks associated with stolen or loose WMD**, **resulting from poor security, can also pose a threat to U.S. national security**. The case study on Pakistan, Syria and North Korea show how **financial constraints affect weapons security making weapons vulnerable to theft, and how financial factors can influence WMD proliferation** by contributing to the motivating factors behind a trusted insider's decision to sell weapons technology. The **inherent vulnerabilities within the global financial markets will provide terrorists' organizations and other non-state groups**, who object to the current international system or distribution of power, **with opportunities to disrupt global finance and perhaps weaken America's status**. A more ominous threat originates from states intent on increasing diversification of foreign currency holdings, establishing alternatives to the dollar for international trade, or engaging financial warfare against the United States.

2NC/1NR — Uniqueness

They Say: "Wages Low Now"

Wages are increasing rapidly — they are key to the economy,

Manyika 18 – PhD @ Oxford, senior partner at McKinsey & Company and chairman and director of the McKinsey Global Institute (James, et al, "The U.S. Economy Is Suffering from Low Demand. Higher Wages Would Help," *Harvard Business Review*, https://hbr.org/2018/02/the-u-s-economy-is-suffering-from-low-demand-higher-wages-would-help)//BB

A little over a century ago, Henry Ford doubled the minimum **pay** of his workers to $5 a day. When **other employers followed suit**, it became clear that Ford had sparked a chain reaction. **Higher pay** throughout the industry **helped lead to more sales, creating a virtuous cycle of growth and prosperity. Could we be at another Henry Ford moment?** Some **major companies have announced plans to boost employee pay. Target raised its minimum wage** to $11 this past fall and committed to $15 by 2020. More recently, **Walmart announced plans to match that increase** to $11. In banking, **Wells Fargo and Fifth Third Bancorp also announced pay increases for minimum wage employees**. These pay increases have occurred against a backdrop of weak economic growth and rising income inequality. **Economic growth has been stuck in low gear** for almost a decade now, averaging around 2% a year since 2010 **while productivity** growth, **the key to increasing living standards, has been languishing near historic lows** since the financial crisis. **But** more recently **there has been a glimmer of hope. After stagnating for years, wages have begun picking up** slightly, **as has productivity growth**, while corporate profits remain near record highs. Are these recent wage increases merely necessary in light of a tightening labor market, or could they start a broader trend that may change our economic growth trajectory? After a year-long analysis of seven developed countries and six sectors, we have concluded that demand matters for productivity growth and that increasing demand is key to restarting growth across advanced economies. The impact of demand on productivity growth is often underappreciated. Looking closer at the period following the financial crisis, 2010 to 2014, we find that weak demand played a key role in the recent productivity growth decline to historic lows. In fact, about half of the slowdown in productivity growth — from an average of 2.4% in the United States and Western Europe in 2000 to 2004 to 0.5% a decade later — was due to weak demand and uncertainty. For example, in the mid-1990s to the mid-2000s, rising consumer purchasing power boosted productivity growth in both the retail and the auto sector, by encouraging a shift to higher-value goods that can be supplied at higher productivity levels. In the auto sector, as customers in the early 2000s purchased higher value-added SUVs and premium vehicles in both the United States and Germany, they spurred incremental productivity growth of 0.4 to 0.5 percentage points. Today, that trend has slowed slightly in both countries, contributing only 0.3 percentage points to productivity growth in the period 2010 to 2014. Similarly, in retail, we estimate that consumers shifting to higher-value goods, for example higher-value wines or premium yogurts, contributed 45% to the 1995-2000 retail productivity acceleration in the United States. This subsequently waned, dragging down productivity growth. To put it simply, when consumers have more to spend, they buy more sophisticated things. That's good not just for consumers and producers, but for the overall economy, because making more sophisticated, higher-value things makes everyone involve more productive, and therefore helps increase overall standards of living. In addition, we found two other ways weak demand hurt productivity growth in the aftermath of the financial crisis: a reduction in economies of scale and weak investment. First, the economies of scale effect. In finance, productivity growth declined particularly in the United States, United Kingdom, and Spain due to contractions in lending volumes that banks were unable to fully offset with staff cuts due to the need for fixed labor (for example to support branch networks and IT infrastructure or to deal with existing loans and bad debt). The utilities sector, which has seen flattening demand growth due to both energy efficiency policies as well as a decline in economic activity during the crisis, was similarly not able to downsize labor due to the need for labor to support electricity distribution and the grid infrastructure, and here, too, productivity growth fell. Second, the effect of weak investment. We have found from our global surveys of businesses that almost half of companies that are increasing their investment budgets are doing so because of an increase in demand. Demand is the single most important factor driving corporate investment decisions. Investment, in turn, is critical for productivity growth, as it equips workers with more – and with more recent and innovative – equipment, software, and structures. But we have seen capital intensity growth fall to the lowest levels in post-WWII history. Weaker demand leads to weaker investment and creates a vicious cycle for productivity and income growth. Of course, **the financial crisis is long since over**, and the economy has recovered, at least by some measures. **So what's to worry about?** Won't demand return to pre-recession levels, and thereby increase productivity? **Unfortunately**, there is reason to believe that some of the **drags** on demand for goods and services **may be more structural than crises-related**. Slowing population growth means less rapid expansion of the pool of consumers. And **rising income inequality is shifting purchasing power from those most likely to spend to those more likely to save. This is reflected in slowing growth expectations** in many markets. For example, across our sectors and countries studied, in the decade from 1995 to 2004, growth in demand for goods and services averaged 4.6%, slowed to 2.3% in 2010 to 2014, and is forecast to slightly increase to 2.8% in 2014 to 2020. **Today, there is concern about where the next wave of growth will come from**. Some prominent economists worry that we may be stuck in a vicious cycle of economic underperformance for some time. Our analyses strongly suggest that supporting sustained demand growth needs to be part of the answer. Demand may deserve attention to help boost productivity growth not only during the recovery from the financial crisis but also in terms of longer-term structural leakages and their impact on productivity. **Suitable**

tools for this longer-term situation include: focusing on productive investment as a fiscal priority, **growing the purchasing power of low-income consumers with the highest propensity to consume**, unlocking private business and residential investment, and supporting worker training and transition programs to ensure that periods of transition do not disrupt incomes. Companies play a key role in promoting growth through investment and innovation as well as supporting their workforce through training programs. Yet companies may also want to consider the words of Ford when he said: "The owner, the employees, and the buying public are all one and the same, and **unless an industry can** so manage itself as to **keep wages high and prices low it destroys itself**, for otherwise it limits the number of its customers. **One's own employees ought to be one's own best customers**." While this is certainly not true for individual companies, it is true for the broader economy, and **we might be at a rare point where** the representatives of **employees and employers alike share a common interest in healthy wage growth**.

Wages are growing now — prefer data from the Fed Wage Tracker.

Manning 17 – using data from the Atlanta Fed Wage Tracker, firm based on: Portfolio strategy, mutual funds, collective investment trusts, currencies (Manning and Napier, "Research Note: A Closer Look At Wage Growth," *Seeking Alpha*, https://seekingalpha.com/article/4118957-research-note-closer-look-wage-growth)//BB

While traditional wage growth statistics can help to give a picture of labor costs employers are facing, compositional shifts in the labor force can obscure information that helps gauge the underlying strength of the labor market. **The data from the Atlanta Fed Wage Tracker suggest that many workers are now experiencing relatively robust wage growth**. Although this has not yet triggered meaningful inflation, **history shows us that wage growth can accelerate quickly once labor market slack is exhausted**. Additionally, while the wage growth drag from the baby boomers will persist for some time, **the diminished supply of part-time and unemployed workers means the drag from workers moving into full-time employment will likely fade**. As outlined in our U.S. Labor Market Monitor, **several metrics show that labor market slack has significantly diminished over the past several years**. Some **employers may** continue to **find alternatives to raising wages**, such as outsourcing abroad or increasing automation. **However, survey data suggest that these outlets are** currently **not sufficient to** fully **relieve the labor market tightness**. Thus, while wage growth has not yet been robust enough to lead to meaningful inflation, several factors suggest that a **further acceleration in wage growth** in the short-to-intermediate term **should not be ruled out**.

They Say: "Economic Decline Coming Now"

US economy is growing now, but recession is still a risk.

Rapoza 18 – analyst @ forbes (Kenneth, "Good News: The Economy Is Not Dead Yet," Forbes, April 3rd, https://www.forbes.com/sites/kenrapoza/2018/04/03/good-news-the-economy-is-not-dead-yet/#38d9cd384c52)

Good news. **Despite the market correcting on tech stocks** like Amazon, Facebook and Tesla, **and** of course the **rumors of trade wars, the U.S. economy is still humming along**. The S&P 500 opened a half a percent higher on Tuesday. Riskier assets in emerging markets did even better. For some, "humming along" is no longer the right word. **Maybe "stumbling along" is more appropriate due to** all these **political risks**. "**There is** more than enough **reason** at this point **to be cautious**," thinks Lindsey Piegza, chief economist with Stifel, Nicolaus & Company. "Fundamentals suggest the U.S. economy is still stumbling along at an unimpressive 2%-ish growth rate with still-subdued inflation. At this point, **momentum appears to be slowing** further." The U.S. grew 2.5% last year, helping along economies like Brazil and Mexico that send exports here. **Consensus is for the U.S. economy to remain stable next year**. Momentum has slowed for sure. Risk is to the downside for equity holders. **A** big stock market **correction** of 20% would signal a bear market and **could send the U.S. economy into a recession**. The S&P 500 is down slightly over 10% from the top reached on Jan. 26. HSBC economist Kevin Logan estimates first-quarter growth in overall consumption spending is a lower than expected 1.2%, but he expects a rebound to a growth rate of about 3.2% in the second quarter. "That would help bring the growth rate for GDP up to an expected 3% in the second quarter," he says, adding that HSBC is forecasting GDP of 2.6%, up from 2.3% last year. **Jobs are still plentiful** despite the apparent slowdown in GDP growth in the first quarter. **A strong job market will likely lead to higher consumer spending** in the summer months as employment and incomes keep growing. **Inflation isn't expected to be as volatile**. HSBC estimates 1.9%, or thereabouts, for the foreseeable future. Anything under 2.2% gives the Federal Reserve the confidence to hike interest rates just three times instead of four. Whether the Fed continues along a tightening path in 2019 will depend on inflation, which may be impacted by trade disputes with China and NAFTA. "We think the Fed's likely tightening of monetary policy this year will keep inflation expectations in check," Logan says. He only expects one rate hike of 25 basis points in 2019, compared to the median FOMC projection for three hikes next year. That likely means the economy is really just starting to stall out. See: Here's How Much Lower The S&P 500 Has To Fall To Hit 'Great Recession' Levels -- Forbes A trader works on the floor on the NYSE ahead of the closing bell, April 2, 2018. The Dow Jones industrial average was down nearly 450 points at the close on Monday afternoon. After several Twitter attacks from President Trump, Amazon stocks fell again on regulation fears. And after an awkward April Fool's Day joke sent out on Twitter by Elon Musk about Tesla's bankruptcy, investors pulled the plug on yet another billionaire owned tech company. (Photo by Drew Angerer/Getty Images) Proposals by the Trump administration for new tariffs on steel and aluminum, and on goods imported from China have created concern about the outlook for global trade. The U.S. recently retooled a trade deal with South Korea, following pressure from the new steel duties. South Korea is one of the top suppliers of steel in the U.S. "The White House has been much more positive on free trade deals lately. Then, suddenly this," says Pippa Malmgren, founder of DRPM Group in London and author of the book "Signals," which examines new political trends for market direction. "We've had tariffs before. They come and they go." That they do. But the uncertainty generated by these new trade spats and the retaliatory measures taken by the likes of China recently have caused a spike in financial market volatility. Certain stocks will take hits. Tyson Foods fell yesterday because of China's new pork tariffs. However, the impact on consumer and small business confidence appear to be negligible, and the narrative of Trump trade wars and North Korea nuclear wars have been on a loop for a year now. Survey **data** available so far in the first quarter **have not shown any negative signs on sentiment from the tariff proposals**. **The prospects for job growth, for consumer spending, and for small business investment spending still appear to be solid**, according to The Conference Board. If these indicators are right, they point to further declines in the unemployment rate in the months ahead and to a pickup in consumer spending as employment and incomes keep growing, HSBC analysts wrote in a report published on Monday. Humming; slinking, inching. At least it is moving. And while in terms of GDP growth rates it may not be moving much more than it was in the late Obama years; employment is better and that is a positive for consumer debt and consumer spending. When unemployment rises, then markets will start really worrying about delinquencies on auto loans and mortgages — two favorite red flags for the perennial bears. The **fundamentals are keeping the bears in their dens**. If history is any guide, they won't stay quiet for long. Next year marks the 10th consecutive year of economic expansion. It will be the longest bull market in American history. Consumers are not the only ones who see an improving economy in the year ahead. Surveys of small business owners also reveal rising levels of optimism. That **optimism is likely to be translated into action in the months ahead** since small business owners' hiring intentions are on the rise, HSBC says, citing industry data, and their **willingness to expand** their business through new **investments is** also **high**.

The economy is growing now, but it's not resilient.

Patterson 17 - chief investment officer with Bessemer Trust, a private, independent office that oversees more than $106 billion for 2,300 families, foundations, and endowments (Rebecca, "The Risks Ahead for the Economy and Markets", http://www.barrons.com/articles/the-risks-ahead-for-the-economy-and-markets-1499369276)

As we approach the 10-year anniversary of the last equity peak (October 2007) and the 2008–2009 **financial crisis**, **we** examine the current economic expansion and stock market rally with the benefit of hindsight, **seek**ing **to uncover lessons that can help us to anticipate risks and opportunities ahead**. Lesson No. 1: Peaks Are Often Further Away Than You Think Equity performance is – obviously – heavily influenced by economic trends. Peaks and sustained equity declines often emerge into and during recessions. Since the late 1960s, there have been six bear markets registering a 25%-or-greater decline for the Standard & Poor's 500, and five of these coincided with a U.S. recession. That means looking for an equity peak requires an understanding of where an economy is in the business cycle and how near the next recession might be. This is easier said than done. Since the end of World War II, the U.S. has had 11 business cycles, with expansions lasting an average of about six years. The expansion of the 2000s was in its fourth year, and the equity "bull market" in its third, when then Federal Reserve Chairman Alan Greenspan told Congress that some local housing markets were exhibiting "froth" and that he saw signs of risky financing. He added at the time, though, that he did not see a national bubble and that the economy did not appear at risk. About a year later, U.S. Treasury Secretary Hank Paulson noted, "When there is a lot of dry tinder out there, you never know what will light it. We have these periods every six, eight, ten years and there are plenty of excesses." Another six months later, in March 2007, after the U.S. housing market had started its decline, then Fed Chairman Ben Bernanke testified to Congress that "the impact on the broader economy and the financial markets of the problems in the subprime markets seems likely to be contained." All three policy makers, supported by reams of data and armies of economists, knew there might be a problem but could not put a finger on the timing, much less the scale, of the economic or market downturn to come. So what do we watch to try to see equity peaks and recessions on the horizon? We start with trends in economic and financial data that can shed light on the probability of a looming recession. Our short list includes labor market and housing data, business and consumer confidence, and consumer credit, among other economic metrics. It also includes financial data that can be causes and/or symptoms of economic vulnerability, such as energy prices, corporate profit margins, credit spreads, mortgage interest rates, and monetary policy variables. Backtests of our recession model have correctly "flashed red" before recessions in 1990, 2001, and 2007, although the model has not always picked up all signals adequately (it underestimated the degree of housing vulnerability in 2007). As of June this year, **our** proprietary **model suggested only a 38% chance of a U.S. recession** over the next few quarters, with some of the greatest relative risk coming from a slowing labor market. Historically, **equities have been much more likely to see sustained declines when recession probability readings reached 70%** or higher. **Barring some shock, the economy for now doesn't look at risk of imminent recession**, though we continue to believe we are in the later stages of this economic cycle. All else equal, our next equity peak is likely still a ways off. A similar takeaway can be reached by looking at positioning. Equities will be relatively more vulnerable when there are more owners who could get spooked (see Lesson No. 3) and suddenly sell en masse. That was definitely the case back in 2007 and 2008: between October 2002 and October 2007, equity inflows totaled $947 billion compared to $259 billion for bonds. The 2008–2009 equity bear market, perhaps alongside some short-lived but still-painful crises in subsequent years (the 2011 U.S. debt-ceiling standoff, the 2012 European debt crisis, and the 2015–16 oil shock), resulted in an investor base much more skeptical toward stocks. Indeed, since March 2009, when the S&P bottomed, net fund flows into bonds have far exceeded flows into stocks. This is not a "crowded" market. While economic **momentum** and investor positioning both **give reason for near-term calm or even optimism** toward equities, valuations provide a different, somewhat more cautious message. Equities are relatively more vulnerable to whatever shock emerges at higher valuations. While one can use a number of metrics here, most today at least directionally paint a similar picture. Looking specifically at price-earnings ratios (PEs), the current global PE ratio of about 16x (as of May 31 for the MSCI All Country World Index, on a next-12-months basis) has reached its highest level post-tech bubble. Lesson No. 2: It's Not Just This Time But Every Time That Is Different When It Comes to Economic and Equity Cycles While economic trends, investor positioning, and valuations are all important inputs when assessing the probability of an equity-market peak, we have to acknowledge that these metrics, in absolute terms or in a historical context, are not sufficient to form a view. Just as economies and financial markets evolve, so too do catalysts for downturns. Every cycle is different in this regard. The 2008–2009 crisis that followed the October 2007 equity peak has been thoroughly researched and discussed. While many factors contributed to this downturn, most would agree that at least near the top of the list would be a bubble in U.S. housing, in turn exacerbated by subprime mortgages; a bullish commodity market that, along with home prices, pushed inflation higher and led central banks to tighten monetary policy; a relatively relaxed regulatory environment; and a significant increase in leverage and the use of financial derivatives that were not sufficiently understood by relevant parties. Looking at the current economic and market backdrops, we see some forces that leave us thinking this cycle could extend substantially longer, maybe even becoming the longest expansion and equity bull market in modern times. Other factors, however, could even now be sowing the seeds for the next equity peak and descent. We have to consider both sides as we construct portfolios. In our minds, global monetary policy today creates two-way risks for this cycle. The 2008–2009 crisis led the Fed and its global counterparts to slash interest rates and expand balance sheets to provide liquidity and credit to the global economy. While baby steps to reverse low or negative interest rates are now under way in a few countries, balance sheets remain at a cumulative record high, having more than tripled in the last decade. While one can debate the costs and benefits of prolonged, exceptionally easy monetary policy, it does appear to have helped lift equity and credit prices, in part as investors reached for yield. With inflation remaining stubbornly low around much of the world), there is potential for this easy monetary backdrop to persist well into 2018 or longer. Central bankers are subject to the same emotional biases as the rest of us (see Lesson No. 3). Given the choice between tightening too early and threatening a recession (not a legacy many policy makers seek) or tightening too slowly and possibly creating asset-price bubbles and/or inflation, they tend to lean toward the latter. **Easy monetary policy may** be helping to **support equities** today, **but it has also contributed to** some of the economy's **growing vulnerabilities**. Indeed, low interest rates factor directly and indirectly into several of the **potential catalysts** we are watching for the next equity-market descent — sparks that **could set off the "dry tinder,"** as the Treasury's Paulson described it back in 2006.

Brink — Wages Strong but Fragile

Wage growth is strong based on a limited labor pool, but it's fragile.

Lowrey 1-14-20**18** - contributing editor at The Atlantic, covering economic policy (Annie, "Low-Wage Workers Finally Get a Raise," *The Atlantic*, https://www.theatlantic.com/business/archive/2018/01/low-wage-workers-finally-get-a-raise/550487/)//BB

The labor market is near full employment. The jobless rate is low. The economy is adding tens of thousands of jobs each month, and—at last—**wages and earnings are increasing** for workers at or just above the minimum wage. Indeed, **Walmart** on Thursday **announced that it would provide a wage hike** to and expand benefits for employees across the country, with 85,000 workers with two decades of seniority at the big-box retailer getting a $1,000 bonus and a million workers in total benefitting. In addition, 18 states bumped up their minimum wages for the new year, providing an estimated $5 billion more a year to 4.5 million workers, the left-of-center Economic Policy Institute has calculated. "It has changed my life, and I have noticed the changes," said Darryl Johnson, a home health worker based near Seattle, whose hourly rate has gone from $13.50 to nearly $15 over the past 18 months. "I have more food at the end of the month, and I'm not trying to stretch those groceries for a week and a half. I'm feeding myself better, and you need to work to eat and get out there." **Still, the recent improvements in the low-wage labor market underscore how** slow the recovery has been for millions of families—how **fragile they remain**, **and how much longer the expansion would have to continue to make up for** lost decades of **growth**. Many rich Americans found that their fortunes bounced back fast after the Great Recession. **Millions of poor Americans**, by some measures, **have still not seen their financial situations recover, let alone improve**. **But now that's changing**. **Over the past few years, the unemployment rate has fallen precipitously for less-skilled and less-educated workers. The jobless rate for workers without a high-school diploma has dropped** from 8 percent as of December 2016 to 6.8 percent last month, while it dropped from 2.3 percent to 2 percent for workers with a college degree over the same time period. **Low-wage workers are also seeing big increases in their earnings**, compared with middle-income workers, **and the poverty rate is declining too. The long-term jobless, people with criminal records, individuals with a disability—they are getting hired**, despite some economists' fears that they would remain structurally unemployed even in a hot labor market.

2NC/1NR — Links

They Say: "Open Borders Don't Impact Wages"

Open borders collapse wages — it's basic economics.

Eskow 16 — Richard Eskow, Senior Fellow at Campaign for America's Future, Senior Advisor for Health & Economic Justice at Social Security Works, 2016 (""Open Borders": A Gimmick, Not a Solution," Huffington Post, Available Online at https://www.huffingtonpost.com/rj-eskow/open-borders-a-gimmick-no_b_7945140.html, Accessed 08-09-2018)

The work of economist Ha-Joon Chang, by contrast, **provides compelling evidence that an open borders policy would exert a powerful downward pull on American workers' wages**. Devaluing Other Countries **Bier** then **gets to the core of the open-borders argument, writing that "labor is enormously more productive here. As a result, identical workers can earn 280 percent more here than in Mexico; workers from Yemen and Nigeria, 1,300 percent more; Haitians, 2,200 percent more**." It is inhumane, he suggests, to deny workers the opportunity to multiply their earnings by such impressive percentages. But that interpretation is, to borrow a phrase, "silly, tribal and economically illiterate." **Bier fails to consider a fundamental principle of economics: when the supply of labor increases, wages go down. A massive influx of foreign workers would lead to a steep plunge in those multiples**. What's more, there are often significant cost-of-living differences between the United States and these workers' countries of origin. And this argument is "tribal" because advocates like Bier (and Klein) apparently don't understand that other nations, despite their relative poverty, have virtues of their own. That should be a source of deep embarrassment for them. For most migrants, their native lands hold ties of language, culture, family and community. It should not be necessary to endure the pain of displacement merely to earn a livable wage. To claim otherwise, as open-borders advocates implicitly do, is to reflect the xenophobic belief that everybody would be happier here than anywhere else.

Open borders cause labor saturation, inequality and wage collapse.

Ormerod 15 — Paul Ormerod, economist, director of Volterra Consulting, MA in Philosophy from Oxford, 2015 ("Open borders or fair wages: the left needs to make up its mind," The Guardian, March 24th, Available Online at https://www.theguardian.com/commentisfree/2015/mar/24/open-borders-fair-wages-left-mass-immigration-britain-economy, Accessed 08-09-2018)

Mass immigration increases inequality. This is the unpalatable fact the liberal left in Britain **refuses to accept. Markets are imperfect instruments. But it is not necessary to subscribe to free market economic theory to believe that large increases in supply tend to drive down the price. And the price of labour is the wage**. Last Friday, the Guardian front page carried a report from the Office for Budget Responsibility, claiming that higher net immigration increased the UK's economic growth rate. According to the mainstream theory of economic growth, this is undoubtedly true. Higher growth can be created by sustained increases of either capital or labour. But underlying the theory is the assumption that supply and demand balance in these markets, that the prices of the inputs are set at levels such that all available capital or labour is in fact employed and does not remain idle. So this "flourishing modern economy" with high immigration celebrated by the Guardian is based on persistent large wage inequalities. **A powerful force in the global economy is driving the increase in inequality** that has been seen in western economies over the past few decades. In essence, **there has been a massive increase in the effective supply of labour**. Over the past three decades or so, China and India have gradually been absorbed into the network of international trade. This puts pressure on European labour markets. Many call centres, for example, have been relocated to India. But much of the impact of this is indirect, operating via trade flows, and is only really felt by certain sectors of western economies. Closer to home, the opening up of eastern Europe in the early 1990s has had a strong effect, especially on countries that are their immediate neighbours, such as Germany. Employers soon realised that economies such as Poland and the Czech Republic possessed educated labour forces, whose productivity potential had been suppressed by the gross inefficiencies inherent in planned economies. German companies opened up new production plants in the old Soviet bloc countries in Europe, rather than at home. The impact on wage rates of this increase in competition was dramatic. Christian Dustmann at University College London has provided clear evidence on the evolution of wage rates in the former West Germany. The 15th percentile of the wage distribution is the level at which only 15% of wages are lower. In West Germany, at the 15th percentile, real wages have fallen almost continuously since the mid-1990s. At the 50th percentile, where half get more and half get less, the reduction has been less sharp. But the fall had set in by the early 2000s. At the 85th percentile, the mirror image of the 15th, real wages grew strongly, reaping the benefits of the recovery of the economy created by the increase in competitiveness. It is against this background that New Labour opened up Britain's borders in the late 1990s. It was a major betrayal of the very people the party purported to represent. In addition to the global competition from countries such as China, in addition to competition closer to home from the economies of eastern Europe, New Labour allowed direct competition to enter the UK labour market on a scale unprecedented in our history. Not surprisingly, the distribution of wage rates has evolved in very similar ways to those of West Germany. It is the relatively unskilled in the bottom half of the distribution who have lost out. The liberal elite do not suffer. Indeed, they benefit because many of the services they consume are provided at lower prices than would have been the case without mass immigration. It is sometimes argued that immigrants do jobs that native British workers are unwilling to take. Very well then, **without mass immigration, employers would be obliged to raise the real wage rate to induce** these **people to take the jobs**.

Open borders cut wages by 40%.

Borjas 16 - PhD, professor of economics and social policy at the Harvard Kennedy School (George, "We Wanted Workers," p. 41)//BB

Inevitably, **in the open-border scenario, the huge migration flows will also produce a substantial redistribution of wealth, and the distributional consequences tend to be overlooked** as well. After all, the wage equalization predicted by open borders means that wages are equalized: **workers who initially have high wages end up earning less**, and workers who initially have low wages end up earning more. In fact, **the earnings of the North's native workforce will drop by almost 40 percent**, while Southern workers will more than double their earnings. **One last redistributive impact is worth mentioning**—and again **it is one of those nuisance statistics that is swept under the rug: the income of capitalists worldwide will increase by almost 60 percent**. In short, **a world integrated by open borders creates** very large gains for some groups (Southern workers and capitalists) and **very large losses for a group of workers who will vociferously fight the policy shift**. And **their refusal to go along with the open-border advocates may have little to do with racism or xenophobia. Northern workers simply do not benefit from the New World Order**.

Prefer our recent evidence — economic theory proving the link is based on new theoretical developments.

Borjas 16 - PhD, Professor of Economics and Social Policy at the Harvard Kennedy School (George, "Promises, Promises," https://gborjas.org/2016/07/11/promises-promises/)//BB

Many **economists are so religiously wedded to their models that it takes an awful long time, and an awful lot of contrary evidence, to shake them** from what they learned in graduate school. **We are now in the midst of such a reappraisal when it comes to** globalization in general, and **immigration** in particular. Larry Summers' new oped in the Washington Post illustrates just how much momentum this rethinking has gathered. It is clear after the Brexit vote and Donald Trump's victory in the Republican presidential primaries that electorates are revolting against the relatively open economic policies that have been the norm in the United States and Britain since World War II. If further evidence is needed, one need only look to the inability of Congress to pass legislation on immigration reform and the observation that the last four candidates left standing in the U.S. presidential contest all oppose the Trans-Pacific Partnership…Studies are produced about the jobs created by trade agreements, the benefits of immigration and the costs of restrictions on trade. In most cases, certainly including the cases for TPP and against Brexit, the overall economic merits are clear. But in this advocacy there is a kind of Gresham's Law (the economic principle that bad money drives out good) whereby **bolder claims drive out more prudent ones, causing estimates to often be exaggerated and delivered with far more confidence than is warranted. Over time, this has caught up with the advocates of integration**. **And it's about time**, I would add! The fact is that the lofty promises made by advocates of globalization often fail to materialize. We need look no further than the promises made when the North American Free Trade Agreement (NAFTA) was being debated in the early 1990s. The experts promised that Mexico would become much wealthier and that a wealthier Mexico would send us fewer immigrants. By 2004, Joe Stiglitz saw the writing on the wall and wrote: While the hope was that Nafta would reduce income disparities between the United States and its southern neighbor, in fact they have grown…Meanwhile, there has been disappointing progress in reducing poverty in Mexico, where real wages have been falling. And by 2007, the New York Times reported: The North American Free Trade Agreement…held out an alluring promise: the agreement would reduce illegal immigration from Mexico. Mexicans, the argument went, would enjoy the prosperity and employment that the trade agreement would undoubtedly generate—and not feel the need to cross the border into the United States. But today the number of illegal migrants has only continued to rise. The problem is that the **experts who truly believe in the holy grail of globalization often make promises based as much on wishful thinking as on any actual evidence. The Fantasyland world in which they operate is best seen in the context of immigration. The open-border advocates would have us believe that the world would be much wealthier if we could only get rid of those** pesky national **borders that restrict immigration**. That promise is based on the belief that immigrants are an army of robotic workers, who only bring with them their raw labor inputs. **Yet everyone else knows different**–immigrants are not robotic workers. They are people who bring with them far more than the ability to produce stuff in an assembly line. **And the baggage they bring** may or may not be so desirable and **has economic consequences that** could easily **offset their productive contribution**.

They Say: "Open Borders Increase Productivity"

Only a link, no turn — open borders inhibit productivity gains.

Borjas 16 - PhD, professor of economics and social policy at the Harvard Kennedy School (George, "We Wanted Workers," p. 42-43)//BB

THINGS THAT SOUND too good to be true are usually false. And the 30—40 trillion-dollar bills lying on the sidewalk are some of those things. Those bills are as fake as Monopoly money. **The main problem with the promise that global wealth will increase** by tens of trillions of dollars **is that it comes from a very myopic game** of Imagine. **The game does not take into account how the industrialized economies will respond to the entry of perhaps billions of persons. We know nothing about how industrialized societies actually would react to such huge supply shocks. But it would be a mistake to interpret our ignorance as a sign that there will be no such reaction**. After all, it is not billions of robotic workers that are moving around, but billions of people. **It is hard to believe that production** in the industrialized world **could continue along its current path. The entire social, political, and cultural balance in these societies will be rearranged** after the population more than quintuples. Although some might argue that a slow pace of absorption would help minimize the disruption, **the sheer number of movers makes it impossible to achieve** the **economic gains in a realistic time frame**. For example, if the entire developed world were to allow immigration at triple the current rate in the United States, it would still take 500 years for all the movers to move. t **Most discussions of the benefits from high-skill immigration to the United States rely on the notion of "productivity spillovers**"—the idea that high-skill immigrants can somehow permanently increase the productivity of native workers by exposing natives to new types of knowledge. Put differently, the neurons of native workers get stimulated when they hang out with exceptional immigrants. It is easy to imagine that the notion of productivity spillovers reappears when we consider a supply shock involving the movement of billions of people. Unfortunately, **the spillovers resulting from this massive migration flow would not be the same as those generated by high-skill immigrants**. In their influential and well-received book Why Nations Fail, Daron Acemoglu and James Robinson addressed the central question of why global inequality in the distribution of economic resources is so large and so persistent. 8 They argued that some nations succeed and some fail partly because of differences in political and economic institutions. Similarly, in Exodus, Paul Collier noted that "**one reason poor countries are poor is that they are short of effective organizations" and "migrants are essentially escaping from countries with dysfunctional social models**."9 **For unrestricted immigration to produce those trillion-dollar bills**, **billions of people must be able to move** to the industrialized economies **without importing the institutions, the dysfunctional social models, the political preferences, and the culture and norms that led to poor economic conditions in the sending countries in the first place**. **It seems inconceivable**, however, **that the North's institutional, social, and political fabric would remain intact after the entry of billions of new persons**. Collier bluntly summarizes the dilemma: "Uncomfortable as it may be . migrants bring their culture with them. One way to think about the potential impact of the spillovers is to imagine that **immigrants do carry some baggage with them, and that baggage, when unloaded** in the new environment, **dilutes** some of **the North's productive edge. The baggage may include cultural attitudes toward work, a distinct political ideology, and social norms that favor or prohibit certain interactions**.

They Say: "High-Skilled Immigrants Don't Impact Wages"

High-skilled immigration causes surpluses throughout the entire labor pool.

Borjas 16 – PhD, Professor of economics @ Harvard (George, "Immigration and the Labor Market," Testimony Before the Senate Committee on the Judiciary Subcommittee on Immigration and the National Interest, Lexis)//BB

One of the most contentious issues in the immigration debate is what happens to the job opportunities of native-born workers after immigrants enter the labor market. Economic theory has straightforward implications about what we should expect: immigration should lower the wage of competing workers and increase the wage of complementary workers. For example, **an influx of foreign-born laborers reduces the economic opportunities for laborers—all laborers now face stiffer competition**. At the same time, employers and high-skill natives may gain. Firms pay less for the services that laborers provide, and highskill natives can specialize in producing the goods and services that better suit their skills. The theory also suggests that over time, as the economy adjusts to the immigrant influx, the effect of immigration on the wage of the average worker will be attenuated, but the distributional impact will remain. In addition to these distributional consequences, there is another important reason for caring about the wage effect of immigration: the net gains to the U.S. economy directly depend on how immigration affects wages. An important implication of the laws of supply and demand is that the greater the distributional wage effect, the greater the economic gain from immigration. This essay reviews what it is we know about the labor market impact of immigration, both in terms of the distributional wage effects and the economic gains. It is important to stress that there is a lot of confusion (and sometimes deliberate confusion) regarding these estimates, so that it is important to look carefully at the details behind various claims. 2 The evidence suggests that immigration depresses the wage of the workers who are most likely to compete with the immigrants. A useful rule of thumb is: If immigrants increase the supply of workers in a particular skill group by 10 percent, the wage of that group probably goes down by at least 3 percent. **Because so many of the immigrants who entered the United States in the past two decades were low-skill, this means that those most affected by immigration were preexisting low-skill workers (both native- and foreign-born). It is important to add, however, that the evidence also suggests that the wage of high-skill workers in specific occupations targeted by immigrants** (**such as the high-tech sector) has also been negatively affected by immigration**. Finally, the economic gains from immigration accruing to natives are relatively small—less than three-tenths of one percent of GDP, or roughly around $50 billion annually.

'STEM shortage' is a myth perpetuated to facilitate a salary race-to-the-bottom.

Charette 13 – risk ecologist, member of the IEEE Computer Society (Robert, "The STEM Crisis Is a Myth," IEEE Spectrum, https://spectrum.ieee.org/at-work/education/the-stem-crisis-is-a-myth)

So why the persistent anxiety that a STEM crisis exists? Michael S. Teitelbaum, a Wertheim Fellow at Harvard Law School and a senior advisor to the Alfred P. Sloan Foundation, has studied the phenomenon, and he says that **in the United States the anxiety dates back to World War II. Ever since then it has tended to run in cycles that he calls "alarm, boom, and bust."** He says **the cycle usually starts when "someone or some group sounds the alarm that there is a critical crisis of insufficient numbers of scientists, engineers, and mathematicians" and as a result the country "is in jeopardy of either a national security risk or of falling behind economically." In the 1950s, he notes, Americans worried that the Soviet Union was producing 95 000 scientists and engineers a year** while the United States was producing only about 57 000. **In the 1980s, it was the perceived Japanese economic juggernaut that was the threat, and now it is China and India**. You'll hear similar arguments made elsewhere. In India, the director general of the Defence Research and Development Organisation, Vijay Kumar Saraswat, recently noted that in his country, "a meagre four persons out of every 1000 are choosing S&T or research, as compared to 110 in Japan, 76 in Germany and Israel, 55 in USA, 46 in Korea and 8 in China." Leaders in South Africa and Brazil cite similar statistics to show how they are likewise falling behind in the STEM race. "The government responds either with money [for research] or, more recently, with visas to increase the number of STEM workers," Teitelbaum says. "This continues for a number of years until the claims of a shortage turn out not to be true and a bust ensues." Students who graduate during the bust, he says, are shocked to discover that "they can't find jobs, or they find jobs but not stable ones." At the moment, **we're in the alarm-heading-toward-boom part of the cycle.** According to a recent report from the Government Accountability Office, the U.S. government spends more than US $3 billion each year on 209 STEM-related initiatives overseen by 13 federal agencies. That's about $100 for every U.S. student beyond primary school. In addition, **major corporations are collectively spending millions to support STEM educational programs**. And **every U.S. state, along with a host of public and private universities, high schools, middle schools, and even primary schools, has its own STEM initiatives**. **The result is that many people's fortunes are now tied to the STEM crisis, real or manufactured**. **Clearly, powerful forces must be at work to perpetuate the cycle. One is obvious: the bottom line. Companies would rather not pay STEM professionals high salaries with lavish benefits, offer them training on the job, or guarantee them decades of stable employment. So having an oversupply of workers, whether domestically educated or imported, is to their benefit**. **It gives employers a larger pool from which they can pick the "best and the brightest," and it helps keep wages in check**. No less an authority than Alan **Greenspan**, former chairman of the Federal Reserve, **said as much when in 2007 he advocated boosting the number of skilled immigrants entering the United States so as to "suppress" the wages of their U.S. counterparts**, which he considered too high.

The link is empirically verified.

Turner 17 - PhD candidate in economics at the University of Colorado Boulder (Patrick, "High-Skilled Immigration and the Labor Market: Evidence from the H-1B Visa Program," https://economics.nd.edu/assets/263109/jmp_turner.pdf)//BB

I find that **workers who are most exposed to increased competition from high-skilled immigration**, STEM majors, **have lower wages than you would expect given their age and college major**. Specifically, I measure immigrant competition as the immigrant-native ratio in a major-experience group. My results suggest that a 10 percentage point increase in the immigrant-native ratio within a major-experience group lowers relative wages by 1.2 percent. **Computer Science majors experienced the largest changes** in this variable across experience cohorts, a 50 percentage point increase between the 1990 and 2000 cohorts. Because immigrants arrive and stay in the U.S. when returns to their skills are high, OLS is upward biased. Notably, a negative effect only appears after correcting for the endogeneity of immigration. This finding is consistent with an endogeneity bias, and the IV reveals the negative effect predicted by the theoretical model. Further, I present evidence that **the adverse wage effect occurs alongside occupational switching of native-born workers**. Using data on occupation-specific tasks from the O*NET database, I find that natives are more likely to work in occupations where interactive tasks relative to quantitative tasks are more important for their job. I also address the broader question of how immigration from 1990 to 2010 has affected the STEM wage premium. My empirical strategy is not well suited to answer this question because of the reduction of sample size when focusing on STEM and non-STEM majors in the aggregate. The theoretical model, however, provides a simple relationship between immigration-based increases in the labor supply of STEM and non-STEM workers and the wage gap between them. Crucially, this relationship depends on the elasticity of substitution between these workers. To my knowledge, this elasticity has not been estimated in the literature. I provide estimates that fall within the theoretical bounds of this parameter set by the elasticities nested above and below college major. **Using my estimates, I simulate changes in the STEM wage premium and find that STEM wages fell 4–12 percent** relative to non-STEM wages **because of immigration** over the period.

They Say: "High-Skilled Immigration Increases Productivity"

Only a link, no turns — benefits of high-skilled immigration are limited and unique to particular contexts not replicated by the aff.

Borjas 16 - PhD, professor of economics and social policy at the Harvard Kennedy School (George, "We Wanted Workers," p. 170)//BB

In short, **the evidence supporting** the claim that the has **beneficial spillover effects is, at best, mixed**. **Studies that claim to find spillovers may just be showing that H-1B visa recipients end up in cities where the high-tech market is booming and native patenting is already high. If we look at what happens when the visas are assigned randomly to firms**—**so as to better replicate the conditions of the helicopter parable**—**there is little evidence of additional innovation and some evidence of job displacement. All the wishful thinking high-skill immigration cannot overcome the fact that the data do not always cooperate**. **High-skill immigration imparts huge benefits on natives only if there are beneficial productivity spillovers**—if some of the exceptional abilities of the high-skill immigrants rub off on native workers. **The evidence in favor of spillovers seems strongest when the high- skill immigrants have truly exceptional skills and when there is a close personal relationship between those who are part of the supply shock and those who are affected by the supply shock**. The impact of the Nazi dismissal of Jewish scientists on the productivity of the students left behind is a classic example. **The evidence for spillovers becomes much weaker once we move away from that unique set of circumstances. The entry of a few hundred Soviet mathematicians into the American mathematical com- munity likely generated spillovers, but those spillovers could not overcome the laws of supply and demand. The supply shock of Soviet mathematicians made it harder for their native counterparts to find and hold the types of jobs that allow mathematicians to have research careers**. Similarly, the **spillovers from the H-1B program**, where the average skill of the 65,000 immigrants who make up the annual supply shock is far lower, **have proved difficult to detect**, and their detection has much to do with the approach used to detect them.

They Say: "Immigration Helps the Economy"

The link is faster than the turn — immigrants can only help the economy in the long-term, but they destroy it for domestic workers immediately.

Borjas 16 - PhD, professor of economics and social policy at the Harvard Kennedy School (George, "We Wanted Workers," p. 203)//BB

It is not only' the workers at the bottom Of the distribution that out from the mixed-skills policy. **High-skill immigration imposes costs** and those costs are borne by very specific groups, such as computer programmers competing against H-IB visa holders or American mathematicians affected by the influx of Soviet mathematicians. **The possibility that the presence of skilled foreigners in these very fields might increase the potential for future innovation little to address the current grievance of the natives who have been and who may no longer be able to pursue the careers they were trained for**.

Prioritize our short-term links — economies get more resilient deeper into recoveries which solves the impact to their turns.

Draghi 17 (Mario, ECB President, "Accompanying the economic recovery", https://www.ecb.europa.eu/press/key/date/2017/html/ecb.sp170627.en.html)

For many years after the financial crisis, economic performance was lacklustre across advanced economies. **Now, the global recovery is firming and broadening. A key issue facing policymakers is ensuring that this nascent growth becomes sustainable**. **Dynamic investment that drives stronger productivity growth is crucial for that – and in turn for the eventual normalisation of monetary policy**. **Investment and productivity growth together can unleash a virtuous circle, so that strong growth becomes durable and self-sustaining and, ultimately, is no longer dependent on a sizeable monetary policy stimulus**. **The discussions we will have over the next two days** – in particular understanding the puzzles of slowing productivity growth and persistently low investment – **are therefore highly relevant for the path of the economy and of our monetary policy**.

They Say: "Neg Studies Flawed"

Reject evidence that minimizes the link — it's the result of academic censorship and extreme biases toward portraying immigration as an unmitigated good.

Borjas 16 — George Borjas, Professor of Economics and Social Policy at the Harvard Kennedy School, recipient of the 2011 IZA Prize in Labor Economics, Research Associate at the National Bureau of Economic Research, Ph.D. in Economics from Columbia, 2016 (We Wanted Workers: Unraveling the Immigration Narrative, ISBN-13: 978-0393249019)

Times have certainly changed. Immigration has now become perhaps the most divisive political issue of our time. And **immigration research has become a central focus of interest among labor economists** (those of us who specialize in examining how labor markets work). Hundreds of published academic studies examine various aspects of the immigration puzzle. These two threads of interest feed off each other. **As the political debate heated up, there was increasing demand for information** that could be used to frame the discussion and, particularly, **to support specific policy positions. Obviously, where there is demand**—and especially where there are funds for researchers to conduct such studies—**there will be supply, and a rapidly growing number of economists now work on immigration-related issues**. The number of research studies is now so large that it would take a few months of careful reading to become familiar with the various themes. It probably would take even longer to fully appreciate the subtleties built into the theories and statistical methods that are commonly used to frame and answer the questions. Paul Collier, a renowned British public intellectual and a professor at Oxford University, published a book in 2013 entitled Exodus: How Migration Is Changing Our World. Collier himself had never conducted research on immigration issues in his academic work; instead, he had written a number of influential books on such diverse topics as the impact of government aid to poor countries and the politics of global warming. The main point of Exodus is that the presumed large benefits that immigration can impart to receiving countries may be greatly reduced as the number of immigrants increases substantially and the migration flow continues indefinitely. Large and persistent flows, Collier argued, could have many other (sometimes harmful) unintended consequences. Regardless of how one feels about this conclusion, I found it particularly insightful to read Collier's overall perception of the many social science studies that he reviewed as he prepared to write the book: **A rabid collection of xenophobes and racists who are hostile to immigrants lose no opportunity to argue that migration is bad for indigenous populations. Understandably, this has triggered a reaction: desperate not to give succor to these groups, social scientists have strained every muscle to show that migration is good for everyone**. **This is as damning a statement about the value of social science research on immigration as one can find**. As far as I know, Collier is the first distinguished academic to state publicly that **social scientists have attempted to construct an intricate narrative that shows the measured impact of immigration to be "good for everyone."** I have never made such an assertion in public. But I have long suspected that **a lot of the research** (particularly, but not exclusively, outside economics) **was ideologically motivated, and was being censored or filtered to spin the evidence in a way that would exaggerate the benefits from immigration and downplay the costs**.

That is why empirics are better than hypothetical economic calculi.

Borjas 16 - PhD, professor of economics and social policy at the Harvard Kennedy School (George, "We Wanted Workers," p. 152)//BB

In my view, **the most credible evidence on the labor market of immigration comes from studies that do not rely on models of hypothetical economies. Despite the many data problems that real-world studies often encounter, at least that evidence is not tainted by assumptions that offer tempting opportunities to manipulate the data and weave a narrative**. The historical relation between the wages of specific skill groups and immigration into those groups summarizes what we know for sure: the earnings of the groups most affected by immigration grow at a slower rate. **A sensible inference from the actual data, based on either a decades- long tracking of specific skill groups or the Mariel supply shock, is that a skill group hit by a 10 percent increase in the number of workers probably faces a wage reduction of at least 3 percent, and perhaps even 10 percent** if the unique Mariel experience could be generalized to the entire labor market. In the modern American context, this fact suggests that **low-skill workers have paid much of the bill for whatever gains have accrued elsewhere**. As with tainted sports records, **the results from all subsequent theory-based games should bear an asterisk next to the statistic**.

Their evidence is based on big business think-tank'ing — it's ideological and not evidence-driven.

Ruark 14 — Eric Ruark, MA in European History, Ph.D. candidate at University of Maryland College Park Director of Research, 2014 ("The (Il)logic of Open Border Libertarians," FAIR: Federation for American Immigration Reform, May 21st, Available Online at http://fairus.org/sites/default/files/2017-08/The_%28Il%29Logic_of_Open_Border_Libertarians-2.pdf, Accessed 08-09-2018)

Big-business interests have a large stake in the outcome of the debate over immigration, and they have spent much money supporting libertarian "**think-tanks" that espouse an open-border policy for the United States**. By all appearances, **this** has very little to do with any principled commitment to libertarian principles, but **is a way to provide ideological cover for multi-national corporations who lobby for the passage of legislation that will undermine the standing of American workers and force taxpayers to subsidize the costs of a cheaper foreign labor force**. An open border, or at least **a more open border, would allow corporations to further consolidate their hold on the U.S. economy, while the middle class would lose more of its economic and political power**.

High Skilled Link Magnifier — Family-Based Immigration

Associated families of high-skilled immigrants magnify the link.

Ruark 14 – MA in European History, ABD @ University of Maryland College Park Director of Research (Eric, "The (Il)logic of Open Border Libertarians," http://fairus.org/sites/default/files/2017-08/The_%28Il%29Logic_of_Open_Border_Libertarians-2.pdf)//BB

Because most immigration to the United States is family-based rather than skilled-based, we admit many immigrants who have low levels of education and job skills and, consequently, have low earnings and are net recipients of taxpayer support. On average, **only around 7 percent of immigrants are sponsored by employers. The nepotistic empowerment of immigrants to largely determine future flows of immigrants** puts strains on the budgets of state and local governments, and **leads to** overcrowded schools, congested roads, deteriorating infrastructure, and **an erosion of the quality of life for the majority of Americans**.

Family migration is skill-independent, so they compete across the labor pool.

Connor 18 - staff writer for Western Free Press (Frank, "Ending chain migration is good for Pa. workers | Opinion," *The Inquirer*, America's News)

Strong majorities of Pennsylvanians support the reductions for a simple reason: **High levels of immigration have increased competition for jobs, thereby depressing wages and forcing many blue-collar Pennsylvanians out of the labor force**. **Right now, less than 7 percent of green cards, which grant permanent residency and lifetime work privileges, are given to immigrants with special job skills. Instead, most are given to previous immigrants' siblings, parents, and adult children**. **Those family members can eventually bring over additional relatives**. **This "chain" of immigration does not depend on the skills these newcomers bring to the American economy**. The "diversity visa lottery" also ignores immigrants' skill sets. The program selects more than 50,000 people at random from countries with low immigration rates to the United States and awards them green cards. **These policies severely harm** Pennsylvania's **blue-collar workers**. In 1990, only 3 percent of Pennsylvania residents were foreign-born. Today, that share has more than doubled. Many of these immigrants are low-skilled. In fact, 23 percent of foreign-born Pennsylvanians ages 25 and up lack a high-school degree. Just 10 percent of native-born Pennsylvanians lack a diploma. **Competition from immigrants drives down wages** for hard-working Pennsylvanians. Harvard University economist George J. Borjas found that **increasing the number of workers with a given skill set by 10 percent decreases wages of that group by about 3 percent**.

2NC/1NR — Impact

Extend: "Wages Key to Economy"

High wages are key to durable growth.

Wolfers 15 – PhD in economics, professor of economics and professor of public policy at the University of Michigan (Justin and Jan Zilinsky, "Higher Wages for Low-Income Workers Lead to Higher Productivity," *PIIE*, https://piie.com/blogs/realtime-economic-issues-watch/higher-wages-low-income-workers-lead-higher-productivity)//BB

Economists have long argued that increases in worker pay can **lead to improvements in productivity**—indeed, that it can actually be profitable to pay workers higher wages. As Alfred **Marshall**, the father of modern economics, **argued** almost 125 years ago, "**any change in the distribution of wealth which gives more to the wage receivers** and less to the capitalists **is likely**, other things being equal, **to hasten** the increase of **material production**." Since then, **economists have compiled rich data validating Marshall's hypothesis** that paying higher wages generates savings: **Higher wages motivate employees to work harder**. Janet Yellen (1984) [pdf] suggested that **higher wages create the conditions for workers to be more productive**, pointing to "reduced shirking by employees due to a higher cost of job loss; lower turnover; an improvement in the average quality of job applicants and improved morale." Among the studies documenting this point are Levine (1992), [pdf] which analyzed a sample of large (mostly Fortune 500) manufacturing companies, and Holzer (1990), [pdf] which used data from a national sample of firms finding that "high-wage firms can sometimes offset more than half of their higher wage costs through improved productivity and lower hiring and turnover cost." Reich et al. (2003) [pdf] surveyed employers at the San Francisco airport after a broad-based increase in wages and found that the employers of the majority of affected workers reported that their overall performance had improved. Mas (2006) [pdf] analyzed the case of New Jersey police officers who were granted a wage increase of 17 percent, and who were 12 percent more productive in clearing cases than those who were refused the increase. **Higher wages attract more capable and productive workers**. The evidence that higher wages attract more high quality applicants for new jobs is voluminous. Dal Bó et al. (2013) show that **offering higher salaries yielded an applicant pool with a higher IQ and with personality scores and motivation that made them a better fit for the advertised jobs**. Moreover, the first firm to offer higher wages is more likely to attract and retain more productive workers. **Higher wages lead to lower turnover**, reducing the costs of hiring and training new workers. Reich et al (2003) [pdf] calculated that typical turnover costs exceed $4,000 for each worker and that an increase in wages at the San Francisco airport led to a decline in turnover of 34 percent, yielding turnover-related savings of $6.6 million per year. Dube et al. (2007) [pdf] found that when a San Francisco living wage ordinance raised wages among low-paid workers, those workers were more likely to stay with their employers. Reich and his coauthors also documented a stunning turnover rate of nearly 95 percent per year among security screeners in mid-2000, which fell to 18.7 percent when pay improved. Fairris et al. (2005) [pdf] examined evidence from Los Angeles, finding that when employers were directed to offer higher wages, the decline in worker turnover yielded savings equal to around one-sixth of the cost incurred. **Higher wages enhance quality** and customer service. The Reich et al. (2003) [pdf] study also found that almost half of employers reported improvements in customer service following a wage rise for low-wage workers, and indeed, higher wages at the San Francisco airport led to shorter airport lines. Cowherd and Levine (1992) found that an increase in the pay of lower-level employees relative to management increased the quality of production. Using data from more than 500 retail stores, Fisher et al. (2006) [pdf] found a positive relationship between customer satisfaction and the payroll level of associates and managers in the store. Higher wages were also associated with employers having more knowledge about the inventory. **Higher wages reduce disciplinary problems and absenteeism**. Cappelli and Chauvin (1991) [pdf] documented that in plants where pay was higher relative to the local labor market, fewer disciplinary actions were required. Likewise, nearly half of those employers surveyed by Reich et al. (2003) [pdf] reported a decrease in disciplinary issues following a wage rise. Zhang et al. [pdf] (2013) showed in a survey of Canadian firms that absenteeism was less likely when wages were higher. Pfeifer (2010) found a similar result in a large German survey. **Firms with higher wages need to devote fewer resources to monitoring. High-paying firms have been found to create a culture of hard work in which employees monitor their coworkers**, reducing the need to hire supervisors. Rebitzer (1995) found that low-wage maintenance workers needed more supervision in the petrochemical industry. Groshen and Krueger (1990) showed that more highly paid nurses were also supervised less. **Georgiadis** (2008) **found** that in residential care homes in the United Kingdom "**higher wage costs were more than offset by lower monitoring costs**." **Workers excessively concerned about income security perform less well at work. A variety of recent experiments have demonstrated this** proposition. Mani et al. (2013) recruited buyers in a shopping mall and asked them to think about their finances. Researchers observed that the performance of poor subjects on a cognitive test deteriorated if they were asked to imagine a large emergency expenditure (a $1,500 car repair), but no such deterioration was observed for well-off subjects. Mullainathan and Shafir (2013) assessed a range of related experiments, finding that **mental tasks that simulate the constant stress of poverty led people to act in compulsive and improper ways**. Indeed, the World Bank Development Report (2015), [pdf] citing numerous field studies, recognizes that **poverty taxes people's mental capacities and self-control**. Other mechanisms by which higher wages can yield offsetting benefits include: **Higher wages are associated with better health**—**less illness and more stamina, which enhance worker productivity**. **Greater job satisfaction can result in less conflict between employers and labor groups**. Enhanced reputation with consumers (compare the reputations of Costco and Walmart). **All of these positive effects may interact to yield even larger aggregate effects**, as the productivity of one worker often raises the productivity of their coworkers. Mas and Moretti (2009) [pdf] offer persuasive data on this point, showing that productive cashiers motivate their coworkers to work faster.

Wages solve inequality — the impact is recurring crises.

HCEW 13 – House Committee on Education and Workforce ("The Low-Wage Drag on Our Economy: Wal-Mart's low wages and their effect on taxpayers and economic growth," Democratic staff of the U.S. House Committee on Education and the Workforce, http://democrats-edworkforce.house.gov/imo/media/doc/WalMartReport-May2013.pdf)//BB

The decline in wages' share of the economy has closely tracked a decline in the bargaining power of labor. In January of 2013, the Bureau of Labor Statistics reported that union membership had reached a 97-year low, with just 6.6 percent of private sector workers belonging to labor unions.5 Lastly, most jobs lost during the recent economic downturn were middle-wage jobs, while most employment added during the recovery have been low-wage jobs.6 As will be seen in the next section, **stagnant, low wages have serious implications for taxpayers**. But **they also allow the income gap to grow wider**. And income inequality has implications beyond straining federal, state, and local government budgets. Economists have raised concerns that **income inequality threatens economic growth and leads to crises**. **The** International Monetary Fund (IMF) noted **in 2011 that "[t]he recent global economic crisis, with its roots in U.S. financial markets, may have resulted**, in part at least, **from the increase in inequality**."7 Another IMF report found that, "**when income inequality grows** for several decades, **debt-to-income ratios increase sufficiently to raise the risk of a major crisis**."8 Moreover, the income gap appears to mirror a growing mobility gap, with several recent studies finding that Americans are less upwardly mobile than people in comparable countries.9 In other words, **the growing income gap puts the American Dream itself at risk**.

They Say: "Economic Decline Doesn't Cause War"

Economic decline leads to nuclear war — rally around the flag and deterrence failures.

Tønnesson 15 – Stein Tønnesson, Research Professor of International Relations at the Peace Research Institute Oslo, 2015 ("Deterrence, interdependence and Sino–US peace," *International Area Studies Review*, Vol. 18, No. 3, Accessible Online at http://pcr.uu.se/digitalAssets/151/151066_1tonnesson-s-2015-deterrence-interdependence-iasr.pdf, Accessed On 10-04-2016)

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

Decline leads to major diversionary conflict — prefer evidence about Trump.

Foster 16 — Dennis M. Foster, Professor of International Studies and Political Science at Virginia Military Institute, Ph.D. in Political Science from Penn State University, 2016 ("Would President Trump go to war to divert attention from problems at home?," *Washington Post*, December 19th, Available Online at https://www.washingtonpost.com/news/monkey-cage/wp/2016/12/19/yes-trump-might-well-go-to-war-to-divert-attention-from-problems-at-home/?utm_term=.aa5272e115cd, Accessed 9-5-2017)

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. **These results are startling. Nearly 35 percent of Trump's references to outside groups paint them as harmful to himself, his allies and friends, and causes that are important to him — a percentage almost twice the previous high**. The data suggest that **Americans have elected a leader who**, if his campaign rhetoric is any indication, **will be historically unparalleled among modern presidents in his active suspicion of those unlike himsel**f and his inner circle, and those **who disagree with his goals.** As a candidate, **Trump also scored second-lowest among presidents in conceptual complexit**y. 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.**

Trump, in particular, will respond to economic threats with nuclear escalation.

Street '16 (Tim Street – Masters in War Studies @ King's College London, Fellow of the Sustainable Security Programme at the Oxford Research Group, "President Trump: Successor to the Nuclear Throne," November 2016, http://www.css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/resources/docs/ORG-President%20Trump-Successor%20to%20the%20Nuclear%20Throne.pdf)

As well as mapping out the US's current nuclear weapons policies and its regional relationships, **it is important to reflect upon how domestic political dynamics under a Trump presidency might drive Washington's behaviour internationally**, **particularly given the nuclear shadow that always hangs over conflicts involving the US.** For example, **in the near-term**, **Trump's economic plan and the great expectations amongst the American working class that have been generated**, **may have particularly dangerous consequences** if, as seems likely, the primary beneficiaries are the very wealthy. Reviewing Trump's economic plans, Martin Wolf of the Financial Times concludes that 'the longer-term consequences are likely to be grim, not least for his angry, but fooled, supporters. Next time, they might be even angrier. Where that might lead is terrifying'. Gillian Tett has also highlighted the 'real risks' that Trump's policies could 'spark US social unrest or geopolitical uncertainty'. Elsewhere, George Monbiot in the Guardian, makes the stark assertion that the inability of the US and other governments to respond effectively to public anger means he now believes that 'we will see war between the major powers within my lifetime'. If these warnings weren't troubling enough, no less a figure than Henry Kissinger argued on BBC's Newsnight that 'the more likely reaction' to a Trump presidency from terror groups 'will be to do something that evokes a reaction' from Washington in order to 'widen the split' between it and Europe and damage the US's image around the world. Given that Trump has already vowed to 'bomb the shit out of ISIS' and refused to rule out the use of nuclear weapons against the group, it goes without saying that such a scenario could have the gravest consequences and must be avoided so that the US does not play into the terrorists' hands. Looking more widely, President-elect Trump's existing and potential cabinet appointments, which Glenn Greenwald has summarised as 'empowering…by and large…the traditional, hard, hawkish right-wing members of the Republican Party' also point to the US engaging in future overseas conflicts, rather than the isolationism which many in the foreign policy establishment criticised Trump for proposing during the presidential campaign. William Hartung and Todd Harrison have drawn attention to the fact that defence spending under Trump could be almost $1trillion (spread over ten years) more than Obama's most recent budget request. Such projections, alongside Trump's election rhetoric, suggest that the new nuclear monarch will try to push wide open the door to more spending on nuclear weapons and missile defense, a situation made possible, as we have seen, by Obama's inability to implement progressive change in this area at a time of persistent Republican obstruction. Conclusion The problem now, for the US and the world, is that if Trump does make good on his campaign promises then this will have several damaging consequences for international peace and security and that if Trump does not sufficiently satisfy his supporters then this will likely pour fuel on the flames at home, which may then quickly spread abroad. The people of the US and the world thus now have a huge responsibility to act as a restraining influence and ensure that the US retains an accountable, transparent and democratic government. This responsibility will only grow **if crises or shocks take place in** or outside **the US which ambitious and extremist figures take advantage of**, **framing them as threats to national security in order to protect their interests and power**. **If such scenarios emerge the next administration and** its untried and untested **President will find themselves with** a range of extremely powerful tools and institutional experience at their disposal, including **nuclear weapons**, **which may prove too tempting to resist when figuring out how to respond to widespread anger, confusion and unrest**, both **at home** and abroad.

2NC/1NR — Disad Turns the Case

Economy

High wages are a pre-requisite to aff solvency — productivity expansion without high wages is short-lived and bubble-prone.

White 17 – PhD, Economics Professor @ U Sydney (Graham, "Explainer: how wage growth contributes to the economy," *Sydney Business Insights*, Proquest)//BB

Wages growth and investment

But **demand growth varies with spending power and the income that flows to the population, a significant portion of which comes from wages**. In other words, **wages** have a flipside. **They're not just a cost of production; they're also a source of spending and thus of revenue and profit for business**. This is an important point in economics, specifically about how what we see at the micro level does not automatically replicate itself for the economy as a whole. **Looked at from the perspective of a single business, wages appear as a cost. But to only look at things this way is inadequate if you are interested in the impact of changes in wages on the overall economy. For that you also have to consider wages as income and a source of demand**. Expectations about future demand growth are presumably as critical to the investment decision for firms as are expectations about factors such as taxes on business income. A reduction in business taxation may well increase prospective after-tax rates of return on investment. But, as already mentioned, this assumes people with income to spend are ready to buy the output produced with newly installed plant and equipment. Looked at from this angle, one could argue that growth in demand and in turn **wages growth will be required to warrant producers undertaking investment and in turn the kind of changes to production that underpin productivity growth**. One can go a little further. Assuming a government's intention is to wind back its contribution to demand in the economy (via government spending) through what is euphemistically termed "fiscal consolidation", and assuming our trade is not significantly changing, **a certain real wage growth is required to generate sufficient growth in demand to warrant sustained investment and productivity growth**. It's the flipside to this scenario that is worrying. **To the extent that increasing** profitability through increased **productivity is not shared in the form of increased real wages, the economy faces the danger of its productive capacity growing faster than demand**. This kind of danger was highlighted long ago by the noted Italian economist Luigi Pasinetti. **In this scenario the profit of each unit of output may increase initially as productivity grows, but demand does not keep pace, in which case the increase in profitability is likely to be short-lived.** More worrying in this case is that **employment growth suffers and consequently the unemployment rate is likely to rise**. Some economists would counter that real wages would fall in order to absorb any increased unemployment, though this claim has always been contentious. It supposes that unfettered markets will always provide demand for whatever amounts of goods and services are produced – in itself a controversial position in economics. Of course, none of this deals with the moral or ethical imperative of a minimum wage which ensures a liveable real wage. Rather, the point here is that, quite aside from the moral or ethical case, **there are economic arguments to be had for ensuring an appropriate rate of growth of real wages**.

Morality

Economic decline causes unregulated crackdowns on immigrants.

Klein 17 - former Miliband Fellow, lectured at the London School of Economics on the anti-globalization movement, social activist, and filmmaker known for her political analyses and criticism of corporate globalization and of capitalism (Naomi, "No is not enough: Resisting Trump's shock politics and winning the world we need," p. 4-6)//BB

The fact that such defiant levels of profiteering from public office can unfold in full view is disturbing enough. As are so many of Trump's actions in his first months in office. But history shows us that, **however destabilized things are now, the shock doctrine means they could get a lot worse. The main pillars of Trump's political and economic project are: the deconstruction of the regulatory state; a full-bore attack on the welfare state and social services (rationalized in part through bellicose racial fearmongering and attacks on women for exercising their rights**); the unleashing of a domestic fossil fuel frenzy (which requires the sweeping aside of climate science and the gagging of large parts of the government bureaucracy); **and a civilizational war against immigrants and "radical Islamic terrorism"** (**with ever-expanding domestic and foreign theaters**). In addition to the obvious threats this entire project poses to those who are already most vulnerable, it's also a vision that can be counted on to generate wave after wave of crises and shocks. Economic shocks, as market bubbles—inflated thanks to deregulation—burst; security shocks, as blowback from anti-Islamic policies and foreign aggression comes home; weather shocks, as our climate is further destabilized; and industrial shocks, as oil pipelines spill and rigs collapse, which they tend to do when the safety and environmental regulations that prevent chaos are slashed. All this is dangerous. Even more so is the way **the Trump administration can be relied upon to exploit these shocks to push through the more radical planks of its agenda**. **A large-scale** crisis—whether a terrorist attack or a **financial crash**—**would** likely **provide the pretext to declare some sort of state of exception or emergency, where the usual rules no longer apply. This, in turn, would provide the cover to push through aspects of the Trump agenda that require a further suspension of core democratic norms**—**such as his pledge to deny entry to all Muslims** (not only those from selected countries), **his** Twitter **threat to bring in "the feds" to quell street violence in Chicago, or his obvious desire to place restrictions on the press**. A large-enough economic crisis would offer an excuse to dismantle programs like Social Security, which Trump pledged to protect but which many around him have wanted gone for decades.

Immigration

Decline turns off the magnet---empirics

Singer 10 – PhD in Sociology @ UT (Audrey and Jill Wilson, "The Impact of the Great Recession on Metropolitan Immigration Trends," *Brookings Institute*, https://www.brookings.edu/research/the-impact-of-the-great-recession-on-metropolitan-immigration-trends/0)//BB

An analysis of national and metropolitan **immigration trends surrounding the recession** of 2007–2009 **shows**: **Immigration slowed during the Great Recession** following fast paced growth. While the U.S. foreign-born population grew considerably during the 2000s, the pace of **growth slackened at the onset of the recession** at the end of 2007. Slower growth was seen after 2007, as the share of **the national population that is foreign born** has **remained constant** at 12.5 percent. The recession's impact on metropolitan immigrant settlement has been uneven. Two growth trajectories stand out among a handful of metropolitan areas: those that have "weathered" the recession and continued to receive immigrants such as Austin, Dallas-Ft. Worth, and Seattle, and those that experienced a reversal from high growth to negative growth including Phoenix, Riverside-San Bernardino, and Tampa. Overall, 35 of the top 100 metros saw significant change in their foreign-born populations during the recession. Few impacts of the recession can be discerned in the characteristics of immigrants, pre- and post-recession. There has been a drop in the number of immigrants from Mexico, a slight increase in those with less than a high school education, an increase in those who are naturalized U.S. citizens and, not surprisingly, a rise in poverty among immigrants. **Following thirty years of unprecedented growth, immigration to the United States plateaued during the Great Recession. As the country moves into recovery mode, immigrant settlement patterns are likely to reflect economic growth** across metropolitan areas. In the meantime, many regions facing budget shortfalls, unemployment, and an increased need for social services are struggling to maintain programs that benefit immigrants.

Robust growth causes immigration liberalization, and recessions limit it.

Goldstein 14 – PhD, Professor of Political Science @ Stanford (Judith, "Nativism or Economic Threat: Attitudes Toward Immigrants During the Great Recession," https://cpb-us-w2.wpmucdn.com/campuspress.yale.edu/dist/8/355/files/2011/10/nativismveconomicthreat_web-212s022.pdf)//BB

Third, **US attitudes toward globalization are more robust when global forces are not seen to impede economic well-being. Open markets for workers were less welcomed as the US economy faltered, but support for more open immigration returned with the recovery**. There is a difference in economic policy preferences, however, even when policies are identical in terms of economic affect. Logic suggests that cheaper goods produced with foreign labor replace domestic unskilled labor, whether the product is produced in the US or abroad. Yet, we do not see anti-trade attitudes of the same order as anti-unskilled labor attitudes. **Immigrants are** just more **visible and the job loss** more **personal**. Thus, while low-skilled immigrants were problematic pre-recession, **all immigrants became a problem during the recession. It should be unsurprising that immigration reform was not on the table** again **until recently as the US public's tolerance for border liberalization evaporates when the economy is not producing jobs.**

Internal Brain Gain

High wages solve the case by inducing students and workers into the field.

Lowell 11 - Director of Policy Studies, Institute for the Study of International Migration (Lindsay, "Immigration and the Science & Engineering Workforce: Failing Pipelines, Restrictive Visas, and the Best and Brightest," *United State House of Representatives Committee on the Judiciary Subcommittee on Immigration Policy and Enforcement*, Lexis)//BB [S&E = Science and Engineering]

The well-known "Rising Storm" reports from the National Academies investigate America's future competitiveness, raising a number of concerns, and offering several recommendations. They and **others question the strength of the domestic S&E pipeline**. By domestic I mean the native born and the already resident foreign born, both adults and those who arrive as children. By pipeline, I refer to the long pathway up through high school, to college, and ultimately along the S&E career path. My colleague Hal Salzman and I decided to look into the strength of the S&E pipeline. **We** were somewhat surprised to **find many concerns misplaced or wrong. We explore broad "core" S&E occupations**—the natural sciences, engineering and information technology—because they share aptitudes and skills. Here **the issue is whether there is a problem that calls for demand side and government interventions**. **While there are specific fields in which we observe hiring** (demand) **outpacing supply, this tends to be short-lived as supply is surprisingly responsive**: take the case of petro engineers where the number of **domestic graduates** more than **double**d **in a few years in response to increased salaries**. Our research finds that the S&E pipeline is reasonably strong even if it can and likely should be improved. Professor Salzman presented our findings to the House Subcommittee on Technology and Innovation in 2007 and I update them here. Large student body, small S&E workforce: **There pool of students with the ability to purse an S&E career is far larger than the S&E workforce**. The S&E workforce is fairly small at roughly 5 percent of the U.S. labor force. The number of students who score high on math or science is large, and we graduate more S&E students that annual S&E workforce growth. The Bureau of Labor Statistics projects 190,000 annual S&E job openings due to growth and replacement needs between 2008 and 2018. Annually, between 1995 and 2007 there was an increasing number of domestic S&E graduates, averaging 408,000 bachelors; 78,000 master; and 21,000 doctoral graduates for a total of 507,000. **The rate of growth of domestic graduates will lessen as our population ages, but there will be no sharp decline**. International tests averages can mislead about U.S. performance: It is true that U.S. students regularly place mid-way in the international pack on math, albeit they perform better on science and reading. Yet, the age groups sampled internationally are not fully comparable and the ranking between countries is often not statistically significant. And as a separate sample in Massachusetts of the Trends in International Mathematics and Science Study (TIMSS) recently demonstrated, students in individual U.S. states test better than those in many of the smaller nations that rank above the average American. Furthermore, **we are a large nation and we have a lot of students in the upper tail of test score performance**. **National tests show improved math scores**: The SAT math scores of college bound high school seniors have increased steadily since 1980 after a marked dip in the 1970s. To be sure SAT math scores have recently stabilized at a level a little lower than their 2005 peak, but that is not yet a trend and may simply reflect an increase in the proportion of high school test takers. What is a trend are the smart improvements over the past two decades in the NAEP math scores of 8th graders and the steady trend upward of 12th grade NAEP math scores for all groups. Student interest in S&E has been steady for four decades: Surveys of incoming college freshman by the Higher Education Research Institute (HERI) since the early 1970s have found about one third express an interest in pursuing a S&E field of study. Additionally, Professor Salzman and I analyzed three decades of longitudinal data and found pretty much steady rates through the pipeline. That is to say there has been little change in the percent of entering high school students who graduate with an S&E bachelor or advanced degree; or the percent who go on to an S&E job. **We do not find evidence that the student pipeline is at imminent risk of failure, that it is grossly deficient across the board compared with other nations, or most importantly that it produces too few domestic students for the S&E workforce**. Student interest in science and engineering has remained strong and leads to a substantial supply of S&E graduates. THE S&E LABOR MARKET IS NOT "TIGHT" Most Economists will not readily admit that anything like a shortage of labor exists. But that is not quite right; theory says that **given strong demand an existing shortage will right itself** with time. Richard **Freeman has shown that engineering markets have oscillated as increasing wages induce an increased supply of students** and, in turn, rebounding supply lowers wages and student enrollments again decline. That is, there are short term or cyclic shortages and longer-term, structural shortages. Cyclic shortages are what temporary visas might fill until the market rights itself, while permanent migration offsets longer run structural shortages. More to the point, wages settle to a level that reflects the relative balance of supply and demand. **If demand outstrips supply, wages escalate to address the shortage of labor**. If there is a plentiful supply of labor, wages will be lowered. There is evidence that there is a substantial supply in the S&E labor market and that it is best characterized as loose (not tight).

It's comparatively better to grow the domestic pipeline through wage increases.

Lowell 11 - Director of Policy Studies, Institute for the Study of International Migration (Lindsay, "Immigration and the Science & Engineering Workforce: Failing Pipelines, Restrictive Visas, and the Best and Brightest," *United State House of Representatives Committee on the Judiciary Subcommittee on Immigration Policy and Enforcement*, Lexis)

Consider that Census data shows that no better than 5 percent of all workers in S&E occupations are self-employed, perhaps unsurprisingly, less than the percent of workers in other professional jobs. The S&E foreign-born, in turn, are less likely than S&E natives to be self-employed. On the other hand, in high technology industries nationally a little over one-sixth of the self-employed are immigrants, closer to Hart et al.‟ s figures. Again more impressively, close to three-tenths of the self-employed in IT industries are immigrants in Silicon Valley. Impressive, yes, but the valley‟ s share of immigrants in the S&E workforce is roughly twice as large. In other words, **one has to admit a rather large number of immigrants to generate what is evidently a very concentrated pattern of immigrant entrepreneurship in key metropolitan areas**. Furthermore, **it is not clear that it is immigration that provides the most critical ingredients for innovation "hot spots."** In The Silicon Valley Edge, Lee and his colleagues argue that there are 10 reinforcing factors behind the valley‟ s success, of which immigrants are only one part. **Success in innovation**, in the final analysis, **is about creating the right business, intellectual, regulatory and academic environments; not about supply-side economics**. A generous number of S&E migrants has been admitted to the U.S. and, as the system/policy is currently structured, will continue to admit large numbers of immigrants. At the same time, **there is little evidence that our educational pipeline produces too few domestic students able and willing to pursue an S&E career**. And employment opportunities in most S&E occupations, particularly due to two recent recessions, are not as strong as they should be to attract more domestic workers. Economists tell us that **tighter labor markets induce wage gains and, in turn, more domestic residents would be retained all through the pipeline**. Today‟ s admission system is faulty, however, and shy of a complete redesign, targeted changes should be made. I suggest three principles that should inform policy and regulatory changes. First, **changes should be careful not to artificially induce significantly increased admissions of foreign S&E workers. America's competitive advantage is best served by spurring domestic demand. It is not a good idea to create new visas or expanded caps, escalating caps, or cap exemptions.** Nor is it a good idea to award automatic greencards which has the additional downside of creating the wrong incentives to, for example, pursue specialized education in the United States. Neither does it make sense to expand temporary programs, particularly those with long stays and no screening for intent to stay, without a corresponding capacity to permit adjustments to permanent status.

Innovation

Low wages reduce skill acquisition and innovation – those are key to business success.

Meuris and Leana 15 – Jirs Meuris, Ph.D, Katz Graduate School of Business, University of Pittsburgh, Leana, C. R., Ph.D, Katz Graduate School of Business, University of Pittsburgh, 2015 ("The high cost of low wages: Economic scarcity effects in organizations." Research in Organizational Behavior (2015), Available online at http://dx.doi.org/10.1016/j.riob.2015.07.001, Accessed 06-24-2018)

Individual learning is crucial to organizational success because, **to exploit external information** and successfully initiate **and implement innovations, employees need to acquire** new knowledge and **skills** and apply them in their professional context (e.g., Cohen & Levinthal, 1990; Klein & Knight, 2005; Simon, 1991). Even in jobs that are constrained through their design (like many low-wage jobs), employee learning remains a key factor in promoting and sustaining organizational functioning. Cognitively, **the spillover of economic scarcity affects employee learning by reducing the mental bandwidth available for the acquisition** of new knowledge and skills. **Increased cognitive load can undermine learning by diminishing the ability for acquisition and storage of information and cognitive schemas** (Sweller, 1988), and the ability to provide consistent attention during training sessions (Nissen & Bullemer, 1987). Kanfer and Ackerman (1989) show that reduced attention to learning tasks reduced the acquisition of skills in Air Force cadets. Nissen and Bullemer (1987) also provide evidence for reductions in learning proficiency by finding that introducing a second simultaneous task prevented the learning of a repeating sequence. Indeed, most of the recent research on learning in educational psychology is based on limiting "extraneous cognitive load" to promote skill acquisition (see Van Merrie¨nboer & Sweller, 2010 for example). **Economic scarcity** can **leave employees with less spare cognitive capacity available to devote to learning** new information (e.g., Kahneman, 1973), **which** in turn **can impede the ability of the organization to** successfully **design and implement novel work practices and technology.**

Low wages increase turnover and reduce productivity – it's a negative feedback loop.

Meuris and Leana 15 – Jirs Meuris, Ph.D, Katz Graduate School of Business, University of Pittsburgh, Leana, C. R., Ph.D, Katz Graduate School of Business, University of Pittsburgh, 2015 ("The high cost of low wages: Economic scarcity effects in organizations." Research in Organizational Behavior (2015), Available online at http://dx.doi.org/10.1016/j.riob.2015.07.001, Accessed 06-24-2018)

In this paper, we have argued that **employee economic scarcity** not only **can have negative consequences for employees and organizations**, but also that organizations are an important source of this deprivation: **Low wages**, limited benefits, and inflexible job design **have all contributed to the tightening of the scarcity trap that becomes increasingly difficult for the** working **poor to escape**. **The continuance of scarcity**, in turn, **affects** organizational outcomes, such as **performance, innovation, safety, and proactivity that can impede the organization's functioning**. Indeed, we build here on recent research on scarcity (e.g., Mullainathan & Shafir, 2013) by arguing that **the circumstances of low-wage work feed into the cycle of economic scarcity that attenuates the chance of breaking it.**

We have focused primarily on employees who experience relatively long-term economic scarcity vs. those for whom scarcity is a transient state (e.g., graduate students). As discussed by Leana et al. (2012), **there are significant differences between those who experience economic scarcity temporarily and those who experience it relatively permanently**. Many of the observations throughout the paper can certainly apply to more transient economic scarcity, yet their circumstances are quite different from people experiencing chronic economic deprivation. A person earning a $65,000 salary may experience the detrimental effects of scarcity when confronted with an unexpected negative economic shock, such as a large medical bill, that can have important consequences at the individual and organizational level, but this scarcity is likely to be temporally circumscribed since these people often have some slack to address negative shocks over time. Nonetheless, **people may experience several concurrent negative shocks that** strain their financial slack and **can readily devolve** into a chronic state due to scarcity's entrapment tendency (Mullainathan & Shafir, 2013). **With median income levels stalled** in many economies, **we may find that the number of employees experiencing economic scarcity is increasing and that the psychological consequences** of scarcity **are increasingly affecting employees outside of traditional low-wage occupations.**

Affirmative

2AC — Wages DA

Wages are low now — declines in unions, tech changes, and increased power over workers.

Quinlan 18 – policy reporter @ Think Progress (Casey, "Economists throw cold water on pundits' celebration over wage growth," February, Think Progress, https://thinkprogress.org/why-wages-long-term-stagnant-6e11dae94f11/)//BB

The long-term picture for wage growth has been grim. U.S. wages were only 10 percent higher in 2017 than in 1973, and according to the Hamilton Project, it has mostly benefited folks at the top of the income distribution. **When looking at real wage gains** — or wages adjusted for inflation — **0.7 percent a year since the beginning of the Great Recession isn't enough for people's living standards to rise**, Shambaugh said.

2017 was a year of eroding workers' rights

A number of factors have contributed to this stagnation, including globalization, declines in unions and other labor institutions, technological changes, and a decrease in what is called business dynamism, or the expansion, contraction, failure, and creation of businesses that both creates and kills jobs. Workers are also switching jobs at a lower rate. **Lack of worker mobility has been another factor in stagnant wages**. Workers have been less likely to move to new places or to new jobs. Americans who moved from one state to another fell from 3.8 percent in 1990 to less than 2 percent in 2016. **The new tax law** — which for the next eight years won't allow people to deduct moving expenses — **isn't going to help**.

Recent research shows how labor market monopsony, or buyer power among employers, affects workers' wages. When employers aren't competing with each other for workers, they can pay workers lower wages and too often, workers are stuck with them. A 2017 study looked at concentrated labor markets, or markets where only a few firms dominate hiring, and found a decline in wages. Using data from CareerBuilder.com, researchers calculated labor market concentration for more than 8,000 occupational labor markets and found that going from the 25th percentile to the 75th percentile in concentration is associated with a 15 percent to 25 percent decline in wages.

"**What we've been looking at more and more is just the idea of why if there is a strong market, strong economy, why aren't workers benefitting? There is this idea that there is market power that workers don't have and that firms have power over the workers**," Black said. "**When we teach economics, we think about a perfectly competitive labor market, where if a firm offered you five cents less, you would leave it and go to the firm that offered you 5 cents more. Of course, the real world does not work that way**."

No Link — immigration doesn't impact wages or employments rates.

Vandenbroucke and Zhu 17 - Guillaume Vandenbroucke is an economist, and Heting Zhu is a research associate, both at the Federal Reserve Bank of St. Louis. For more on Vandenbroucke's work, see https://research.stlouisfed.org/econ/vandenbroucke ("Mixing the Melting Pot: The Impact of Immigration on Labor Markets," *St. Louis Fed*, https://www.stlouisfed.org/publications/regional-economist/first_quarter_2017/mixing-the-melting-pot-the-impact-of-immigration-on-labor-markets)//BB

Immigration to the United States is at the center of many debates. The issue is not new, not only in the U.S. but in many other parts of the world, as evidenced in the many discussions in the media, as well as in political and academic circles. For this paper, we looked at U.S. data across states to assess the connection between immigration and labor market outcomes. **We were prompted by the argument that immigrants make life harder for workers who already are U.S. citizens**. Specifically, **we investigated the correlation between immigration and the unemployment rate and between immigration and wages**. **We used** state-level **data from the U.S. Census Bureau for the years 2000, 2005 and 2010 for wages and immigration figures**. Immigrants are defined as those who are foreign-born.1 For wages, we used inflation-adjusted pretax wages and salary incomes of the employed population between the ages of 18 and 60. Finally, we used the Bureau of Labor Statistics' seasonally adjusted unemployment rate. Immigration and Unemployment **Does a change in immigration affect the unemployment rate? An answer to this question** can be found in Figure 1, Panel A. It shows how changes in the proportion of foreign-born are associated with changes in the rate of unemployment from 2000 to 2005. Each point represents a state. This panel assesses whether states with changes in their proportion of foreign-born tend to see systematic change in their rate of unemployment. A closer look at three states may help explain the panel. Take Alaska first. Between 2000 and 2005, the proportion of foreign-born among the total population decreased from 7.5 to 6.7 percent, a difference of –0.8 percentage point (measured on the horizontal axis). During the same period, the rate of unemployment rose from 6.4 to 6.9 percent of the labor force, a difference of 0.5 percentage point (measured on the vertical axis). Turn now to Arizona and Washington state. Like Alaska, they too experienced an increase in their unemployment rate of about 0.5 percentage point. But, unlike Alaska, the proportion of immigrants in these states increased, by 0.6 percentage point for Arizona and by 2.1 percentage points for Washington. Considering these three states only, similar changes in labor market conditions—namely an increase in the rate of unemployment—are associated with very different changes in the proportion of immigrants. This **suggests a weak correlation between the two variables**. The remaining states plotted on Panel A of Figure 1 convey the same message. Had there been a strong relationship between the foreign-born proportion and the unemployment rate, this panel would have displayed it via a clear alignment of points along a line or a curve, and we would have concluded that the correlation between the variables was close to 100 percent. Instead, analyzing **the data** in Panel A of Figure 1 **reveals a correlation that is less than 0.1 percent. There appears to be no statistical link between unemployment and immigration**.2 Does this result depend upon the period under consideration? Panel B of Figure 1 shows the relationship between unemployment and immigration between 2005 and 2010. Note that unemployment rates increased much more in all the states than they did during the 2000-2005 period. This is the effect of the Great Recession, which started in 2007 and ended in 2009. Like Panel A, Panel B of Figure 1 reveals that the relationship between unemployment and immigration is weak to nonexistent, even during this crisis period. Immigration and Wages **If immigration does not affect employment opportunities, maybe it matters for the wage rate. Again, we turn to state-level census data to examine whether a state with an increasing proportion of those who are foreign-born has systematically experienced higher or lower wages over time**. Panel A of Figure 2 presents **the relationship** between wages and immigration between 2000 and 2005. Like Panel A of Figure 1, this panel **reveals a weak to nonexistent correlation**. Specifically, **changes in the level of wages are very similar across states** (i.e., they line up along a horizontal line) **even though changes in the proportion of foreign-born people vary a lot**. Panel B of Figure 2 shows, as Panel B of Figure 1 did for unemployment, that **the correlation between wages and immigration remains nonexistent** during the crisis period. Immigration and Low-Skilled Workers Figures 1 and 2 show that there is no connection between immigration and the labor market outcomes (unemployment risk and wage) of the average worker. But what about more narrowly defined groups of workers? Is it possible, for example, that an influx of low-skilled immigrants mostly affects the labor market outcomes of low-skilled native workers? A study by economist David Card addresses this question. It discusses the consequences of the Mariel boatlift episode, when about 125,000 Cubans emigrated from Cuba's Mariel port to Miami between May and September 1980. These immigrants had relatively low skills (i.e., less than the average Cuban worker). Card found no evidence that low-skilled wages and the unemployment rate among low-skilled workers changed in Miami. Conclusion There have been many studies of the economic consequences of immigration, and they do not all agree. Findings are sometimes specific to the experiment at hand, as in the Mariel boatlift case, where it could be argued that the Miami labor market is not representative of the U.S. as a whole. Yet, it remains that **many studies find little to no evidence of a connection between immigration and labor market outcomes**.3 **Since this may be more surprising, on the surface, than the opposite result, it deserves some explanations. One possible explanation is that some immigrants may have overall positive effects on the economy**. This would be especially true of high-skilled immigrants who contribute ideas and innovations that drive productivity higher. **Another explanation is that, even in the same skill group, immigrants and native workers may not be perfect substitutes**. It was suggested in one study that **immigrants do not so much compete directly with natives as they create conditions for increased specialization by which natives perform more communication-intensive work and immigrants do manual tasks**.4

Turn — immigration improves wages by preventing outsourcing.

Cowen 13 - Professor of Economics at George Mason University, PhD in Economics @ Harvard (Tyler, "Do low wages for unskilled workers weaken the case for more immigration?," https://marginalrevolution.com/marginalrevolution/2013/05/do-low-wages-for-unskilled-workers-weaken-the-case-for-more-immigration.html)//BB

Here is a point which I think **the anti-immigration forces are** getting **wrong**, mostly **on the side of economics. It can be pointed out that low-skilled (native) labor in the United States has not seen strong income gains** for some time. **You might then wonder whether it makes sense to bring more unskilled labor into the country**.

In my view the evidence (and here) suggests that **the negative wage pressures** on unskilled labor, **to the extent they have international origins at all (as opposed to** TGS or **automation** or political factors), **come more from outsourcing and trade than from immigration. So if you limit low-skilled immigration, outsourcing likely will go up, as it would be harder to find cheap labor in the United States. The United States will lose the complementary jobs as well, such as the truck driver who brings cafeteria snacks to the call center. Conversely, if you increase low-skilled immigration, you will also get more investment in the United States and more complementary jobs as well and** possibly some **increasing returns from clustering** and maybe more net tax revenue too. On top of that the individuals themselves have greater choice as to where to spend their lives and build their careers.

Here's another way to put it. Either factor price equalization will go on or not, noting that **capital flows are the more active marginal lever here** and there is no serious talk of banning capital outflow. If FPE isn't going to happen much, no big deal either way. **If FPE is going to happen, you still might want to have it happen with more of those jobs inside your country**.

Again, you may wish to counterbalance this against any political costs from having more unskilled labor in your country, as I mentioned earlier. But **from an economic point of view, the case for accepting the immigration — including low-skilled immigration — still seems strong** to me.

Immigration helps the economy and doesn't hurt wages — demand creation and complementary jobs.

Smetters 16 – PhD, Professor of Economics, the faculty director of the Budget Model @ the Wharton School, which is a nonpartisan, research-based initiative that provides accurate, accessible and transparent economic analysis of public policy's fiscal impact (Wharton School Budget Model team --- this evidence is cited as the leader of the team, but the rest of the team includes dozens of economists who are either PhD candidates or PhDs in the field, "The Effects of Immigration on the United States' Economy," *Wharton Budget Model*, http://budgetmodel.wharton.upenn.edu/issues/2016/1/27/the-effects-of-immigration-on-the-united-states-economy)//BB

Labor Market Competition

A popular view is that immigrants are taking jobs from American citizens. However, although immigrants increase the supply of labor, they also spend their wages on homes, food, TVs and other goods and services and expand domestic economic demand. This increased demand, in turn, generates more jobs to build those homes, make and sell food, and transport TVs. Most empirical studies indicate long-term benefits for natives' employment and wages from immigration, although some studies suggest that these gains come at the cost of short-term losses from lower wages and higher unemployment. **Standard economic theory implies that while higher labor supply from immigration may initially depress wages, over time firms increase investment to restore the amount of capital per worker, which then restores wages**. Steady growth in the capital-labor ratio prevents workers' average productivity, and therefore their average wages from declining over the long run. Figure 2 shows the pre-1980 trend in the capital-labor ratio extrapolated over the next few decades – the period when U.S. immigration accelerated. Consistent with the theory, the actual capital-labor ratio did not significantly or permanently deviate from that trend after 1980. While growth in the capital stock keeps average wages from falling, immigration may affect the relative wages of different types of workers by changing their relative supplies. As shown in Table 1, immigration over the last few decades has had a bimodal impact across education groups: The largest impact has been on the supply of workers without a high school degree and of workers at the high end of the education spectrum – those with a college or postgraduate degree. Relative to the native-born, recently-arrived immigrants are less likely to have completed high school. At the same time, at the higher end, recent immigrants are more likely to have completed college and hold advanced degrees than their native counterparts. Thus, immigration has primarily raised the supplies of the least and the most skilled workers. [Table Deleted] Despite these increases in labor supply, in many cases **immigrants appear to complement American-born workers rather than replacing them. Because less-educated immigrants often lack the linguistic skills required for many jobs, they tend to take jobs in manual labor-intensive occupations such as agriculture and construction**. Even for low-skilled native-born workers in these industries, **the effects of increased competition from immigrants are ambiguous, as many take advantage of their superior communication abilities and shift into occupations where these skills are more valuable, such as personal services and sales**. Similarly, **highly educated immigrants face a disadvantage in communication-intensive jobs, and therefore tend to work in scientific and technical occupations. Highly skilled natives in management, media, and other culture- and language-dependent jobs face little competition from high skilled immigrants. The inflow of foreign labor is, therefore, concentrated in a subset of occupations that tend to employ many immigrants already**. Consequently, it is earlier immigrants who face the greatest increase in competitive pressure. Table 2 presents the results of two academic analyses of the wage impacts of immigration over the last several decades. These **studies account for firms' investment response and the imperfect substitutability between immigrant and native-born workers**. **They find a** small but **positive effect**, equal to about half a percentage point, **on the average wages of native workers**. One of the studies indicates a minor decline in the wages of those without a high school degree or with a college degree, while the other study finds only positive gains. In sharp contrast, both studies find that earlier immigrants experienced wage declines, on average, of 4 to 7 percent concentrated among the most and least educated.

Prefer Our Evidence — their studies conflate correlation with causation.

Megan 16 - Policy Analyst Bipartisan Policy Center (Kenneth, "Culprit or Scapegoat? Immigration's Effect on Employment and Wages," Immigration: Culprit or Scapegoat?, Bipartisan Policy Center, https://bipartisanpolicy.org/wp-content/uploads/2016/06/BPC-Immigration-Employment-and-Wages.pdf)//BB

With employment down among native-born individuals, **and** foreign-born industries characterized by **low wages, it is easy to see why many** Americans **view immigration as an economic ailment. However, this view suffers from the error of assuming that correlation equals causation**. **Immigration is not the cause of declining native-born employment** simply because foreignborn individuals are more likely to be employed. **Rather, declining employment can be attributed to the alternatives to work that native-born individuals have at their disposal**—**namely retirement, disability** insurance, **and school** enrollment. Similarly, foreign-born industries carry low wages not principally because they employ immigrants, but because they have lower educational requirements and therefore attract immigrants who also have overall lower education levels. **In the absence of immigration, it is unlikely that these positions would be filled by native-born workers, who tend to have higher levels of educational attainment, and can more easily retire or return to school**. Indeed, **many** of these lesser-skilled **industries are already suffering from labor shortages**, despite a reduction in native-born employment. **In the absence of immigration, this problem would likely be exacerbated**, **hindering economic growth and doing little to improve native-born employment. Ultimately, immigration can be a vital ingredient for a dynamic American economy. Immigrants do not harm the native-born workforce—they complement and enhance it**.

2AC — Economic Decline Doesn't Cause War

[Don't read this card if you read an economy impact in the 1AC.]

Economic decline doesn't cause war — empirics prove.

Drezner 14 – Professor of IR at Tufts (Daniel, "The System Worked: Global Economic Governance during the Great Recession", *World Politics*, 66.1)

The final significant 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.42 They voiced genuine concern that the global economic downturn would lead to an increase in conflict—**whether through** greater internal **repression, diversionary wars, arms races, or a ratcheting up of great power conflict**. Violence in the Middle East, border disputes in the South China Sea, and even the disruptions of the Occupy movement fueled impressions of a surge in global public disorder. **The aggregate data suggest otherwise, however**. The Institute for Economics and Peace has concluded that "**the average level of peacefulness in 2012 is approximately the same as it was in 2007**."43 **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**, as Lotta Themner and Peter Wallensteen conclude: "[T]he pattern is one of relative stability when we consider the trend for the past five years."44 **The** secular **decline in violence that started with the end of the Cold War has not been reversed**. Rogers Brubaker observes that "**the crisis has not** to date **generated the surge in protectionist nationalism or ethnic exclusion that might have been expected**."43

1AR

Extend: "Wages Low Now"

Wages low now and will remain stagnant.

Bartash 18 — 5-30-2018 (Jeffry, "If the job market is so great, why aren't many people getting pay raises?," *Market Watch*, https://www.marketwatch.com/story/the-high-number-of-workers-getting-no-pay-raise-suggests-inflation-worries-overblown-2018-05-29)//BB

An unusually high percentage of American workers still aren't getting pay raises nine years after the end of the Great Recession — and that suggests the threat of inflation is still quite low. **Research by the Kansas City Federal Reserve found that an abnormally high share of employees still in the same jobs haven't received a pay raise in the last 12 months despite a 3.9% unemployment rate that is the lowest in almost two decades**. **Economists refer to the phenomenon as "wage rigidity**." What's more, **the rate of future wage growth in the U.S. also tends to rise more slowly than usual when a high number of people aren't getting any raises at all**, the research suggests. The report might help explain why average U.S. wages still aren't growing all that fast and it could have implications on how fast the Fed raises interest rates. The central bank has penciled in two more rate hikes for 2018 for now, but some senior officials think three more increases might be warranted to head off the potential for higher wages to stoke inflation. The specter of Fed action has pushed up interest rates TMUBMUSD10Y, +0.91% and acted as a drag on stocks DJIA, +0.30% SPX, +0.31% Also Read: Fed officials are basically born with their beliefs, study finds In the most recent 12-month period ended in April, hourly U.S. wages increased at a 2.6% rate. Normally when the unemployment rate is as low as it is now, wages tend to rise 3.5% to 4.5% year. Some economists think hourly pay will soon breach 3% annually and perhaps go even higher, but the Kansas City research casts doubt on that forecast. **Right now about 14.3% of all workers in their current jobs fail to get a yearly increase in pay**, calculates economist Neil Dutta of Renaissance Macro Research. By contrast, the figure was around 11% or less at the height of the past two U.S. economic expansions. Fed economists say **that number would have to fall about 2 points to 12.5% to give strong reason to believe hourly wage gains for U.S. workers will top 3% next year**. **Such a steep decline in so little time would be "unprecedented**," Fed researchers say. After the 2001 recession, for example, it took three years for wage rigidity to fall 2 percentage points. **What's worse, the share of workers not getting yearly raises appears to be rising instead of falling**. **The "recent uptick in nominal wage rigidities suggests wage growth is unlikely to ramp up dramatically next year**," the report concludes.

Extend: "Immigration Doesn't Impact Wages"

Immigration has zero wage effect, but does produce growth through innovation and job specialization.

Smetters 16 – PhD, Professor of Economics, the faculty director of the Budget Model @ the Wharton School, which is a nonpartisan, research-based initiative that provides accurate, accessible and transparent economic analysis of public policy's fiscal impact (Wharton School Budget Model team --- this evidence is cited as the leader of the team, but the rest of the team includes dozens of economists who are either PhD candidates or PhDs in the field, "The Effects of Immigration on the United States' Economy," *Wharton Budget Model*, http://budgetmodel.wharton.upenn.edu/issues/2016/1/27/the-effects-of-immigration-on-the-united-states-economy)//BB***Figures omitted

Today, the United States is home to the largest immigrant population in the world. Even though immigrants assimilate faster in the United States compared to developed European nations, immigration policy has become a highly contentious issue in America. While much of the debate centers on cultural issues, **the economic effects of immigration are clear: Economic analysis finds little support for the view that inflows of foreign labor have reduced jobs or Americans' wages**. **Economic theory predictions and the bulk of academic research confirms that wages are unaffected by immigration over the long-term and that the economic effects of immigration are mostly positive for natives and for the overall economy**. Figure 1 shows that the foreign-born population has grown rapidly in recent decades, rising from less than 5 percent of the U.S. population in 1970 to 13 percent in 2013. Although immigrants today comprise a larger share of the population than at any time since World War II, the foreign-born share today is roughly the same as during the late 19th and early 20th centuries, when about 15 percent of U.S. residents were born in a foreign country. **Has the surge in immigration since 1970 led to slower wage growth for native-born workers? Academic research does not provide much support for this claim**. The evidence suggests that **when immigration increases the supply of labor, firms increase investment to offset any reduction in capital per worker, thereby keeping average wages from falling** over the long term. **Moreover, immigrants are often imperfect substitutes for native-born workers in U.S. labor markets. That means they do not compete for the same jobs and put minimal downward pressure on natives' wages**. This might explain why competition from new immigrants has mostly affected earlier immigrants, who experienced significant reductions in wages from the surge in immigration. In contrast, **studies find that immigration has actually raised average wages of native-born workers** during the last few decades.

Immigrants are at the forefront of innovation and ingenuity in the United States, accounting for a disproportionately high share of patent filings, science and technology graduates, and senior positions at top venture capital-funded firms. In addition, **the presence of immigrants often creates opportunities for less-skilled native workers to become more specialized in their work, thereby increasing their productivity**.

Extend: "Immigration Improves Wages"

Immigration improves wages — any decrease ignores the trade variable.

Fernholz 15 – reporter @ Quartz, author of "Rocket Billionaires" (Tim, "The numbers show why Donald Trump is totally wrong about immigrants," Quartz, https://qz.com/486484/the-numbers-show-why-donald-trump-is-totally-wrong-about-immigrants/)//BB

The effect of immigration on US native wages **Here are estimates from two separate studies—one from** the Economic Policy Institute (**EPI**), **and the other by economics professors** Gianmarco **Ottaviano and** Giovanni **Peri**, of the London School of Economics and the University of California, Davis, respectively, **of how immigration to the US has changed native workers average wages**. Both focus on periods spanning the 1990s tech bubble and the 2000s housing bubble, when many immigrants came to the US in search of jobs: [Table Deleted] You'll notice **they are all positive**: Almost **everyone has seen wages rise thanks to immigrants in the economy**, even though they are pretty marginal effects. **Economists have been arguing about how to measure the impact of immigration on native workers for a long time now, but consensus seems to be settling on the idea that they are complementary to US workers**. **How do more people entering the economy lead to higher wages? They made the economic pie bigger by helping produce more, they are consumers of goods and services themselves, and their new ideas can unlock entire new industries**, whether that's California nail salons or ethnic restaurants. **Some earlier estimates found major reductions in wages from immigration, but newer work has identified a flaw in those estimates: They tended to assume that the amount of capital in the US was fixed and that immigrants can easily substitute for native workers**. But US **capital stocks continue to increase, and empirical data suggests that native workers actually tend to be pretty different from immigrants**. **Native workers tend to have better language and cultural skills, and immigrants tend to bring knowledge and experience that the US is lacking.** Examining those assumptions led to the kind of estimates in the table above, which suggest that **native wages increased** between 0.4 and 0.6% **because of the last big immigration boom**. **What about unskilled men?** But when we think about immigrants substituting for native workers, manual labor is one where they should be able to do so pretty easily. And the main area where economists find problems for native US workers is, unsurprisingly, in the demographic composed of men without much in the way of skills. Here's one breakdown of that effect: [Table Deleted] So you might think here that, at last, The Donald has a point. But remember that big statistic—wages for unskilled male workers have fallen by 23% between 1979 and 2013? For 14 years of that 34-year time period, we know that immigration barely contributed to that dramatic change. Even in the unlikely case that the effect was doubled or tripled during the other 20 years in the sample, immigration just isn't what's getting at unskilled male workers wages. Instead, it appears that **the reason unskilled men have seen their wages fall so dramatically is trade**—**specifically because foreign workers abroad have outbid them for economic activity. And unlike foreign workers who come to the US, none of the benefits of their work accrue to the US economy**. **The other culprit eyed is for hurting low-skill wages is automation—that is, robots**—but there appears to be more evidence that it's trade behind the unskilled US worker's woes. **Stemming low-skilled immigration won't change that**. Where does this leave us? There are two other groups of people to consider when talking about jobs and immigration. The first are other recent immigrants. Economists tend to estimate that increasing immigration tends to hit them the hardest. The reason: Again, substitution, as recent cohorts of immigrants create direct competition for one another when it comes to wages. In that EPI study from 1994-2007, foreign-born workers in the US saw their wages decrease by an average of 4.7% because of the effect of immigration. The other group to consider is the one causing the decrease: the newest of the newcomers. These are the biggest winners in the wage game. By shifting their labor to a new milieu, they have massively increased their earnings power, even if their wages remain low by US standards. The increase in living standards affects these new immigrants and their home countries; as migration experts are fond of noting, **remittances from immigrants vastly exceed foreign aid from governments, leading to theories that increasing immigration is a smart way to increase global economic development and avoid leaving trillion-dollar bills on the sidewalk** (pdf). Arguments for immigration as an anti-poverty program have not yet been able to surmount the kind of deep-set suspicion that Trump's campaign is exploiting. But at the very least, we can establish that **however much** he or **anyone** else **claims immigration is hurting US wages, the latest research just doesn't support the argument**.

Immigration enhances productivity and labor specialization — both lead to growth.

Smetters 16 – PhD, Professor of Economics, the faculty director of the Budget Model @ the Wharton School, which is a nonpartisan, research-based initiative that provides accurate, accessible and transparent economic analysis of public policy's fiscal impact (Wharton School Budget Model team --- this evidence is cited as the leader of the team, but the rest of the team includes dozens of economists who are either PhD candidates or PhDs in the field, "The Effects of Immigration on the United States' Economy," http://budgetmodel.wharton.upenn.edu/issues/2016/1/27/the-effects-of-immigration-on-the-united-states-economy)//BB

Productivity

Immigrants also **bring a wave of talent and ingenuity, accounting for a disproportionate share of workers in the fields most closely tied with innovation**. **A 2011 survey of the top fifty venture capital funded companies found that half had at least one immigrant founder and three quarters had immigrants in top management or research positions**. **A significant share of advanced degrees awarded in science and engineering** — often the foundation for innovation and job growth — **go to foreign-born students with temporary visas studying in American universities**. According to a 2012 National Science Board report, foreign students earned 27 percent of science and engineering master's degrees in 2009. And in recent years, the number of foreign-born undergraduate students studying in American universities has grown rapidly, rising to 18 percent between 2011 and 2012. In 2011, **76 percent of patents from top 10 U.S. patent-producing universities had at least one foreign-born author**. Indeed, **immigrants produce patents at double the rate as natives, and the presence of these immigrants generates positive spillovers on patenting by natives**. **Economic theory suggests a direct link between a skilled and innovative labor force and faster GDP growth**, and **more than three quarters of U.S. growth over the last 150 years can be explained by improvements in** education and **research**-driven innovation. Moreover, **states with a high concentration of foreign-born workers experience significantly faster productivity growth**. As discussed earlier, **less-skilled natives often respond to increased competition from immigrants by leaving manual labor for occupations that emphasize language and communication skills. This greater specialization leads to a more efficient allocation of labor, raising the incomes and productivity of both natives and immigrants**.

Immigrants do complementary jobs and create new employee demand.

Eckstein 18 - Professor of sociology and international relations at Boston University (Susan and Giovanni Peri, "Immigrant Niches and Immigrant Networks in the U.S. Labor Market," *The Russell Sage Foundation Journal of the Social Sciences*, 4.1)//BB

For several cognitive- and analytical-intensive **occupations**, **new immigrants** sometimes **offer skills that U.S. companies strongly demand and that U.S.-born workers do not adequately provide because of the fast-growing demand**. In particular, **foreigners have contributed to innovation and productivity growth in the science and technology sector** (see Peri, Shih, and Sparber 2015; Kerr and Lincoln 2010). **Highly skilled immigrants have been crucial to the growth** during the last thirty years **of** the information technology (**IT**) sector—**which has revolutionized production in many industries**–**by bringing their skills and abilities to IT-intensive jobs and** science, technology, engineering, and mathematics (**STEM**) **jobs** (see, for instance, Hanson and Slaughter 2016). Although, as previously noted, Indians have played an especially important role as workers, entrepreneurs, and professionals in the IT and computer sector, they are not the only immigrant group to contribute to the development, transformation, and transnationalization of this sector. So too have Chinese and Taiwanese (see, for example, Yu-Ling Luo and Wei-Jen Wang 2002) and Israelis, as analyzed by Steven J. Gold (this issue). Foreign-born workers are attracted to U.S. high-tech companies at the cutting edge of the industry worldwide because they pay well by international standards, and also because **demand for electrical engineers, computer programmers, and software developers has soared** since 1980. Many of the immigrants hired for these jobs are well trained abroad—for example, at India's famous Indian Institutes of Technology or in China's top universities. They obtain these coveted jobs because, on the one hand, they are highly skilled, and on the other, because U.S. immigration policy makes their employment possible. The United States prioritizes their admission by allowing U.S. employers to hire skilled foreign labor on special H-1B visas, for a maximum of six years. Since the turn of this century, over 80 percent of H-1B visas have gone to highly educated foreign professionals in computer-related occupations, and most of those have gone to Indians. These workers have been fundamental to Silicon Valley's ability to establish and maintain a global competitive edge in information technology. **Building on U.S.-acquired skills, capital, and networks, Indian immigrants have also formed their own start-up companies**, in India as well as **in the United States**. In India, they have developed businesses that complement the work of U.S. firms. U.S. multinational companies in the high-tech sector have also turned to high-skilled, well-trained Indian immigrants to manage the subsidiaries they have established in India to capitalize on the talent and lower wages in the Indian market. In so doing, Indian immigrants have transnationalized, as well as transformed, this initially exclusively U.S.-based niche. **New immigrants also meet the demand for labor that native-born workers shun. Immigrants, for example, increasingly dominate hard, physically demanding, outdoor jobs in the agriculture and construction sectors**. **Even in skilled sectors of the labor market, immigrants fill many of the jobs that native-born workers find unattractive because of where they are located or the conditions of work**. For example, many **doctors from India work in the inner cities, where their U.S.-born counterparts resist working. Their willingness to take these positions is good for minority and poor patients in the inner cities, the economy, and the health of Americans** In the last half-century, **the entry of large numbers of native-born women into the labor force has in turn increased demand for low-paid, low-skilled labor to do the housekeeping and child care work that women used to provide, unpaid, within the household**. Central American and Mexican immigrant women are employed for much of this paid labor.

Extend: "Neg Studies Flawed"

Prefer Our Evidence — it's confirmed by a meta-analysis of relevant economics research.

Longhi et al **8** – PhD, Professor of Economics @ Reading (Simonetta, "Meta-analysis of empirical evidence on the labour market impacts of immigration," IZA Discussion Papers, No. 3418, Institute for the Study of Labor (IZA), https://www.econstor.eu/bitstream/10419/35195/1/562985247.pdf)//BB

The number of people living outside their country of birth has more than doubled since 1960 (World Bank, 2006). **The growth in international migration has fuelled an extensive and ever-increasing volume of research during the last two decades**. **The** 21 **number of refereed journal articles on the topic of immigration recorded in EconLit is now close to 1200**. 9 To those concerned with formulating policies that aim at increasing the wellbeing of both immigrants and the host country population **such a bewildering array of research findings warrants an effective research synthesis. While narrative literature reviews may provide many relevant insights, they are likely to generate only a partial, and a – deliberately or subconsciously – biased summary of the literature. In this paper we adopted a meta-analytic approach to summarise this literature. This has provided a quantitative and transparent means of assessing the impact of immigration on the labour market**. **The paper may be seen as the final part in a trilogy. In** Longhi et al. (**2005**a) **we carried out a meta-analysis of the impact of immigration on the wages of the native born population. This was followed by a study of the impact on employment** (Longhi et al. 2005b). **In the present paper we extended the analysis to the combined impact on wages, employment, unemployment and labour force participation. The conclusion of this research synthesis is that the impact of immigration on the labour market of the native born population is quantitatively very small** and estimated coefficients are more than half of the time statistically insignificant. **This reinforces a consensus that has emerged in the literature on the macro level labour market impact**. From the perspective of policy, however, this broad conclusion needs to be supplemented with more refined statements that concern the outcomes in specific labour markets for specific workers at specific times. **It is fortunate that highly detailed administrative and survey data bases, often longitudinal, are now becoming available in host countries to carry out far more detailed analyses than have been hitherto possible**. **Of particular importance is the extent to which immigrant workers are substitutes or complements to native-born workers in specific labour markets**. While the present paper confirmed the neoclassical partial equilibrium model that, **when migrants are substitutes for the native born and earlier immigrants, regressions of the labour market impact on these groups often yield negative but statistically insignificant coefficients**, it was not possible to focus explicitly on specific types of immigrants and native-born workers. However, a strong result of the meta-analysis is a statistically significant downward effect of newcomers on the wages of earlier migrants, suggesting that in many cases the substitution elasticity between new arrivals and earlier immigrants will be relatively high.

They Say: "Borjas"

Borjas assumes perfect worker substitution, which is inaccurate and taints his model.

Fulweiler 12 – JD @ Georgetown (Peter, "THE CASCADE EFFECT: THE CONSEQUENCES OF THE USCIS'S INTERPRETATION OF KAZARIAN V. USCIS ON ECONOMIC GROWTH," *26 Geo. Immigr. L.J. 603*, Lexis)//BB

There is a large body of empirical research examining the impact of immigration on the native labor market. 73 The **conventional analysis** described above **suggests that immigration, by increasing the labor supply, will dampen wages among similarly endowed native workers**. 74 **This model fails to account for the fact that immigrants are themselves consumers of goods and services**, **thereby increasing the overall demand for these products**. **In turn, the demand for labor should increase as manufacturers expand output**. 75 **A consensus appeared** to have been made in the mid-1990s when Friedberg and Hunt concluded that after reviewing the literature, "**[t]here [wa]s no evidence of economically significant reductions in native employment," nor any major reduction in native wages**. 76 Nevertheless, since the publication of this study, a number of scholars have questioned and criticized this emphatic conclusion. 77 In response to these criticisms, Gaston and Nelson argued that finding a reduction in native wages from immigration is a direct result of the "one good general equilibrium model" employed by these economists. 78 In this model, only one good is produced in the economy, and thus an increase in labor must reduce the market clearing wage. Conversely, with a two good model, the output mix between the two goods will change in response to the increase in labor, which will significantly reduce the impact on wages. 79 In this more [*613] robust model, Gaston and Nelson conclude that immigration negligibly affects the economic life of workers in the long-run. 80 George **Borjas' recent study argued that immigration has indeed harmed employment opportunities of competing native workers**. 81 Borjas concluded that the immigration influxes of the 1980s and 1990s resulted in a 3.2% drop in native worker wages. 82 Nevertheless, **using Borjas' model as a foundation for their research, Peri and Ottaviano reached a different conclusion. To better capture the impact of immigration, the authors changed some aspects of this model**. 83 **First, the authors removed the usual assumption that foreign and U.S. born workers are prefect substitutes in terms of education and experience. In this way, Peri and Ottaviano hoped to better capture the relationship within and between the different groups of workers**. 84 Second, **Peri and Ottaviano** claim to **more carefully consider the interaction between capital and immigration than other researchers**. 85 **Based on these modifications, they show that immigration increased the average wage of U.S. native workers**. 86

Prefer Our Evidence — the CBO improved Borjas' model.

Porter 13 – economic scene columnist @ NYT (Eduardo, "Immigration and the Labor Market," *NY Times Economics Blog*, https://economix.blogs.nytimes.com/2013/06/25/immigration-and-the-labor-market/)//BB

Are American workers are about to experience unwelcome new competition for their jobs? The bill moving through Congress to overhaul the nation's immigration laws, if approved, would give employers access to expanded visa programs that would admit hundreds of thousands of immigrant workers, of both low and high skills, to toil in workplaces from strawberry fields to technology companies. Weighing the economic claims in the Congressional debate. The legislation also offers legal status to millions of immigrants working illegally across the country, and ultimately a shot at citizenship. The change would encourage many to roam freely throughout the economy, leaving dead-end jobs in immigrant-heavy sectors of the labor market to seek higher pay elsewhere. But **by many accounts, most American workers need not worry about the prospect of hordes of workers entering the country with an eye on their jobs.** Rather, **immigration is** seen as **more likely to leave American workers better off. The latest organization to come to this conclusion is the C**ongressional **B**udget **O**ffice, **which issued a report this month concluding that** the immigration bill would add **six million workers** to the American job market by 2023 and nine million by 2033 – increasing the labor force by 5 percent. In the beginning, the jump in immigration **would hit pay**, the office said. It expects that by 2023 average wages would be **0.1 percent** lower, on average, than they would have been absent a change in law. Still, **most American workers would have little to worry about**. Average wages **decline would only be temporary. Wages would rise as businesses invested to take advantage of the expanded labor force. By 2033**, the C.B.O. forecast, **average wages would be 0.5 percent higher than they would have been without the new immigrants**. **These conclusions may seem to fly in the face of the laws of supply and demand. But they are not quite so odd. They can become obvious**, in fact, **when accounting for the response of American companies, and workers, to the inflows of foreign labor**. **The belief that immigration would simply displace American workers relies on the assumption that employers would do nothing but replace a costlier domestic labor force with cheaper imports. But companies actually invest and expand to reap the higher profits that the new labor allows**. **This provides new opportunities for immigrants and domestic workers alike**. In other words, immigration can produce jobs for Americans, too. Restaurants are much less common in Norway than the United States because Norway lacks the cheap labor — making a dinner out in Oslo prohibitively expensive. In many New York restaurants, the American waiters and maitre d' owe their jobs to the underpaid immigrants working illegally in the kitchen, whose low wages allow the restaurant to exist. What's more, immigration expands productivity. Highly skilled immigrant workers generate more productive innovations. And the influx of new workers of a variety of skills, high and low, would promote specialization. Giovanni Peri, an economist at the University of California, Davis, and Chad Sparber of Colgate University found that American workers in states with large shares of less-educated immigrants gravitate towards communications-related occupations, their area of comparative advantage, while the immigrants stick to manual tasks and physical labor. This increases the growth rate of the economy and pushes wages higher. Mr. Peri estimated that the wave of immigrants that entered the United States between 1990 and 2007 increased workers' incomes by about $5,100 a year on average, in 2005 dollars. This amounts to more than a fifth of the income gains over the period. There will be losers, especially among the workers most like the newcomers. A 50-year-old janitor with no high school diploma, for instance, will find it hard to make a transition into another job when immigrants move into the building maintenance business. But this group is probably small, and composed mostly of illegal immigrants already in the **workplace**. George **Borjas** of Harvard University **argues that those without a high school diploma** – about 8 percent of the labor force — **are** easily replaced by immigrants and are **likely to suffer** a noticeable drop in wages if low-skill immigration increases. Mr. **Peri disagrees**. He argues that **high-school dropouts could find jobs in parts of the labor market that might even benefit from new immigrants' arrival. The Congressional Budget Office looked at it differently. Rather than split the work force by educational attainment, it sliced it into five equal cohorts of skill, from the least educated fifth to the most. It found that none of these groups is hurt by immigration over the long run, in absolute terms. Some gain more, and some gain less**. Unskilled American workers – who never completed high school, or maybe got an equivalency diploma — would do relatively poorly. So would highly educated workers, who would face more competition from new immigrant scientists and engineers with H1-B visas. Average wages in both these slices would decline 0.3 percent relative to the average by 2033. The rest of workers, by contrast, would see their relative wages rise by 0.5 percent. But **even though the gains would not be distributed evenly**, according to the study, **every group would win**. "**Average wages would be higher** under the bill **than under current law for workers** in all quintiles of the skill distribution," it said.

Borjas ignores innovation and productivity gains.

Fulweiler 12 – JD @ Georgetown (Peter, "THE CASCADE EFFECT: THE CONSEQUENCES OF THE USCIS'S INTERPRETATION OF KAZARIAN V. USCIS ON ECONOMIC GROWTH," *26 Geo. Immigr. L.J. 603*, Lexis)//BB

Borjas' recent **study looked at whether foreign-born individuals with doctorates who remained in the United States after graduation hurt the economic opportunities of competing native workers**. 109 Borjas equates this foreign student influx to an increase in high-skilled immigration. 110 **He found that a ten percent increase in high-skilled immigrants in a particular field reduces the earnings of the entire group by three percent**. 111 According to Borjas, this result follows from the intuition that any shift in the labor supply of a defined group should affect the earnings and employment opportunities of that group. 112 **Chellaraj, Masjus, and Mattoo are critical** of studies showing an economic loss for U.S. native workers due to the inflow of skilled immigration. 113 Most importantly, **they argue that many studies fail to fully capture the possibility that skilled immigrants may increase innovation and thus boost future productivity gains. In turn, higher productivity gains lead to an increase in real wages for native workers.** 114 **To better capture this surplus, Chellaraj, Masjus, and Mattoo studied the impact on future patents by the presence of foreign students and skilled-immigrants.** 115 **Their empirical results suggest that an increase in foreign graduate students would significantly increase U.S. innovative activity.**" 116 Likewise, scholars from Duke University and University of California, Berkeley looked to alternative data in an attempt to better capture the potential gain of high-skilled immigrants. The study examined a large sample of technology companies to determine whether a key founder of the company was an immigrant. 117 As a result of their research, the authors found that **25.3% of all engineering and technology companies established between 1995 and 2005 involved at least one immigrant** [*617] **founder**. 118 In 2005, these companies were responsible for creating 450,000 jobs and generating $ 52 billion dollars in sales. The study concluded that **"[t]his research shows that immigrants have become a significant driving force in the creation of new businesses and intellectual property in the U.S.--and that their contributions have increased over the past decade**." 119 On a similar vein, Darrell West claims that **the benefits of immigration are broader and the costs narrower than people usually consider**. According to West, **immigrants bring a brain gain**. 120 West points to research showing that because new immigrants are mostly young, they do not extensively draw on public entitlement programs. Nonetheless, immigrants continue to pay taxes, thereby enhancing the fiscal benefit received by the destination country. 121 Furthermore, immigrants as a population are less likely to draw on public programs, compared to the average U.S. households. 122 West acknowledges that estimating an immigrant's contribution to GDP is difficult but points to the White House Council of Economic Advisors, which concluded **in 2007 that immigrants raised U.S. GDP by $ 37 billion per year**. 123