# H1-B Core

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#### Advantage One is Competitiveness-

#### **Trump era policies like ‘Buy American, Hire American’ have increased restrictions on worker visas—these shifts in policy are leading to a substantial decrease in H-1B workers**

Seth 6/7/18 (Manav Seth freelance writer at People Matters “The H1B Visa Struggle: No Relief in Sight” June 7, 2018, https://www.peoplematters.in/article/life-at-work/the-h1b-visa-struggle-no-relief-in-sight-18472?utm\_source=peoplematters&utm\_medium=interstitial&utm\_campaign=learnings-of-the-day)

For the uninitiated, the H1B visa is “a non-immigrant visa that allows US companies to employ foreign workers in specialty occupations needing theoretical or technical expertise”, as per WorkPermit. Up until 1990, there was no upper limit on the number of such visas issued and for the first time, a number of 65,000 visas was decided by the Congress. After witnessing a temporary rise from 1999-2003, the number was reverted back to 65,000 in 2004. Since then, up to 65,000 H1B visas are issued annually, in addition to 20,000 visas with the master’s cap. While minor changes in the process and overarching rules have taken place year after year, former President Obama gradually eased restrictions and also granted permission to spouses of H1B visa holders to gain formal employment in 2015. As a result, the number of Indian employees applying for a visa, and successfully obtaining one, increased progressively from 2010 to 2015. The numbers peaked in 2016, the last year when Obama held office. Things took a drastic turn when Trump, who had already established himself as an ‘America-First’ president, assumed The Oval. Since 2016, a successive decline in the number of H1B visa applications from India has been recorded. Changes under the Trump administration During the election campaign, Trump had called out on foreign workers stealing American jobs and vowed to bring them back. After assuming office as well, he criticized the lottery process of granting H1B visas and specifically targeted Indian organizations for exploiting loopholes in the system. Hence, it came as no surprise that within months of being sworn in as the president, he set his eyes on reforming the H1B visa system. He signed the ‘Buy American, Hire American’ executive order in April last year, which directed crucial changes in the current process of obtaining H1B visas. In the last one year the following changes have taken place: The process of applying for the visa, documentation required and employer verification have been made very stringent. The minimum annual salary of $60,000 for an individual with H1B visa has been increased to $90,000, making it less financially attractive for companies to get foreign workers. Executive orders issued by the president also seek to restrict the duration for which the visa is granted. Currently, visas are granted for three years and extended further. Visas with a shorter duration not only make the extension difficult, but also make it next to impossible to apply for Green Card (for permanent residency). The administration has also declared that it is repealing the permissions allowing H-4 visa holders to gain legal employment in the country. H-4 visa holders are usually spouses of H1B visa holders, and over 90% of the same are Indian. Entrepreneurs will no longer be able to apply for an extension to stay in USA to nurture their startup. Directives issued by the United States Citizenship and Immigration Services (USCIS) have redefined what constitutes a ‘specialty occupation’, thus, forcing employers to reconsider H1B workers, especially from the Indian IT sector. Employees entering USA on H1B visas will find it very difficult to move between projects and locations, for the employer has to prove before their arrival that they will be engaged in “specific and non-speculative qualifying assignments in a speciality occupation for the entire visa period.” Companies applying for H1B visas would have to report to the Department of Labor about their efforts to recruit local workers and prove that hiring a foreign worker is a necessity. Like last year, premium processing, wherein the applicant can fast-track the process by paying a fee, has been suspended. The interview process has become excessively rigorous and detailed. Applicants are asked to furnish details of social media accounts, emails and telephone numbers used in the last five years. The Impact Naturally, these policies have ramped up the heat on Indian companies, especially the IT sector. A successive decline in the number of applications from India has been recorded since 2016, and several big companies like TCS, Infosys, and Cognizant (that were called out earlier for manipulating the lottery process by submitting a large number of applications) have seen double-digit dips in the percentage of visa applications as compared to last year. A study conducted by the San Francisco Chronicle showed that between 2015 and 2017, Wipro reduced visa filings by 52.4 percent, TCS by 18.3 percent, and Infosys by 38.1 percent. Even the total number of H1B applications received by the USA saw a slump. Under these circumstances, where employment is unstable, spouses are not allowed to work and deportation a very reality – USA is fast losing its sheen as a preferred choice for skilled workers. The American Immigration Council has echoed this sentiment in a recent report. Amidst the uncertainty on the new rules and processes, however, workers have been allowed a grace period of 60 days to look for a new job or make preparations to leave the country; earlier this was not the case. Reports from National Foundation for American Policy say that while Amazon saw a year-on-year increase of 78 percent in the number of H1B visas obtained, Facebook witnessed a 53 per cent rise. Infosys, however, saw a dip of 49 percent and Mindtree of 54 percent In addition to workers, companies are also struggling. According to Envoy Global, an immigration services provider, 26 percent of its surveyed employers have delayed projects, and 22 percent have relocated work overseas. Recently, a group of US outsourcing organizations filed a lawsuit, alleging that a February 2018 policy memo by USCIS is causing them harm and posing an ‘existential threat to their businesses’. What does the future hold? Latest data suggests that American corporations are being granted more H1B visas, whereas Indian companies have to face massive rejections. Reports from National Foundation for American Policy say that while Amazon saw a year-on-year increase of 78 percent in the number of H1B visas obtained, Facebook witnessed a 53 percent rise. Infosys, however, saw a dip of 49 percent and Mindtree of 54 percent. Some reports suggest that the rejection rate for some Indian companies is as high as 70 percent. Experts have argued that the number of foreign workers is too minuscule to influence the entire job market. Furthermore, they say, that there is no evidence to indicate that restricting the hiring of foreign workers results in an increased local hiring. However, companies are not leaving anything to chance and have already reduced their number of H1B applications, in addition to recruiting and developing local talent in the USA. As far as the H1B visa process is concerned, one can expect its popularity to dip in the coming years, especially for Indian workers. Rejection rates might soar higher, and even those who obtain visas might be subject to random verifications. Until there is clarity on how the US government intends to formalize the said changes, the average Indian employee there can only speculate the impact it might have on him/her. However, the process is not going to be simplified anytime soon, that is certain. Companies will increasingly try to procure local talent as they will have to justify each foreign worker they employ. The increase in minimum wage will naturally squeeze company margins. Individuals trying to get in will have the odds stacked against them, and those already in the US could be forced to comply with difficult rules and conditions. Unfortunately, the future doesn’t look good.

#### The H-1B visa cap makes recruiting skilled science and engineering workers impossible – that crushes competitiveness

Hansen ’06 (Fay Hansen, “Visa limits fuel frustration in efforts to fill technical jobs; Observers say firms are being forced to drop key projects or offshore more work; a proposal to raise the cap on H-1B visas could provide relief”, 4/10/06, Workforce Management, THE INSIDER)

When U.S. recruiters go out to buy technical talent, they shop in domestic markets that are highly protected by restrictive immigration policies, voluminous and ever-changing rules and a cumbersome visa process. The prime example of this regulatory nightmare is the H-1B visa program. The current cap on the number of H-1B visas issued annually is 65,000, or about 1 percent of the total U.S. science and engineering workforce. ``The cap on H-1B visas has limited the high-tech industry's ability to attract and retain the best and the brightest workers,'' says Jack Krumholtz, managing director for federal government affairs at Microsoft. ``This harms our ability to innovate and has negative consequences for U.S. global competitiveness. This challenge is only increasing. In 2005, the H-1B cap was reached two months before the fiscal year even began.'' Legislation to raise the cap to 115,000 is part of a huge package of immigration law reforms now before Congress, but experts agree that there is no guarantee that the higher cap will pass. If Congress does not raise the cap substantially, recruiting sufficient numbers of skilled science and engineering workers will become impossible.

#### Reform of the H1-B program is key to overall tech leadership

**Hellman 18’** – (Melissa Hellman Staff Writer for Seattle Weekly, Birds in a Cage: The Indian Green Card Backlog, 2/21/18, <http://www.seattleweekly.com/news/birds-in-a-cage-the-indian-green-card-backlog/>)

Like thousands of Indians who come to the Seattle area for tech jobs, Vikas is stuck in a green card backlog, and it could take him decades to move to the front of the line. Created in 1990, the H1-B program allows U.S. employers to hire highly skilled foreign workers for three years, but those who have applied for their green cards can renew their visas indefinitely. According to the United States Citizenship and Immigration Services (USCIS), the per-country limit for immigrants to receive green cards is capped at 7 percent. This creates a bottleneck for Indian and Chinese workers who are among the highest rate of applicants. USCIS officials contacted through email were unable to determine how many highly-skilled Indian workers are waiting for their green cards in Washington. But GC Reforms—a national group of Indians advocating for employment-based immigration reform—said that over 300,000 are currently waiting on their employment-based green cards throughout the country, about 30,000 in Washington alone. Plagued by the long wait times and uncertainty, Vikas and his wife are considering moving to Canada or another country where they’d have better chances of becoming permanent residents. “Why would we want to invest even more here, when there’s so much uncertainty?” Vikas retorts. The federal government grants green cards based on a series of eligibility requirements and quotas that give preference to immigrants sponsored by family members. In 2016, 64,687 Indian immigrants received green cards, a total trailing only immigrants from Mexico, China, and Cuba, according to a U.S. Department of Homeland Security annual flow report released in December 2017. But a 2017 Pew Research report showed that only 14 percent of 2015 green cards went to employment-related categories, including the families of workers. This means that only about 9,000 Indian workers and their families are given green cards per year. That number pales in comparison to the 65,000 high-skilled Indian workers who applied for green cards in 2016, according to U.S. Department of Labor data. But because of a 7 percent cap per country, only about 5,600 green cards are issued to high-skilled Indian workers per year. Based on the current trend, Vikas anticipates that high-skilled Indian workers who applied in 2016 won’t become permanent residents until 2106, unless the per country cap is lifted. High-skilled workers from India also risk becoming undocumented if they overstay their visas. “It’s always running in the back of our minds,” Vikas said. If he is terminated from his job as a financial director at Microsoft, he has up to 60 days to find another gig. “Even though we have a home here—I’ve lived here longer than I have at any other place in my life—and yet, when I leave the country until I get a green card, I’m at the mercy of some fairly random criteria to come in. It works most of the time, but it also doesn’t work sometimes.” In 2014, Indians composed the highest undocumented population within Washington’s Asian-Pacific Islander community, according to five-year census data estimates compiled by University of California, San Diego Associate Professor of Political Science Tom Wong. At the time, there were 13,573 undocumented Indians in the state, with the largest concentration in the greater Bellevue area. However, Wong was unable to determine how many of the undocumented were workers who came over on H1-B visas. An even greater concern for GC Reform members is that the children of H1-B visa holders, those on the H-4 dependent visas, will be forced to leave the country or become undocumented when they age out of the program at 21. The group estimates that about 40,000 children are at risk of aging out of the program and losing their status throughout the nation. Although F5 Networks employee Lokesh Marenayakanapalya’s 7-year-old daughter is a U.S. citizen, his lack of citizenship limits her opportunities. For instance, she’d like to start her own business centered around healthy food options for public school kids in five years. “Whenever she says that she wants to be an astronaut, she wants to be a scientist, she wants to do something on her own … I cannot encourage her,” he lamented. “It really hurts me.” Marenayakanapalya’s own ambition is also stifled by the long wait for his green card. He moved to King County from Bangalore, India in October 2007 to work for AnuData Inc. and for better career opportunities; in short, to pursue “the American Dream.” His H1-B visa is now connected to F5 Networks Inc., where he works as a software engineer. Although he started his green card process in August 2012, he anticipates that it will take 40 years to get permanent residency. Because his status is connected to his current employer, Marenayakanapalya is unable to parlay his 15 years of tech experience into creating the software company of his dreams. As a result, Marenayakanapalya struggles with anxiety and has difficulty focusing at work sometimes. It’s suffocating. “It is literally [like] being left in a free space with handcuffs on … It is like putting a bird in the cage,” he blurted out. “You can’t do anything. I mean, you’re tied to an employer even though you have ideas, even though you know that you are capable of creating jobs.” Yet, Marenayakanapalya admits that he’s lucky in comparison to other Indian workers who are abused by their employers. He knows a few consultants in the area with H1-B visas who work 10-15 hours per day without getting paid overtime. They feel trapped in their jobs, and fear retaliation from their employers, who are their only ticket to citizenship. A tragedy last year helped crystallize the helplessness that he and others in the backlog feel. Last spring, his 33-year-old friend unexpectedly passed away from a heart attack, and his wife who was on an H-4 visa, returned to India to perform the final burial rites. Although she’d worked as a photographer in the area for several years and volunteered heavily in the community, she was unable to return to America after her husband’s death because her visa was connected to his H1-B. “We come across these situations every now and then where it’s heart-wrenching to see that they’re undergoing a loss of their partner, but they will have to uproot everything and leave because of the visa issue,” Marenayakanapalya said. The issue has caught the zeitgeist of the national media, with outlets from the Washington Post to PRI’s The World covering the issue this month. On Feb. 3, about 200 Indians on H1-B visas demonstrated in front of the White House to show their support of Trump’s merit-based immigration system. They encouraged him to clear the green card backlog that they contend is obstructing their pathway to citizenship. Fear has also heightened as the Department of Homeland Security considers regulatory changes that would prevent foreign workers from extending their H1-B visas while they await their green cards. Although the immigration conversation of late has mostly focused on the Deferred Action for Childhood Arrivals (DACA) program, some politicians have suggested reforming the high-skilled visa system too. Last month, Republican Senators Orrin Hatch and Jeff Flake introduced legislation that would increase the annual cap on H1-B visas by 20,000 and expand the number of visas up to 195,000 to meet demand. Moreover, it would remove the per country quota on employee-based green cards. Tech companies are largely in support of the legislation and eliminating the green card bottleneck. Microsoft President Brad Smith wrote in a January 2018 blog post that the bill would allow business to retain foreign talent. “High-skilled immigration has not only been important to the success of Microsoft and other individual **tech companies, but in the global leadership position of the entire American tech sector**.” Smith wrote. “**Our collective success won’t continue unless Congress reforms the nation’s immigration system into one that protects American workers while preserving the ability of American companies to continue to recruit the world’s best high-skilled talent.** If Congress could move forward and diminish the many uncertainties in the green card process, we could then focus even more effort on our work creating next generation technology.” Amazon didn’t respond to repeated requests for a comment on H1-B. U.S. Rep. Pramila Jaypal of Seattle also spoke of a need to clear the green card backlog as part of comprehensive immigration reform. Jaypal wants the per country caps to be eliminated and to ensure that H1-B visa holders have protections. “Right now, they’re sort of subject to the whims and fancies of their employer, and if their employers decide that they’re not going to keep them anymore then they lose their status,” she warns. “What we want to do is to try to make these visas transferrable amongst employers so that you’re getting approved but you’re not being held hostage by one company.”

#### Tech innovation deters global conflict

**Taylor 04** (Mark, Professor of Political Science – Massachusetts Institute of Technology, “The Politics of Technological Change: International Relations versus Domestic Institutions”, 4-1-04,)

Technological innovation is of central importance to the study of international relations (IR), affecting almost every aspect of the sub-field. 2 First and foremost, a nation’s technological capability has a significant effect on its economic growth, industrial might, and military prowess; therefore relative national technological capabilities necessarily influence the balance of power between states, and hence have a role in calculations of war and alliance formation. Second, technology and innovative capacity also determine a nation’s trade profile, affecting which products it will import and export, as well as where multinational corporations will base their production facilities. 3 Third, insofar as innovation-driven economic growth both attracts investment and produces surplus capital, a nation’s technological ability will also affect international financial flows and who has power over them. 4 Thus, in broad theoretical terms, technological change is important to the study of IR because of its overall implications for both the relative and absolute power of states. And if theory alone does not convince, then history also tells us that nations on the technological ascent generally experience a corresponding and dramatic change in their global stature and influence, such as Britain during the first industrial revolution, the United States and Germany during the second industrial revolution, and Japan during the twentieth century. 5 Conversely, great powers which fail to maintain their place at the technological frontier generally drift and fade from influence on international scene. 6 This is not to suggest that technological innovation alone determines international politics, but rather that shifts in both relative and absolute technological capability have a major impact on international relations, and therefore need to be better understood by IR scholars. Indeed, the importance of technological innovation to international relations is seldom disputed by IR theorists. Technology is rarely the sole or overriding causal variable in any given IR theory, but a broad overview of the major theoretical debates reveals the ubiquity of technological causality. For example, from Waltz to Posen, almost all Realists have a place for technology in their explanations of international politics. 7 At the very least, they describe it as an essential part of the distribution of material capabilities across nations, or an indirect source of military doctrine. And for some, like Gilpin quoted above, technology is the very cornerstone of great power domination, and its transfer the main vehicle by which war and change occur in world politics. 8 Jervis tells us that the balance of offensive and defensive military technology affects the incentives for war. 9 Walt agrees, arguing that technological change can alter a state’s aggregate power, and thereby affect both alliance formation and the international balance of threats. 10 Liberals are less directly concerned with technological change, but they must admit that by raising or lowering the costs of using force, technological progress affects the rational attractiveness of international cooperation and regimes. 11 Technology also lowers information & transactions costs and thus **increases the applicability of international institutions**, a cornerstone of Liberal IR theory. 12 And in fostering flows of trade, finance, and information, technological change can lead to Keohane’s interdependence 13 or Thomas Friedman et al’s globalization. 14 Meanwhile, over at the “third debate”, Constructivists cover the causal spectrum on the issue, from Katzenstein’s “cultural norms” which shape security concerns and thereby affect technological innovation; 15 to Wendt’s “stripped down technological determinism” in which technologyinevitably drives nations to form a world state. 16 However **most Constructivists seem to favor Wendt, arguing that new technology changes people’s identities within society**, and sometimes even creates new cross-national constituencies, thereby affecting international politics. 17 Of course,Marxists tend to see technology as determining all social relations and the entire course of history, though they describe mankind’s major fault lines as running between economic classes rather than nation-states. 18 Finally, Buzan & Little remind us that without advances in the technologies of transportation, communication, production, and war, international systems would not exist in the first place.

#### There needs to be an increase in H-1B visa workers to maintain U.S competitiveness

**Da Silva ’18** (Chantal Da Silva Newsweek Staff quoting Industry Leaders, H-1B VISA APPLICATIONS HIT CAP IN JUST FIVE DAYS, DESPITE TRUMP CRACKDOWN, 4/11/18, <http://www.newsweek.com/h-1b-visa-applications-hit-cap-just-five-days-despite-trump-crackdown-881467>)

Despite fears of the Trump administration bringing the country's H-1B visa program to an abrupt halt, applications for the visas for highly-skilled foreign workers hit the 65,000 annual maximum set by Congress in just five days, U.S. Citizenship and Immigration Services (USCIS) confirmed. "In five days, we received enough applications to meet our cap of 65,000 H-1B visas,"USCIS announced on Twitter last week. The agency said it had also met its 20,000-visa cap for its advanced degree exemption, known as the "master's cap," for fiscal year 2019. The agency said it was still counting the applications on Monday and would know by the end of the week how many were received. U.S. businesses use the H-1B program to employ foreign workers in fields that require specialized knowledge. Under the Trump administration, there has been a crackdown on "fraud" in the program, resulting in a slowdown in application processing times. USCIS also introduced a limitation on the program less than two weeks before the government started accepting applications for fiscal year 2019, temporarily suspending expedited processing for H-1B applications, which allowed companies to pay to speed up the process and learn within 15 days whether a candidate would receive the visa. Applications for the program quickly reached their cap despite those obstacles, as well as ongoing fears that hundreds of thousands of workers already employed under the program might be forced to leave the country if [proposed changes to end extensions of H-1B visas](http://www.newsweek.com/h-1b-visa-proposal-could-see-thousands-indian-skilled-workers-deported-will-770955) under the Trump administration's "Buy American, Hire American" plan were approved. FWD.us, a major tech industry lobbying group that includes Microsoft co-founder Bill Gates and Facebook CEO Mark Zuckerberg, said the high demand should be a strong indicator of how sorely outside talent is needed in the U.S. “Once again, the H-1B visa petition window this year has closed in less than a week–and the fact that we could reuse the same statement for nearly the last decade is a serious problem for America’s global competitiveness, and, worse, it is entirely preventable," FWD.us President Todd Schulte said in a blog post Monday. Schulte warned that scaling back the program would hurt the U.S. economy and argued that "Americans deserve a high-skilled immigration system that makes it easier for us to remain a magnet for global talent and innovation." Jason Gerlis, the managing director of international consultancy TMF Group USA, warned that the Trump administration's crackdown on H-1B visas would harm the United States' "general competitiveness." "With these processes becoming more complicated, the U.S. is in danger of becoming comparatively less attracted to [its] research and development centers," Gerlis told Newsweek. "The present administration believes that the public sentiment is pointing in the direction of America first," Gerlis said. "The reason they are supportive of those policies is that they believe they will bring jobs home. Unfortunately, I don't think that those policies and their impacts are so clear cut." Gerlis added that countries such as Canada and China, which are working to make it easier for foreign talent to get hired, will be "the ones who win." "We see our clients looking north to Canada as an alternative. I think that China is probably more of a longshot, but it's interesting to see them making moves in the right direction," Gerlis said. "Over time, the U.S. is going to find their competitive advantage narrows and problems like restrictions on immigration are going to compound that," Gerlis added. "I don't think it's going to be disastrous, but it is going to lead to a slow bleed."

#### US competitiveness is key to fight against rogue states, nuclear proliferation, and terrorism

Brands & Edelman ’17 (Hal Brands AND Eric Edelman. (Distinguished Professor of Global Affairs, John Hopkins. \*\*Counselor, Center for Strategic and Budgetary Assessment. 2017 “Toward Strategic Solvency: The Crisis of American Military Primacy and the Search for Strategic Solvency.” *Parameters* 46(4))

America is hurtling toward strategic insolvency.1 For two decades after the Cold War, Washington enjoyed essentially uncontested military dominance and a historically favorable global environment—all at a comparatively low military and financial price. Now, however, America confronts military and geopolitical challenges more numerous and severe than at any time in at least a quarter century—precisely as disinvestment in defense has left US military resources far scarcer than before. The result is a creeping crisis of American military primacy, as Washington’s **margin of superiority** is diminished, and the gap between US commitments and capabilities grows. “Superpowers don’t bluff,” went a common Obama-era refrain—but today, America is being left with a strategy of bluff as its preeminence wanes and its military means come out of alignment with its geopolitical ends.¶ Foreign policy, Walter Lippmann wrote, entails “bringing into balance, with a comfortable surplus of power in reserve, the nation’s commitments and the nation’s power.” If a statesman fails to preserve strategic solvency, if he fails to “bring his ends and means into balance,” Lippmann added, “he will follow a course that leads to disaster.”2 America’s current state of strategic insolvency is indeed fraught with peril. It will **undermine US alliances** by raising doubts about the credibility of American guarantees. It will **weaken deterrence** by tempting adversaries to think aggression may be successful or go unopposed. Should conflict actually erupt in key areas, the United States may be unable to uphold existing commitments or only be able to do so at prohibitive cost. Finally, as the shadows cast by US military power grow shorter, American diplomacy is likely to become less availing, and the global system less responsive, to US influence. The US military remains far superior to any single competitor, but its power is becoming dangerously insufficient for the grand strategy and international order it supports.¶ Great powers facing strategic insolvency have three basic options. First, they can decrease commitments thereby restoring equilibrium with diminished resources. Second, they can live with greater risk by gambling that their enemies will not test vulnerable commitments or by employing riskier approaches—such as nuclear escalation—to sustain commitments on the cheap. Third, they can expand capabilities, thereby restoring strategic solvency. Today, this approach would probably require a concerted, long-term defense buildup comparable to the efforts of Presidents Jimmy Carter and Ronald Reagan near the end of the Cold War.3¶ Much contemporary commentary favors the first option— reducing commitments—and denounces the third as financially ruinous and perhaps impossible.4 Yet significantly expanding American capabilities would not be nearly as economically onerous as it may seem. Compared to the alternatives, in fact, this approach represents the best option for sustaining American primacy and preventing a slide into strategic bankruptcy which will eventually be punished.¶ Since the Cold War, America has been committed to maintaining overwhelming military primacy. The idea, as George W. Bush declared, that America must possess “strengths beyond challenge” has been featured in every major US strategy document and reflected in concrete terms.5 Since the early 1990s, for example, the United States has accounted for 35–45 percent of world defense spending and maintained peerless global power-projection capabilities.6 Perhaps more important, US primacy was unrivaled in key strategic regions such as Europe, East Asia, and the Middle East. From thrashing Saddam Hussein’s million-man Iraqi military during Operation Desert Storm (1991) to deploying two carrier strike groups off Taiwan during the third Taiwan Strait crisis (1995–96) with impunity, Washington has been able to project military power superior to anything a regional rival could employ, even on its own geopolitical doorstep.¶ This **military dominance** has constituted the hard-power backbone of an ambitious global strategy. After the Cold War, US policymakers committed to averting a return to the unstable multipolarity of earlier eras and to perpetuating the more favorable unipolar order. They committed to fostering a global environment in which liberal values and an open international economy could flourish and in which international scourges such as **rogue states**, **nuclear prolif**eration, and **catastrophic terrorism** would be **suppressed**. And because they saw military force as the ultima ratio regum, they understood the centrality of military preponderance.¶ Washington would need the military power to **underwrite** world- wide alliance commitments and preserve substantial overmatch versus any potential great-power rival. The United States must be able to answer the sharpest challenges to the international system, such as Saddam’s invasion of Kuwait in 1990 or jihadist extremism today. Finally, because prevailing global norms reflect hard-power realities, America would need superiority to assure its own values remain ascendant. Saying US strategy and the international order required “strengths beyond challenge” was impolitic, but it was not inaccurate.7¶ American primacy, moreover, has been eminently affordable. At the height of the Cold War, the United States spent over 12 percent of gross domestic product (GDP) on defense; since the mid-1990s, the number has usually been 3–4 percent.8 In a historically favorable international environment, Washington has enjoyed primacy—and its geopolitical fruits—on the cheap.¶ Until recently, US strategy also heeded the limits of how cheaply primacy could be had. The American military shrank significantly during the 1990s, but US officials understood that if Washington cut back too far, US primacy would erode to a point where it ceased to deliver its geopolitical benefits. Alliances would lose credibility, **stability** of key regions would be **eroded**, rivals would be **emboldened**, and international crises would go **unaddressed**. American primacy was thus like a reasonably priced insurance policy, requiring nontrivial expenditures— and protecting against far costlier outcomes.9 Washington paid the premiums for two decades after the Cold War. But more recently American primacy and strategic solvency have been imperiled.¶ For most of the post-Cold War era, the international system was— by historical standards—remarkably benign. Dangers existed, and as the terrorist attacks on September 11, 2001 demonstrated, they could manifest with horrific effect. But for two decades after the Soviet collapse, the world was characterized by remarkably low levels of great-power competition, high levels of security in key theaters such as Europe and East Asia, and the comparative weakness of “rogue” actors—Iran, Iraq, North Korea, and al-Qaeda—who most aggressively challenged American power. Now, however, the strategic landscape is darkening due to four factors.¶ First, **great-power military competition** is back. The world’s two leading authoritarian powers—China and Russia—are seeking regional hegemony, contesting global norms such as nonaggression and freedom of navigation, and **developing the military punch** to underwrite these ambitions. Notwithstanding severe economic and demographic problems, Russia has conducted major military modernization **emphasizing nuclear weapons**, high-end conventional capabilities, and rapid-deployment and special operations forces—and utilized many of these capabilities in Ukraine and Syria.10 China, meanwhile, has carried out a buildup of historic proportions, with constant-dollar defense outlays rising from $26 billion in 1995 to $215 billion in 2015.11 Ominously, these expenditures have funded power-projection and anti-access/area denial (A2/AD) tools necessary to threaten China’s neighbors and complicate US intervention on their behalf. Washington has grown accustomed to having a generational military lead; Russian and Chinese modernization efforts are now creating a far more competitive environment.¶ Second, international outlaws are no longer so weak. North Korea’s conventional forces have atrophied, but Pyongyang has amassed a growing nuclear arsenal and is developing intercontinental delivery capability.12 Iran remains a **nuclear threshold** state, which continues to develop ballistic missiles and A2/AD capabilities while employing sectarian and proxy forces across the Middle East. The Islamic State is headed for defeat, but has displayed military capabilities unprecedented for any terrorist group and shown that counterterrorism will continue to place significant operational demands on US forces. Rogue actors have long preoccupied American planners, but the rogues are now more capable than at any time in decades.¶ Third, the democratization of technology has allowed more actors to contest American superiority in dangerous ways. The spread of antisatellite and cyberwarfare capabilities, the proliferation of manportable air defense systems and ballistic missiles, and the increasing availability of key elements of the precision-strike complex have had a military-leveling effect by giving weaker actors capabilities formerly unique to technologically advanced states. Indeed, as these capabilities spread, fourth-generation systems, such as F-15s and F-16s, may provide decreasing utility against even nongreat-power competitors, and far more fifth-generation capabilities may be needed to perpetuate American overmatch.¶ Finally, the number of challenges has multiplied. During the 1990s and early 2000s, Washington faced rogue states and jihadist extremism but not intense great-power rivalry. America faced conflicts in the Middle East, but East Asia and Europe were comparatively secure. Now, old threats still exist, but the more permissive conditions have vanished. The United States confronts rogue states, lethal jihadist organizations, and great-power competition; there are severe challenges in all three Eurasian theaters. The United States thus faces not just more significant but also more numerous challenges to its military dominance than it has for at least a quarter century.¶ One might expect the leader of a historically favorable international system to respond to such developments by increasing its relatively modest investments in maintaining the system. In recent years, however, Washington has markedly disinvested in defense. Constant-dollar defense spending fell by nearly one-fourth, from $768 billion in 2010 to $595 billion in 2015.13 Defense spending as a share of GDP fell from 4.7 percent to 3.3 percent, with Congressional Budget Office projections showing military outlays falling to 2.6 percent by 2024—the lowest level since before World War II.14¶ Defense spending always declines after major wars, of course. Yet from 2010 onward, this pressure was compounded by the legacy of Bush-era budget deficits, the impact of the Great Recession (2007–9), and President Obama’s decision to transfer resources from national security to domestic priorities. These forces, in turn, were exacerbated by the terms of the Budget Control Act of 2011 and the sequester mechanism. Defense absorbed roughly 50 percent of these spending cuts, despite accounting for less than 20 percent of federal spending. By walling off most personnel costs and severely limiting flexibility in how cuts could be made, moreover, the sequester caused the Department of Defense to make reductions in blunt, nonstrategic fashion.15¶ This budgetary buzz saw has taken a toll. Readiness has suffered alarmingly with all services struggling to conduct current counterterrorism operations while also preparing for the evergrowing danger of great-power war. “The services are very good at counterinsurgency,” the House Armed Services Committee noted in 2016, “but they are not prepared to endure a long fight against higher order threats from near-peer competitors.”16 Modernization has also been compromised; the ability to develop and field promising future capabilities has been sharply constrained by budget caps and uncertainty. This problem will only get worse—in the 2020s, a “bow wave” of deferred investments in the nuclear triad and high-end conventional capabilities will come due.17¶ Finally, force structure has been sacrificed. The Army has fared worst—it is slated to decline to 450,000 personnel by 2018, or 30,000 personnel fewer than prior to 9/11.18 But all the services are at or near post-World War II lows in end strength, and the US military is significantly smaller than the 1990s-era “base force,” which was designed as the “minimum force . . . below which the nation should not go if it was to remain a globally engaged superpower.”19 “Strategy wears a dollar sign,” Bernard Brodie wrote, and Washington is paying for less capability relative to the threats it faces than at any time in decades.20¶ Cumulatively, these developments have resulted in a creeping crisis of US military primacy. Washington still possesses vastly more military power than any challenger, particularly in global power-projection capabilities. Yet even this global primacy is declining. The United States faces a Russia with significant extraregional power-projection capabilities as well as near-peer capabilities in areas such as strategic nuclear forces and cyberwarfare. China’s military budget is now more than one-third of the US budget, and Beijing is developing its own advanced power-projection capabilities.21 Perhaps more importantly, US global primacy is also increasingly irrelevant, because today’s crucial geopolitical competitions are regional contests, and here the trends have been decidedly adverse.¶ In East Asia, China’s two-decade military buildup has allowed Beijing to contest seriously US power projection within the first island chain. “The balance of power between the United States and China may be approaching a **series of tipping points**,” RAND Corporation analysts observe.22 The situation in Eastern Europe is **worse**. Here, unfavorable geography and aggressive Russian modernization have created significant Russian overmatch in the Baltic; US and North Atlantic Treaty Organization (NATO) forces are “outnumbered and outgunned” along NATO’s eastern flank.23 In the Middle East, the balance remains more favorable, but Iranian A2/AD and ballistic missile capabilities could significantly complicate US operations, while the reemergence of Russian military power has narrowed US freedom of action. In key areas across Eurasia, the US military edge has eroded.¶ This erosion, in turn, has **profound implications** for American strategy. For one thing, US forces will face far harder fights should conflict occur. War against Iran or North Korea would be daunting enough, given their asymmetrical capabilities. Even Iran, for instance, could use its ballistic missile capabilities to attack US bases and allies, employ swarming tactics and precision-guided munitions against US naval forces in the Persian Gulf, and activate Shīʿite militias and proxy forces, all as a way of inflicting higher costs on the United States.24¶ Conflict against Russia or China would be something else entirely. Fighting a near-peer competitor armed with high-end conventional weapons and precision-strike capabilities would subject the US military to an environment of enormous lethality, “the likes of which,” Army Chief of Staff General Mark A. Milley has commented, it “has not experienced . . . since World War II.”25 American forces might still win—albeit on a longer time line and at a painfully high cost in lives— but they might not.

#### Advantage Two is Economic Growth

#### Aging demographics are slowing economic growth

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Two long-standing trends lie at the root of the country’s demographic problem. One, medical science has dramatically increased life expectancy. According to the Census Bureau, the average American born today can expect to live to about 80, up dramatically from the 68 years averaged in 1950. Life expectancy at age 65 has jumped from 79.7 years in 1950 to 84.3 presently. In other words, the average American now can expect to live in retirement for almost 20 years. While all this is positive, it means that the nation will face an ever-larger dependent population of retirees. Compounding any strain from this unprecedented dependency, medical science and changing customs have at the same time greatly reduced birth rates. The Census Bureau notes that whereas the average American woman in 1950 had 3.5 children over her lifetime, the figure today has fallen below 2.0. With fewer young workers to support an ever-larger retired population, the economic and financial strains become harder to avoid. The statistics are striking. In 1950, the economy had at its disposal 8.1 people of working age for each person of retirement age. The most recent figures indicate that this “dependency ratio,” as the demographers call it, has shrunk to just over 5.0. By 2030, Census estimates it will have fallen to 3.0. Even if the average retiree had ample savings to sustain himself or herself, which is hardly the case, those trends will leave the economy struggling to find enough workers to support the population’s demands for goods and services. After all, retirees, though they have ceased active production, still consume. Each of these three workers will have to produce enough for himself or herself as well as his or her personal dependents and one-third of what each retiree consumes, a heavy burden indeed. Even in an era of incredible technological marvels, such a shortage of talented workers will necessarily slow the pace of economic growth. A few years ago, when the pace of growth regularly disappointed, several analysts explained the poor economic showing in terms of these demographic pressures. Since, the acceleration of growth has quieted such talk. But if demographics cannot explain cyclical variations, they do point ultimately to an economic drag. Some academic research suggests that the aging trend alone could cut the economy’s historic growth rate down by a fifth. Some estimates look more ominous, suggesting that growth would stop altogether. Commentators, of course, cannot resist hyperbole. The Peterson Institute has stated flatly that “aging could trigger a crisis that engulf the world’s economy [and] may threaten democracy itself.” Perhaps a risible response to the problem, but still, exaggeration in some quarters provides no excuse to ignore the significance of the underlying problem. In the demographic debate, many have downplayed the urgency, pointing to artificial intelligence (AI) and other technological fixes as an answer to the nation’s future labor needs. Such observations no doubt carry a measure of comfort. AI and other such fixes could certainly delay the day of reckoning. But even as people look to such wonders for answers to the human shortfall, the aging trend casts a shadow over the economy’s future ability to innovate as well as to produce. Many scientists and social historians, Albert Einstein and the great mathematician John von Neumann among them, have stressed that it is youth that produces essential scientific advances. Such commentators have much evidence on their side, too. Einstein gave the world his groundbreaking theories at age 26. Most other notable scientists have done their most important work by age 30. A study of scientific Nobel laureates indicates that on average they do their significant work before age 35. The evidence may be far from conclusive, but sufficient to question any complacency around continuing advances in AI. Demographic trends also raise questions about how the economy will pay for technological substitutes. Though the relative labor shortage will tend to raise real wages, especially for people with the training the economy wants, and so drive business to find technological substitutes, the rise in labor costs will also cut into profitability, by as much as 10% according to some studies, leaving business with less ability to finance basic research into such technologies much less their practical implementation. Indeed, reduced levels of profitability raise questions about business’ willingness or ability to spend on expansion generally. Additional financial implications of aging demographics will compound such problems. Because retirees tend to draw down on their nest eggs or at the very least stop contributing to them, an outsized retired population will leave the financial system less able to offer capital for economic innovation and expansion, especially since business will also face a profitability squeeze. At the same time, growing demands on public and private pension schemes, as well as healthcare needs, will exacerbate the financial shortfall. The Social Security Administration estimates that over this time such social demands on the nation’s financial resources will increase by a third. To be sure, increasing payroll taxes from increased wages would provide something of an answer to this burden but not a complete one. The picture does include some bright spots, some natural responses that might mitigate the otherwise ill effects of these trends. Longer life expectancies, for instance, may prompt retirees to draw down on their nest eggs at a slower pace than past trends might indicate, easing some of the financial strains otherwise implicit in these demographic pressures. Medical science, by improving the health of older people, might prompt them to a delay retirement, something that would relieve both the financial strains as well as the deterioration in the nation’s dependency ratio. But if these considerations, as well as AI, mitigate the strains implicit in the country’s relentless demographic predicament, they cannot lift them entirely. For relief, then, the nation will need to find ways to employ more productive, trained workers to produce for the nation’s needs as well as pay taxes and contribute to pension plans. Part of that effort will insist on workplace adjustments that can bring a greater proportion of the population into productive employment. Part of it will look to trade to supplement demographic shortfalls. Part will involve the hot topic of immigration, on which the next post will focus.

#### Skilled immigration programs can prevent slowed growth from baby boomers

Immigration Policy Council ’11 (“The U.S. Economy Still Needs Highly Skilled Foreign Workers” March 30, 2011 https://www.americanimmigrationcouncil.org/research/us-economy-still-needs-highly-skilled-foreign-workers)

The U.S. economy needs high-skilled workers in a wide range of occupations. According to the National Science Board (NSB), the science and engineering (S&E) “labor force does not include just those in S&E occupations.” In Science and Engineering Indicators 2008, the NSB reports that “about 12.9 million workers said in 2003 that they needed at least a bachelor’s degree level of knowledge” in a science and engineering field to do their jobs. However, only 4.9 million of these workers were in occupations formally defined as belonging to a “science and engineering” (S&E) field. Moreover, 66 percent of “S&E degree holders in non-S&E occupations say their job is related to their degree, including many in management and marketing occupations.” The economic value of high-skilled workers cannot be easily quantified. The NSB emphasizes that the value of highly skilled S&E workers from different parts of the world cannot be measured in simple, numerical terms given that science is, by its very nature, “a global enterprise” dependent upon the exchange of ideas from a diverse range of perspectives. According to the NSB, “new ways of doing business and performing R&D [research and development] take advantage of gains from new knowledge discovered anywhere, from increases in foreign economic development, and from expanding international migration of highly trained scientists and engineers.” As our population ages and shrinks, highly skilled foreign professionals will become increasingly important to the U.S. economy. According to a 2007 study by Jacob Funk Kirkegaard of the Peterson Institute of International Economics, the skill levels of U.S. workers are stagnating relative to the rest of the world. As a result, “when American baby boomers retire, they will take as many skills with them as their children will bring into the U.S. workforce.” According to Kirkegaard, these demographic trends—combined with the growing international competition for skilled workers—suggest that “in the coming decade, America could face broad and substantial skill shortages.” Kirkegaard says that to overcome these challenges, the United States will not only have to implement new educational policies to produce more high-skilled Americans, but also “reform its high-skilled immigration policies and procedures not only to welcome the best and the brightest but also to make it easier for them to stay.” He finds that the need for reform is particularly urgent in “the H-1B temporary work visa and legal permanent resident (green card) programs.” Similarly, the National Science Board concludes that, “barring large reductions in retirement rates, the total number of retirements among workers with S&E degrees will dramatically increase over the next 20 years.” This suggests “a slower-growing and older S&E labor force”—a situation that would worsen “if either new degree production were to drop or immigration to slow.” American companies support American students and workers through fees, taxes, and charitable contributions. As the NFAP points out in a [May 2007 study](http://www.nfap.net/pdf/0507brief-business-immigration.pdf), the American Competitiveness and Workforce Improvement Act of 1998 created a training-and-scholarship fee of $500 that U.S. companies hiring H-1B workers must pay for every new H-1B application and every first-time renewal of a worker’s H-1B status. This fee was raised by Congress to $1,000 in 2000. The fee was raised again, to $1,500, by the L-1 Visa and H-1B Visa Reform Act of 2004, which also mandated that 50 percent of the revenue from the fee go to National Science Foundation scholarships for U.S. undergraduate and graduate students in science and math, 30 percent to Department of Labor training programs for U.S. workers, and 10 percent to the National Science Foundation for K-12 math and science programs (plus 5 percent each to the Departments of Labor and Homeland Security for processing costs). According to the [NFAP](http://www.nfap.com/pdf/1003h1b.pdf), the H-1B fees paid by U.S. companies since 1999 total more than $2 billion and “have funded more than 53,000 scholarships for U.S. students in math and science through the National Science Foundation, as well as hands-on science programs for 190,000 elementary, middle and high school students and 6,800 teachers. More than 55,000 U.S. workers have received training through the H-1B fees paid by companies.” In addition, U.S. businesses as a whole “pay over $91 billion a year in state and local taxes directed toward public education.” Companies that rely upon H-1B workers also make substantial charitable contributions that improve the math and science skills of U.S. students. The NFAP notes, for instance, that the Bill and Melinda Gates Foundation “has spent more than $3 billion since its inception on grants to improve education in the United States, with an emphasis on scholarships, science education and innovation in schools.” In addition, “the Intel Corporation spends $100 million annually on math and science education in the United States and sponsors the prestigious Intel Science Talent Search Competition for the nation’s outstanding young scientists.” And “the Oracle Corporation regularly donates more than $100 million worth of software to schools around the country every year.”

#### **The H-1B program helps bring economic growth and innovation to the United States – action is needed now to save the program because skilled workers are starting to turn to Canada**

Smith ’18 (Noah Smith is a Bloomberg Opinion columnist and an assistant professor of finance at Stony Brook University “Cuts to Skilled Immigration Degrade a U.S. Strength” March 12, 2018 https://www.bloomberg.com/view/articles/2018-03-12/cuts-to-h-1b-visas-for-skilled-immigrants-hurt-u-s-economy)

The battle over tariffs may indicate that President Donald Trump has moved on from the immigration issue. When Democrats [stymied](https://www.bloomberg.com/news/articles/2018-02-05/immigration-deal-s-chances-slip-as-trump-and-democrats-dig-in) Trump’s plans to curtail family-reunification immigration, the chances of major legislation dropped substantially. But that doesn’t mean that Trump is having no effect on immigration. Through a combination of executive actions and rhetoric, the president is deterring exactly the kind of immigrants that the U.S. most critically needs to keep its economy running. Since coming into office, Trump has been making life harder for skilled foreigners working in the U.S. Trump temporarily [suspended](https://www.bloomberg.com/news/articles/2017-08-01/how-the-h-1b-program-is-holding-up-under-trump) premium processing of H-1B visas, one of the main visas skilled workers use to enter the country. The only possible reason for that move was to harass visa applicants. Trump’s administration has also [made it harder](https://www.uscis.gov/sites/default/files/files/nativedocuments/PM-6002-0142-H-1BComputerRelatedPositionsRecission.pdf) to give the visas to entry-level computer programmers, and [increased](https://www.uscis.gov/sites/default/files/USCIS/Laws/Memoranda/2018/2018-02-22-PM-602-0157-Contracts-and-Itineraries-Requirements-for-H-1B.pdf) its scrutiny of companies that hire workers on H-1Bs. As a result, the pace of H-1B approvals showed signs of slowing last year. The decline in the percent of accepted applications suggests that the skilled worker drought isn’t simply due to the atmosphere of racial exclusion created by Trump’s [rhetoric](https://www.nytimes.com/interactive/2018/01/15/opinion/leonhardt-trump-racist.html), or to the recent increase in [hate crimes](http://www.bbc.com/news/world-us-canada-41975573). Thanks to Trump’s restrictive policies, skilled workers from countries such as India are [turning to Canada](https://flipboard.com/%40flipboard/-indian-techies-look-to-canada-as-the-am/f-72cd060182/qz.com) instead. Canada, where the [racial anxieties](https://www.thenation.com/article/fear-of-diversity-made-people-more-likely-to-vote-trump/) of Trump’s base are notably less prevalent, admits much greater numbers of high-skilled immigrants relative to its population. In 2017, it [increased](https://www.hindustantimes.com/world-news/canada-s-2017-immigration-plan-to-benefit-indians/story-VblWySKIH1vwFoBAGfR9KO.html) its intake of skilled workers by about 7.5 percent, and announced a [new program](http://www.cbc.ca/news/business/immigration-high-tech-canada-global-skills-strategy-1.4391409) to approve visas for these workers in two weeks -- compared to six or seven months in the U.S. So far, these trends have received little attention. Skilled immigration isn’t the kind of issue that gets masses of activists marching in the streets. Democrats tend to focus on protection for undocumented immigrants. Republicans used to pay lip service to the idea of skilled immigration -- and some [still do](https://www.theatlantic.com/politics/archive/2018/02/two-bills-to-fix-daca/553403/) -- but spend the vast majority of their energy on trying to curb family-based legal immigration. Meanwhile, tech companies [support](https://www.forbes.com/sites/kenrapoza/2018/02/07/companies-say-they-want-more-h-1b-foreign-workers/1) more H-1Bs, but some workers [oppose](https://www.nytimes.com/2017/02/05/business/h-1b-visa-tech-cheers-for-foreign-workers.html) the program, believing that it steals jobs and/or reduces wages for native-born Americans. This is a big problem, because skilled immigrants are a key part of the U.S. economy. First of all, they’re highly entrepreneurial -- between 1995 and 2005, immigrants started [more than half](https://www.inc.com/magazine/201502/adam-bluestein/the-most-entrepreneurial-group-in-america-wasnt-born-in-america.html) of the new businesses in Silicon Valley. As of 2011, more than 40 percent of Fortune 500 companies [were started](https://www.nytimes.com/2017/02/08/technology/personaltech/why-silicon-valley-wouldnt-work-without-immigrants.html) by immigrants or their children. It’s impossible to know ahead of time which immigrants will start these companies, but they’re much more likely to be those with decent technical training who come from families with a tradition of starting businesses -- in other words, skilled immigrants. They’re also highly innovative. A [2017 study](https://voxeu.org/article/immigrants-and-innovation-us-history#.WhhJqVRyOKh.twitter) by economists Ufuk Akcigit, John Grigsby and Tom Nicholas examined patenting records, and concluded: Technology areas with higher levels of foreign-born expertise experienced much faster patent growth between 1940 and 2000, in terms of both quality and quantity, than otherwise equivalent technology areas. They go on to list a number of famous American inventions whose creators were born elsewhere. As for driving down native-born Americans’ wages, there is evidence that the worry is vastly overblown. It’s true that the H-1B program tethers employees to their employers; for a worker on an H-1B to switch to a different company, [the procedure](http://www.h1base.com/visa/work/H1B%20Visa%20Transfer%20To%20A%20New%20Employer/ref/1169/) can be time-consuming and annoying. There is [some evidence](https://gspp.berkeley.edu/assets/uploads/research/pdf/h1b.pdf) that companies that win the chance to hire more H-1B workers pay lower wages. But there’s also [evidence](https://pubsonline.informs.org/doi/abs/10.1287/mnsc.1100.1149?journalCode=mnsc&) showing that H-1B workers are not paid less than native-born Americans, after accounting for their age and skill level. Moreover, studies that find negative impacts of H-1Bs tend to look only at the specific companies that hire skilled workers. The presence of more smart people in an industry or a city cause new ideas and technologies to flourish. These then diffuse to companies, allowing business to innovate faster, hire more workers and pay higher wages. Skilled foreigners help keep new ideas flowing in [technology clusters](https://www.bloomberg.com/view/articles/2017-05-19/growth-takes-off-when-smart-people-are-neighbors) like Silicon Valley; Austin, Texas; and Raleigh, North Carolina. In addition, having a [thick market](http://www.stevebizblog.com/2015/06/02/thick-market-vs-thin-market/) of smart workers in an area allows a lot of innovative companies to cluster there. Tech companies put their offices in high-cost California because that’s where the engineers live. And engineers move there because that’s where the companies are. This is why even if they lower wages at a particular company, H-1B workers raise native-born wages overall. A [2015 study](http://giovanniperi.ucdavis.edu/uploads/5/6/8/2/56826033/stem-workers.pdf) by economists Giovanni Peri, Kevin Shih and Chad Sparber found: Increases in [foreign] STEM workers are associated with significant wage gains for college-educated natives. Gains for non-college-educated natives are smaller but still significant. Our results imply that foreign STEM [workers] increased total factor productivity growth in US cities. If Trump’s immigration policies break this virtuous cycle, the tech industry could eventually decide to make its home elsewhere -- in immigrant-friendly [Canada](http://www.cbc.ca/news/business/immigration-high-tech-canada-global-skills-strategy-1.4391409), or even in emerging economies of China and India. That would result in many fewer good jobs, and lower wages, for American workers -- skilled and unskilled alike. The U.S. is playing a very dangerous game under Trump. By systematically degrading one of the nation’s core strengths -- the constant inflow of smart, entrepreneurial foreigners -- Trump is putting the native-born populace at risk, not helping it. Instead of limiting the H-1B program, the U.S. should replace it with a Canada-style system that gives green cards to skilled foreign workers. It may not get many people marching in the streets, but skilled immigration is an issue that matters for the future of every American

#### Losing skilled workers kneecaps the US economy

**Press Trust of India 18** ["Will Hurt Ties With Partner India": Top US Lawmakers Oppose H-1B Changes, January 05, 2018, <https://www.ndtv.com/world-news/congressmen-oppose-changes-in-h1b-visa-rules-1796223>]

Some US lawmakers and advocacy groups have criticised the Trump adminisration's reported plan to curb H-1B visa extensions that could result in self-deportation of an estimated 500,000-750,000 Indian Americans, saying the move would drain America of talent. The proposal, which was part of President Donald Trump's "Buy American, Hire American" initiative that he vowed to launch on the campaign trail, is being drafted by Department of Homeland Security leaders, according to reports. The H-1B program offers temporary US visas that allow companies to hire highly skilled foreign professionals working in areas with shortages of qualified American workers. But since taking office last January, the Trump administration has been cracking down on the scheme. Democratic Congresswoman Tulsi Gabbard said: "Imposing these draconian restrictions on H-1B visa holders will tear families apart, drain our society of talent and expertise, and damage our relationship with an important partner, India. "This proposal could lead to the deportation of an estimated 500,000 to 750,000 Indian H-1B visa holders, many of whom are small business owners and job creators who are helping to build and strengthen our US economy. This brain drain will stifle innovation and decrease our ability to compete in the global 21st century economy," she said. In a statement the Hindu American Foundation (HAF) sounded alarm over the Trump administration's proposal to deny extensions of H-1B visas to green card applicants and leaving them with no choice but to return to the country of origin or be deported. Indian-American Congressman Raja Krishnamoorthi said while priority must continue to be improving advanced training for domestic workforce, ending H-1B visa extensions would **kneecap** American **economy** and encourage companies to further **offshore jobs**, instead of making those investments here. "I hope the administration immediately rejects this proposal," he said. According to Aman Kapoor of Immigration Voice, H-1B extension change would be just wrong at every level. "It will be a catastrophe of epic proportion for Indian-American community leading to mass exodus of close to 1.5 million people (around 750,000 primary applicants on H-1B visa and another 750,000+ spouses and children)," he said.

#### Economic decline causes nuclear war

Tønnesson, 15 — Stein Tønnesson, Leader of East Asia Peace program at Uppsala University, Research Professor at the Peace Research Institute Oslo, “Deterrence, Interdependence and Sino–US Peace” International Area Studies Review, Review Essay, Volume 18, Issue 3, Pages 297-311, SAGE Journals, Minnesota Libraries, Date Accessed: 8-4

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.

#### Thus, the plan:

#### The United States federal government should:

#### --Increase the annual H-1B visa cap to 85,000

#### --Have a market-based escalator to meet demand

#### --Exempt spouses and children from the total visa limit

#### Next is Solvency,

#### **The plan solves while preventing US jobs from being taken—adding a market-based escalator helps support demand which can mean an additional 110,00 visas each year**

O’Brien ’18 (Sara Ashley O'Brien H-1B reform bill seeks to expand annual quota January 25, 2018 http://money.cnn.com/2018/01/25/technology/hatch-flake-h1b-bill/index.html)

Republican Senators Orrin Hatch and Jeff Flake introduced legislation on Thursday that aims to increase the annual quota of H-1B visas from 65,000 to 85,000. The H-1B is a common work visa granted to high-skilled foreigners to work at companies in the U.S. It's valid for three years, and can be renewed for another three years. In addition, the Immigration Innovation Act, or I-Squared, legislation would also provide work authorization for spouses and children of H-1B visa holders. An Obama era rule made it possible for spouses of certain H-1B holders to apply for work authorization but the [Trump administration said in December](http://money.cnn.com/2017/12/15/technology/h1b-visa-spouses-h4-trump/index.html?iid=EL) that it is seeking to do away it. The H-1B program is one that [President Trump has eyed](http://money.cnn.com/2017/04/18/technology/h1b-reform/index.html?iid=EL) for reform, saying abusers can use it to replace American workers. But the program is particularly near and dear to the tech community with many engineers vying for one of the program's 65,000 visas each year. Demand often exceeds the supply -- in which case, a lottery system is activated. The bill proposes to add a "market-based escalator" so the supply can better support demand. That means granting up to 110,000 additional visas (a total of 195,000), and prioritizing visas for those with master's degrees, foreign Ph.D.'s or U.S. STEM bachelor degrees. Reform of the high-skilled visa system has been a goal of Hatch and other lawmakers for years, but has had a difficult time passing Congress. The bill, originally introduced in the Senate in January 2015, seeks to placate the Trump administration's concerns. For example, by specifying that employers may not use the visa with intent to substitute an American worker. Moreover, it seeks to remove per country limits for green cards sponsored by employers, which contributes to a backlog for citizens from countries like India and China. The bill also proposes lifting the existing cap of 20,000 additional H-1B visas reserved for those with master's degrees if their employers agree to sponsor their green cards. "Senator Hatch believes that in the current political environment this effort represents an ideal step in bringing Republicans and Democrats together to address flaws in our broken immigration system," said Senator Hatch's spokesman Matt Whitlock in a statement. Hatch announced earlier this month that he won't seek re-election. Execs from Microsoft and Facebook, as well as industry associations, issued statements in support of the bill. Dean Garfield, president and CEO of Information Technology Industry Council, says the bill does "help meet the needs of our economy, drive new investment, and bolster the tech industry's commitment to growing the domestic workforce." "I-Squared is an opportunity to do the right thing for all the right reasons," he said in a statement. Tahmina Watson, of Watson Immigration Law, agreed that I-Squared appears to address the country's business and economic demands. "The bill should garner bipartisan support and satisfy the White House with their concerns about the H-1B visa," she told CNNMoney.

#### We need to take action now - Current restrictions and limits on the H-1B program are deterring applications

**Seng ‘18** (Ellen Shengis writer, editor, content strategist – CNBC, “Silicon Valley is fighting a brain-drain war with Trump that it may lose, Mon, 9 April 2018, <https://www.cnbc.com/2018/04/09/trumps-war-on-immigration-causing-silicon-valley-brain-drain.html>)

Rangnekar is one of a growing number of highly educated foreign entrepreneurs in the United States who have started looking at alternatives to the obstacle-strewn path to U.S. citizenship. Hardships for foreign entrepreneurs in the United States have increased as of late, thanks to the heightened vetting of H-1B visas, Trump's Muslim ban and an increasingly hostile stance toward immigration. Trump, through a number of executive orders and memos from various U.S. agencies has started narrowing visa requirements. In February the U.S Citizenship and Immigration Services agency put out a new policy memo requiring "detailed documentation" about H-1B workers employed at third-party work sites to demonstrate that employees are actually filling specialty roles for which they were hired. The move is designed to cut down on "benching" — a practice in which employers hire entry-level software engineers from overseas, pay them the minimum required wage or less and shuffle them to subsidiaries. Although it is important to close some of the loopholes in the H-1B visa program, these actions could also have unintended consequences. Often lost in the political rhetoric is the fact that **immigration is a critical issue for the U.S. economy and our nation's competitive position**. The National Foundation for American Policy found that immigrants have started more than half of the country's billion-dollar start-up companies. Some of the more prominent examples include SpaceX and Tesla founder Elon Musk, from South Africa, and Google co-founder Sergey Brin, an immigrant from the former Soviet Union. The H-1B visa is the primary avenue for skilled immigrants to enter the United States. While it's well known that companies in Silicon Valley rely on H-1B visas, it is also used heavily by companies in New York, Texas and Washington, D.C. A recent Pew Research Center report revealed that between 2010 and 2016, almost a third of visas went to businesses in the New York City area. Increased restrictions and rejections of H-1B visas have companies worried. Recent reports suggest that restrictions on foreign-born workers could have outsized impact on the tech industry. A recent report from the Silicon Valley Competitiveness and Innovation Project found that the country's largest tech companies rely more on foreign-born workers than domestic ones. In Silicon Valley at least 57 percent of workers in science, tech, engineering and mathematics with a bachelor's degree or higher were born outside the United States, the report said. According to data from the U.S. Department of Labor, IBM applied for 12,381 H-1B visas last year, Microsoft 5,029 visas and Google 4,897. Brain drain begins For decades the United States has attracted some of the best and brightest. Now some are starting to see the reverse happen. Vivek Wadhwa, a distinguished fellow and adjunct professor at Carnegie Mellon University's College of Engineering and author of The Immigrant Exodus: Why America Is Losing the Global Race to Capture Entrepreneurial Talent, said that in his current class at Carnegie Mellon, not one of the foreign students is looking to stay. Foreign students from India, China and elsewhere who used to stay are now returning to their home countries to start businesses**.** This is alarming because it will adversely impact U.S. innovation, Wadhwa said. "In the next five to 10 years, we're going to be competing with China and India and Singapore and many other countries all over the world for talent like never before," he said. The U.S. has seen its share of tech "unicorns" drop dramatically in recent years, according to data from CB Insights. Of the 214 unicorn start-ups globally, 41 percent are based in the United States compared to 75 percent in 2013. Meanwhile, the proliferation of tech unicorns from outside has been increasing, especially from China. China is now home to 36 percent of tech unicorns compared to 12 percent in 2014. If we keep going on the path we are on, China will have more tech unicorns than the United States. China is catching up to the United States in advanced technology on everything from artificial intelligence and gene editing to quantum computing, Wadhwa said, adding that once that happens, "China will be neck-to-neck with Silicon Valley, and then they're going to eat our lunch.**"** Toughened immigration policies To be sure, U.S. immigration has been difficult for quite some time, but now Trump's executive orders and antiimmigration rhetoric has further accelerated the trend. Tahmina Watson, Seattle-based immigration attorney and author of The Startup Visa: Key to Job Growth & Economic Prosperity in America, said she's started to see extreme scrutiny of H-1B visa applications. Routine applications that were once commonly accepted are now sent back requiring more documentation. H-1B visa extensions are facing more scrutiny. Watson is also seeing a sudden spike in H-1B visa denials. While some of the scrutiny is an attempt to close loopholes in the H-1B program, the result is that talented, legitimate applicants are being turned away. Antiimmigration policies will likely hurt American workers, Watson said, **noting that for every H-1B worker, five jobs are created**. Another visa that would have been a boost to Silicon Valley's start-up scene has also been quashed. The international entrepreneur rule, or start-up visa, would have allowed qualified foreign entrepreneurs to stay in the United States to build businesses. It was set to go into effect last year but has been delayed and looks to be on the chopping block. "The shortsightedness will be felt in upcoming months and years. To make America great again, scrutinizing business visas is not the way to go," she said. Filling the void As the United States closes its borders, other countries are courting the world's best and brightest to come and start businesses. France introduced a new tech visa program last year, and French president Emmanuel Macron has said he aims to make France a "Startup Nation." Canada launched a program to fast-track visas and short-term work permits for highly skilled foreign workers. When the U.S. Citizenship and Immigration Services department said in June they would stop premium processing of H-1B visas for up to six months, Canada stepped up and said it would fast-track applications. India's commerce ministry and various government arms have created innovation labs and incubators in efforts to develop the country's start-up scene, while China has vowed to invest vigorously in artificial intelligence to create a $150 billion industry by 2030. "In the wake of our administration's policies, it's becoming easier for others to fill the void," said David Brown, a serial entrepreneur and founder of Techstars, which helps start-ups through accelerator programs and investment. Brown said that Techstar's Toronto program is reaping the benefit of entrepreneurs who are leaving the United States for Canada. Whether the current tide of people leaving becomes a wave has yet to be determined. But meanwhile, "the rhetoric has got people really stressed. They just want to do work and spend time with their families, not deal with political pressure," said Rangnekar. "The U.S. is still a great place to be. It's not too late. Silicon Valley is still the most amazing place in the world; **people still want to be here if they have a choice. The problem is, we give them no choice**," Wadhwa said.

## Extensions

### H-1B k2 Competitiveness

#### The plan is key to tech innovation and global leadership—solves uncertainty

**Smith 18** –Brad Smith President of Microsoft ( I-Squared will help ensure the US has the skilled talent it needs to grow, Jan 26, 2018, <https://blogs.microsoft.com/on-the-issues/2018/01/26/squared-will-help-ensure-us-skilled-talent-needs-grow/>(

The lifeblood of Microsoft is and will always be our employees. Our company was built by a world-class team comprised of many of the best and brightest people, including many of the best software developers from around the world. High-skilled immigration has not only been important to the success of Microsoft and other individual tech companies, **but in the global leadership position of the entire American tech sector.** **Our collective success won’t continue** unless Congress reforms the nation’s immigration system into one that protects American workers while preserving the ability of American companies to continue to recruit the world’s best high-skilled talent. That’s why we support new legislation introduced Thursday by Sen. Orrin Hatch and Sen. Jeff Flake that takes important steps to reduce the green card backlog, strengthen U.S. worker protections, prevent H-1B program abuse and raise new STEM training funds for Americans. At a time of such great discourse in our country around immigration, we believe that S.2344, the Immigration Innovation (I-Squared) Act, strikes the right balance to keep our economy strong, attract and retain top global talent and build more opportunities for American workers. We hope the Senate’s leaders will come together to support these important reforms. One of the most important features of I-Squared is its focus on eliminating bottlenecks in the lengthy green card process for high-skilled workers. As we’ve stated previously as we’ve endorsed and spoken out for HR 392, current per country limits on employment-based green cards are arbitrary and create uncertainty and tremendous hardship for our employees and their families as they endure decades-long backlogs. This **uncertainty** is also **not good for American businesses** that want to retain this valuable talent in the country. I-Squared eliminates those discriminatory per country limits. It also ensures that green card numbers that have gone unused in prior years due to bureaucratic processes are not wasted, but instead applied to reduce the existing backlog. I-Squared further proposes a new conditional green card process for a more direct path to permanent residence, giving more security to both employers and employees. If Congress could move forward and diminish the many uncertainties in the green card process, we could then focus even more effort on our work creating next generation technology. I-Squared also takes significant steps to strengthen protections for American workers and prevent abuses of the H-1B program. The bill directly prohibits use of the H-1B program to displace American workers; it prohibits certain practices that currently get in the way of ensuring that H-1Bs that have been approved are actually used; and it implements more rigorous wage requirements. At the same time, the bill builds flexibility into the program to adjust at a measured pace to the market demand for high-skilled talent. Particularly in today’s strong economy, we need to take additional steps to prepare Americans for digital jobs by investing in our domestic STEM training programs. Through the additional fees imposed by I-Squared, close to $1 billion additional dollars could be provided each year to states to support STEM education and build the country’s talent pipeline and support training for U.S. workers to enter STEM fields, including apprenticeships. As we’ve said before, these are fees that Microsoft is more than prepared to pay. High-skilled immigration programs are critical to meeting our country’s need for skilled talent. But it needs to complement — not compete with — investing in the American workforce. The bill introduced by Senators Hatch and Flake hits the right note and makes the system better for all of us.

### H1-B k2 Tech Innovation

#### Boosting skilled immigration is the critical variable to maintain U.S. technological leadership

Zhao, 18 --- (YuKong Zhao president of the Asian American Coalition for Education, “Commentary: Missing priority in immigration reform: high-skilled workers,” 1/29/18 <http://www.orlandosentinel.com/opinion/os-ed-high-skilled-workers-forgotten-immigration-reform-20180129-story.html>,)

The recent government shutdown underscores the difficulty of immigration reform. It is absolutely right to debate how to improve border security, and how to solve the Deferred Action for Childhood Arrivals issue in a humane way. However, one important immigration agenda has largely been ignored in this debate: how to enhance and increase high-skilled labor — H-1B visa immigration. More important, how does our nation continuously attract the world’s talents that are essential to maintaining America’s technological leadership in the world? It is unfortunate that when many politicians passionately talk about the economic contribution of DACA recipients, they do not even mention the very immigrant group that has made the largest contribution to the American economy: H-1B visa recipients. Since the inception of the program in 1990, the United States has granted about 2.5 million H-1B visas to highly educated foreign immigrants. Many of them were educated in the United States and decided to stay in America to support science, education and especially high-tech industries. With the decline of STEM (science, technology, engineering and mathematics) education, America is failing to educate enough home-grown engineers to support the rapidly growing high-tech firms, which are the No. 1 growth engine of the American economy in recent decades. In my view, many of the engineers in these companies are foreign born, as are many professors in STEM departments of American colleges. Today, high-skilled immigrants have become the backbone of American ingenuity. These high-skilled immigrants also contribute significantly to the American economy. According to a 2016 report issued by National Science Foundation, median salaries of immigrant engineers and scientists were, on average, higher overall than that of their U.S.-born counterparts, $72,000 compared to $64,000. They are important contributors to American tax revenue. Equally important, highly educated immigrants embrace American values and observe the laws, and rarely commit crimes. Even though H-1B visa recipients have been making tremendous contributions to American society, they are not reasonably embraced by our outdated immigration policies. Each year the U.S. grants green cards to more than 1 million new immigrants, but only 85,000 get H-1B visas, less than 10 percent of the total immigrants. Because the quota is far less than applicants (236,000 in 2017), the H-1B visa program is currently implemented through a lottery, departing from its original purpose of serving the needs of American firms. For many foreign students who have the right skill-set and willingness to contribute to America, obtaining an H-1B visa is a challenging and emotional process. Many American companies do not sponsor working visas for foreign students, so they have to apply for jobs from the limited companies that do. If they’re lucky, after demonstrating unique qualifications and overcoming language and cultural barriers, some foreign students are able to find jobs. Even with that, they have to go through another emotional torture — waiting for the H-1B visa lottery. If they fail to both find jobs and obtain an H-1B visa, they have to face the heartbreaking choice of leaving America. Some graduate students might have American-born children they must take when they leave America. Simply because most foreign students respect American laws, they rarely complain or demonstrate when they face the legal deadline to leave America. As a result, our politicians, who tend to be swayed by emotions, often ignore the most valuable people America should keep. It is true that the H-1B visa policy has some loopholes that need to be addressed. However, the right way is to reform and enhance the policy. Complaints, in response, from either the left or the right are often short-sighted, and should not become the primary basis for America’s policymaking. History has proved that one of the major cornerstones of American exceptionalism is her magnetic ability to attract the most talented and hard-working immigrants from all over the world to build America into the greatest nation on Earth. In the 21st century, America has lost its technology dominance in too many industries, from auto manufacturing and consumer electronics to consumer drone technologies. We need talented and hard-working immigrants more than ever. As the world is rapidly transitioning into a knowledge-based economy, America’s immigration policy should primarily focus on how to continue attracting the world’s talents, instead of just responding to political influences.

#### The plan is key to tech innovation and global leadership—solves uncertainty

**Smith 18** –Brad Smith President of Microsoft ( I-Squared will help ensure the US has the skilled talent it needs to grow, Jan 26, 2018, <https://blogs.microsoft.com/on-the-issues/2018/01/26/squared-will-help-ensure-us-skilled-talent-needs-grow/>(

The lifeblood of Microsoft is and will always be our employees. Our company was built by a world-class team comprised of many of the best and brightest people, including many of the best software developers from around the world. High-skilled immigration has not only been important to the success of Microsoft and other individual tech companies, **but in the global leadership position of the entire American tech sector.** **Our collective success won’t continue** unless Congress reforms the nation’s immigration system into one that protects American workers while preserving the ability of American companies to continue to recruit the world’s best high-skilled talent. That’s why we support new legislation introduced Thursday by Sen. Orrin Hatch and Sen. Jeff Flake that takes important steps to reduce the green card backlog, strengthen U.S. worker protections, prevent H-1B program abuse and raise new STEM training funds for Americans. At a time of such great discourse in our country around immigration, we believe that S.2344, the Immigration Innovation (I-Squared) Act, strikes the right balance to keep our economy strong, attract and retain top global talent and build more opportunities for American workers. We hope the Senate’s leaders will come together to support these important reforms. One of the most important features of I-Squared is its focus on eliminating bottlenecks in the lengthy green card process for high-skilled workers. As we’ve stated previously as we’ve endorsed and spoken out for HR 392, current per country limits on employment-based green cards are arbitrary and create uncertainty and tremendous hardship for our employees and their families as they endure decades-long backlogs. This **uncertainty** is also **not good for American businesses** that want to retain this valuable talent in the country. I-Squared eliminates those discriminatory per country limits. It also ensures that green card numbers that have gone unused in prior years due to bureaucratic processes are not wasted, but instead applied to reduce the existing backlog. I-Squared further proposes a new conditional green card process for a more direct path to permanent residence, giving more security to both employers and employees. If Congress could move forward and diminish the many uncertainties in the green card process, we could then focus even more effort on our work creating next generation technology. I-Squared also takes significant steps to strengthen protections for American workers and prevent abuses of the H-1B program. The bill directly prohibits use of the H-1B program to displace American workers; it prohibits certain practices that currently get in the way of ensuring that H-1Bs that have been approved are actually used; and it implements more rigorous wage requirements. At the same time, the bill builds flexibility into the program to adjust at a measured pace to the market demand for high-skilled talent. Particularly in today’s strong economy, we need to take additional steps to prepare Americans for digital jobs by investing in our domestic STEM training programs. Through the additional fees imposed by I-Squared, close to $1 billion additional dollars could be provided each year to states to support STEM education and build the country’s talent pipeline and support training for U.S. workers to enter STEM fields, including apprenticeships. As we’ve said before, these are fees that Microsoft is more than prepared to pay. High-skilled immigration programs are critical to meeting our country’s need for skilled talent. But it needs to complement — not compete with — investing in the American workforce. The bill introduced by Senators Hatch and Flake hits the right note and makes the system better for all of us.

### H-1B k2 Economic Growth

#### Limiting H-1B’s kills the US economy in a vital sector – H-1Bs have a multiplier effect that creates jobs and innovation

**G.I.A. 17** – Global-is-Asian - the Lee Kuan Yew School of Public Policy - National University of Singapore [Trump’s H-1B visa curbs: A no-win situation for India–U.S. ties, June 12th, 2017, <http://global-is-asian.nus.edu.sg/index.php/trumps-h-1b-visa-curbs-no-win-situation-india-u-s-ties/>]

The Trump administration’s decision to review and revamp the H-1B visas, aiming at protecting information technology (IT) jobs in the United States, could prove counter-effective in the long run. When U.S. President Donald Trump signed an executive order to revamp the H-1B visa guest worker programme on 18 April 2017, he did so with the aim of protecting U.S. jobs, especially in the IT sector. Based on historical trends, the information and communication technology **sector has a strong impact on the economic growth of a country,** according to Professor Vu Minh Khuong at the Lee Kuan Yew School of Public Policy (LKYSPP), who referenced this impact in his paper ICT as a Source of Economic Growth in the Information Age: Empirical Evidence from the 1996-2005 Period. Indian IT companies sharing the spoils Indian IT professionals account for 70 per cent of all H-1B holders. This is mostly due to Indian IT companies such as Tata Consultancy Services (TCS), Infosys and Wipro sending a large number of IT engineers to service clients in the U.S. – their largest overseas market. These companies reportedly obtained around 86,000 H-1B visas from 2005 to 2014, which is approximately the same as the total number of H-1B visas the U.S. issues each year. Reports claim that Infosys alone filed 6500 H-1B applications in 2016 and some 9000 in 2015. But **Trump’s decision to review the visa allowance already appears to be having an impact** – Infosys is reportedly applying for under 1000 H-1B visas this year. Questionable move for the U.S. economy The move, however, may be misguided in terms of creating long-term IT jobs in the U.S. James Crabtree, Visiting Senior Research Fellow at the LKYSPP, explained that while the move was an attempt to “prevent shipping IT work offshore to India which can be done in the U.S.”, it may not benefit the U.S. economy. For one, it could lead to U.S. companies paying more for IT consultants, since they now have limited access to cheaper Indian IT staff. Compared to their U.S. counterparts, who earn an average of US$150,000 per year, Indian staff are reportedly paid US$60,000 to US$65,000. Furthermore, it may not be as simple as replacing Indian IT consultants with U.S. ones. “The bigger problem is that there are not as many idle U.S. IT workers,” Crabtree said. “It is different from trade, where many low-skilled factory jobs are lost to those in India. There are not as many idle IT workers in California to pick up the slack – **close to zero.”** He added that well-paid U.S. IT consultants will see their wages rise should the hiring of Indian IT consultants see a sharp decline in the U.S. Trump’s decision will no doubt benefit U.S. IT professionals – and further the administration’s protectionist agenda – **but in the long term it could have other macroeconomic implications**. “A greater proportion of workers in U.S. IT companies will be Americans, but the overall size of the workforce for the industry will decline, meaning less work being done,” Crabtree said. This decline in output could hurt an already mature U.S. economy that has not seen significant growth recently. The U.S. economy expanded only 0.7 per cent during the first quarter of 2017. A double-edged sword for India’s IT sector In the meantime, the move is expected to hurt the US$150 billion Indian IT sector, of which the U.S. accounts for 60 per cent. “The short-term impact is that Indian IT companies will have to hire more workers in the U.S. instead of using workers from India,” Crabtree said, which means those companies will be less profitable due to the higher salaries of U.S. workers.

#### Keeping recent restrictions would kneecap the US economy

**Press Trust of India ‘18** ("Will Hurt Ties With Partner India": Top US Lawmakers Oppose H-1B Changes, January 05, 2018, <https://www.ndtv.com/world-news/congressmen-oppose-changes-in-h1b-visa-rules-1796223>]

Some US lawmakers and advocacy groups have criticised the Trump adminisration's reported plan to curb H-1B visa extensions that could result in self-deportation of an estimated 500,000-750,000 Indian Americans, saying the move would drain America of talent. The proposal, which was part of President Donald Trump's "Buy American, Hire American" initiative that he vowed to launch on the campaign trail, is being drafted by Department of Homeland Security leaders, according to reports. The H-1B program offers temporary US visas that allow companies to hire highly skilled foreign professionals working in areas with shortages of qualified American workers. But since taking office last January, the Trump administration has been cracking down on the scheme. Democratic Congresswoman Tulsi Gabbard said: "Imposing these draconian restrictions on H-1B visa holders will tear families apart, drain our society of talent and expertise, and damage our relationship with an important partner, India. "This proposal could lead to the deportation of an estimated 500,000 to 750,000 Indian H-1B visa holders, many of whom are small business owners and job creators who are helping to build and strengthen our US economy. This brain drain will stifle innovation and decrease our ability to compete in the global 21st century economy," she said. In a statement the Hindu American Foundation (HAF) sounded alarm over the Trump administration's proposal to deny extensions of H-1B visas to green card applicants and leaving them with no choice but to return to the country of origin or be deported. Indian-American Congressman Raja Krishnamoorthi said while priority must continue to be improving advanced training for domestic workforce, ending H-1B visa extensions would **kneecap** American **economy** and encourage companies to further **offshore jobs**, instead of making those investments here. "I hope the administration immediately rejects this proposal," he said. According to Aman Kapoor of Immigration Voice, H-1B extension change would be just wrong at every level. "It will be a catastrophe of epic proportion for Indian-American community leading to mass exodus of close to 1.5 million people (around 750,000 primary applicants on H-1B visa and another 750,000+ spouses and children)," he said.

### U-Growth Unstable

#### Economic growth guaranteed now—it’s sturdy but not stable—new shocks easily tank it

Hughes 16 (3/22, Robert, Senior Research Fellow @ American Institute for Economic Research, “An Economy, Growing But Vulnerable”, https://www.aier.org/blog/economy-growing-vulnerable)

The economic outlook is modestly upbeat, but rife with risks. As we approach the seventh anniversary of the end of the worst recession since the Great Depression, the economy has made substantial progress. There are reasons to believe that later this year businesses could feel more confidence in hiring and making other investments. But obstacles remain. First, let’s look at the economy right now. On the positive side, the labor market has made substantial progress recovering from the severe job losses in 2008 and 2009. The unemployment rate is below 5 percent, and net job creation has averaged over 200,000 per month for the past five years. In addition, employers are trying to fill more than 5.5 million open positions across the country. Despite the progress, gains in hourly earnings remain modest. On the negative side, the U.S. dollar has appreciated against most currencies, making our exports more expensive and imports cheaper, both of which are bad for U.S. manufacturers, though cheaper imports generally benefit consumers by keeping prices low. An additional drag is that economic growth in many countries around the world remains subpar, further depressing demand for U.S. exports. The collapse in commodity prices, particularly energy, is a double-edged sword for the overall economy. Lower energy prices are helpful to consumers and some industries (think, transportation and shipping), but have hurt the domestic energy production industry. With that basic backdrop, the policy makers at the Federal Reserve have begun raising short-term interest rates. Signals from the Federal Open Market Committee (FOMC, the group responsible for setting monetary policy) suggest further rate increases will come, though at an extremely slow pace given the shaky economic backdrop and benign outlook for inflation. How do these trends translate to an outlook for the second half of 2016? Overall, not too badly. The U.S. economy is still driven by the consumer. The slowly improving labor market, combined with lower energy prices and improved household balance sheets, provide a solid foundation for consumers to continue spending. A reasonably healthy consumer combined with low interest rates should help support activity in the housing market, particularly as the important spring and summer selling season approaches. If consumers do push ahead with spending and home purchases, that will likely give confidence to businesses to continue hiring and boost investment, sustaining a virtuous cycle to keep the economy growing. That’s the optimistic outlook, and in our view, the likely path. However, any number of things could turn the virtuous cycle into a vicious cycle. The latest reading from our Business Cycle Conditions model suggests a note of caution. The Leaders Index – our compilation of economic indicators that help forecast the health of the economy – had a value of 50 (on a scale of 0 to 100) in the latest month, exactly neutral. Generally, persistent readings below 50 would indicate an increased probability of recession in the next 6 to 12 months. So, according to our model, while we don’t expect a recession in the immediate future, the economy is somewhat vulnerable. There are a number of factors that could make an impact in such a state of vulnerability. For instance, the Fed could raise rates too quickly. Consumers could lose confidence and slow spending, or businesses could lose confidence and slow or stop hiring, or cut back on investment. We could be faced with an unforeseen geopolitical event. If one or some combination of these occur, it could tip our model and the economy into a new recession. There is always some ebb and flow to economic activity, and when those ebbs and flows happen while overall growth is modest, the risk of a recession can rise. The economy becomes more vulnerable, policy decisions become more important, and the potential impact of some shock to the system becomes magnified. No one knows for sure what the future holds, but the U.S. economy, led by the U.S. consumer, has proven resilient during previous periods of slow growth and uncertainty. Our view is that during the remainder of 2016, we will see continued economic expansion led by consumer spending, housing and business investment. But, as our model suggests, it is a close call.

### Growth Prevents War

#### We need a strong economic position to manage EVERY global issue and prevent global wars

Lieberthal and O'Hanlon 12 (Kenneth and Michael, Senior Fellows in Foreign Policy @ Brookings, "The Real National Security Threat: America's Debt," <http://www.brookings.edu/research/opinions/2012/07/10-economy-foreign-policy-lieberthal-ohanlon>,)

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

### AT: Heg Bad

#### Hegemony is sustainable – global engagement is key

Brands ‘17 (Hal, the Henry A. Kissinger distinguished professor of global affairs at Johns Hopkins University’s School of Advanced International Studies. With Charles Edel associate professor of strategy and policy at the U.S. Naval War College. 7/14/17, “The Gathering Storm vs. the Crisis of Confidence” http://foreignpolicy.com/2017/07/14/the-gathering-storm-vs-the-crisis-of-confidence-trump-1930s-1970s/)

In many ways, this was an accurate reflection of the national mood at the end of the 1970s. During that decade, the United States faced a raft of serious challenges — severe economic competition from other leading powers, the rise of the Soviet Union as a global peer competitor in military terms, the stagflation and national humiliation caused by the oil shocks. There were concerns that the United States was turning inward in the wake of Vietnam, as leading congressional observers even sought to withdraw significant numbers of U.S. troops from Europe. Economic nationalism was on the rise. Richard Nixon’s first treasury secretary, John Connally, artfully expressed the ethos: “Foreigners are out to screw us. Our job is to screw them first.” In these circumstances, doubts about the staying power of the United States and the postwar international system were pervasive. Defenders of that system fretted that the American era was coming to a close; enemies of the free world were often exultant. “The retreat of American power” could “become a rout,” James Schlesinger, the former secretary of defense and secretary of energy, wrote in 1979. “The trend could well become irreversible in many respects.” “Imperialism is not able to face the crises,” Leonid Brezhnev had told Warsaw Pact leaders the year prior. And yet the 1970s proved not to be the death knell for American power and the free world system erected after World War II, but simply a difficult moment that served as prelude to renewal. By the late 1970s, the world was again turning in America’s direction — democracy was spreading, globalization was racing ahead, America’s primary great-power competitor was sliding into irreversible decline. And by the early 1980s the United States was pursuing assertive and broadly effective strategies for re-establishing its global ascendancy and pushing the positive trends along. Within a decade, the Cold War had ended on American terms, as democracy and markets were advancing — with U.S. assistance — further than ever before. If focusing on the 1930s analogy thus leads one to fear that the end of the international order is nigh, looking at the 1970s encourages the conclusion that perhaps the future is relatively bright after all. In this view, the United States and the international system it anchors still have tremendous and unmatched strengths vis-à-vis the competition, the long-term trends are working in Washington’s favor, and America is simply experiencing one of its periodic moments of doubt and introspection rather than a more fundamental turn away from internationalism — just as occurred during the 1970s. So how well does this analogy fit? In some ways, emphasizing the 1970s comparison risks understating the difficulties and challenges America faces today. For all the disillusion occasioned by Vietnam, America did not elect a president who repudiated key traditions of U.S. foreign policy as vehemently and frequently as Donald Trump did during the 2016 campaign. American “soft power” took a beating amid the domestic upheaval of the 1970s, but that weakness may ultimately prove to be minor compared with the loss of prestige the United States is already suffering as a result of Trump’s presidency. From a global perspective, the Soviet Union may have been an authentic military peer rival during the 1970s, but even at its peak its sclerotic, command economy never threatened U.S. economic primacy as China does today. And in the 1970s, the United States was able deftly to play China and the Soviet Union against each other; today, Washington has fraught and deteriorating relations with both powers as they challenge international norms and geopolitical arrangements to which they were never genuinely reconciled. The 1970s were a difficult period, no doubt, but the comparison may — at least in some ways — encourage too rosy a view of what America confronts today. Yet if the 1970s are far from the perfect analogy, the period does nonetheless illuminate important aspects of the contemporary moment. It reminds us that, today as in the past, America’s competitors face long-term challenges that make ours look relatively modest by comparison. Russia is, after all, a declining economic power and a demographic basket case; its military power thus rests on extremely precarious foundations. China is already dealing with slowing economic growth, a rapidly aging population, and a massive debt bubble, and its sense of geopolitical self-confidence hardly conceals its leadership’s transparent nervousness about growing social unrest and other signs of dissatisfaction with a corrupt and ruthlessly authoritarian political system. Similarly, the 1970s analogy reminds us to take into account long-range U.S. strengths that no adversary can match and to factor in emerging trends that may play to America’s advantage. Washington’s unequaled collection of allies, its relatively healthy demographic profile, its culture of innovation, and its repeated resilience in the face of macroeconomic shifts falls into the first category; an energy revolution that is giving America new economic and geopolitical leverage is but one example of the second. Moreover, the experience of the 1970s underscores that assertive challengers often overplay their hand, thereby risking overreach and exposing vulnerabilities for the United States and its allies to exploit. An overconfident Moscow took on numerous Third World commitments during the 1970s, allowing Carter and then Reagan to punish that overextension through support to anti-communist guerrillas. Should Russia and China continue their revisionist behavior today, they are similarly likely to encourage geopolitical blowback, if only by driving their rivals toward closer cooperation with one another and with the United States. Additionally, we can learn from the 1970s that our current traumas are neither unprecedented nor particularly severe by historical standards. In its effects on U.S. political stability and American power, the Vietnam War was far worse than anything the country has experienced in Iraq or Afghanistan over the past 15 years. Finally, the experience of the 1970s also cautions us not to panic about the state of American internationalism. Yes, the Trump phenomenon is deeply disturbing for those who wish to see a globally engaged America contributing constructively on issues including international trade and combating climate change. But we have lived through periods of American disillusion with the world before, as the experience of the 1970s reminds us, and the logic of global engagement and activism has generally reasserted itself after a fashion — usually in response to threatening developments abroad. Indeed, the fact that public opinion polling on support for U.S. alliances and honoring America’s overseas commitments actually looked much worse in the mid-1970s than it does at present (after the U.S. withdrawal from Vietnam, for instance, only 36 percent of Americans felt that “it was important for the United States to make and keep commitments to other nations”) provides some antidote to pessimism today.

#### Pursuit is inevitable even if it is imperfect- there is no alternative.

Drezner 15

(Daniel Drezner – Tufts University IR professor, Brookings Institution senior fellow, US German Marshall Fund fellow, Council on Foreign Relations fellow, and Harvard University fellow, winter 2015, America’s Quarterly, “A Post-Hegemonic Paradise in Latin America?”, [http://www.americasquarterly.org/content/post-hegemonic-paradise-latin-america)](http://www.americasquarterly.org/content/post-hegemonic-paradise-latin-america%29)

Despite the reasons for optimism, there are better reasons for pessimism. History provides ample reasons for why Latin America would resent U.S. hegemony. Nevertheless, there is significant evidence that American hegemony acted as a **powerful booster** for international **security and stability**.8 Beginning with economic historian Charles Kindleberger, a wide range of international relations theorists have posited that a liberal hegemon is a necessary and sufficient condition for the creation of an open global **economic order**.9 In a unipolar system, the lone superpower can provide an array of public goods in exchange for the cooperation of other states.10 Dartmouth professor William Wohlforth has made the strongest set of theoretical arguments for this position during the post-Cold War era. He argues, contra balance-of-power theorists, that unipolarity is the **most stable and peaceful** of all possible international systems because it **eliminates unproductive great power rivalries**.11 The post-Cold War era offers **strong evidence** for reduced security rivalries and greater stability in a hegemonic world order. The Human Security Report Project has tracked a marked and secular decline in interstate violence since the end of the Cold War.12 There has been a further decline **in other forms of violence**, such as civil war and extrajudicial killings. Consistent with the logic of hegemony, global military expenditures declined dramatically following the end of the Cold War. Global expenditures on defense as a percentage of global output averaged 5.1 percent between 1972 and 1990. In the decade after the September 11th attacks, defense expenditures as a percentage of global output averaged only 2.5 percent.13 Latin American defense spending as a percentage of output was even smaller during this period. The peace dividend from hegemony was significant. In the wake of the 2008 financial crisis, the perception of waning U.S. hegemony has been widespread. It is therefore worth noting that this perceived decline has been matched by a dramatic increase in Latin American defense spending. By one measure, absolute defense spending in Latin America practically doubled between 2006 and 2011.14 By 2012, defense spending accounted for approximately 4 percent of total GDP—significantly higher than in the rest of the world.15 In 2013, Latin America increased its defense expenditures, even as the rest of world decreased its military spending. To be sure, much of this defense spending is in response to U.S. preferences, such as combatting narco-trafficking. Yet the region’s increased military budgets are somewhat puzzling, given the ostensible absence of tensions among the countries. They suggest that even if war is comparatively rare in Latin America, security dilemmas and militarized tensions are more common.16 Beyond the insecurity posed by a **multipolar** world, however, is the uncertainty that comes from an institutionally thicker world.17 This sounds paradoxical. Nevertheless, the proliferation of nested and overlapping regimes does not necessarily lead to an increase in rule-based outcomes. Institutional thickening allows different governments to engage in forum-shopping to find the regime most friendly to their preferences. Forum-shopping weakens the power of pre-existing focal points, raises the costs and complexity of monitoring and compliance, and creates conflicting legal obligations at the regional level. This situation endows great powers with fewer constraints and greater capabilities to affect outcomes. In the process, institutional **prolif**eration erodes the causal mechanisms through which regimes ostensibly **strengthen international cooperation**. Paradoxically, after a certain point, the proliferation of global governance structures shifts the international system towards a more Hobbesian environment.

### AT: Econ Decline Doesn’t Escalate

#### This time is different—decline goes nuclear

Martin **Armstrong 14**, the former chairman of Princeton Economics International Ltd, Cited by Greg Hunter, “Violent War Cycles-Global Economic Decline-Martin Armstrong,” 9-14-14, <http://usawatchdog.com/violent-war-cycles-global-economic-decline-martin-armstrong-4/>, DOA:11-11-14, y2k

Global economic expert Martin Armstrong says **two big violent cycles** **are happening for the first time in 300 years.** **Domestic and international** **unrest is consuming the world**. Armstrong contends, “**Both** of these **cycles are converging at the same time**, and **this hasn’t happened since the 1700’s.** That was the American Revolution, the French Revolution and etcetera. That was the revolution against monarchies, so to speak. **This is not** **just Ukraine, Russia and the U.S.** **You have the** **Mid**dle **East** going crazy. **Gaza** is starting up again with **Israel**. You go over to **Asia** and you have civil unrest in Thailand, **and** the overwhelming part of the population in **China** wants to go to war with **Japan** as payback.” **Why all the violence around the world?** Armstrong contends, “**When everyone is** fat and **happy, nobody cares**. **Everybody lives together peacefully.** **When you turn the economy down**, that’s when **people start getting mad**. They lost something, and **they want to blame somebody else** for whatever injury they suffered. We look at the entire world . . . what you are looking at on a global scale is the emerging markets: China, Russia, South America, Brazil, South East Asia, their stock markets peaked in 2007. They have been in a declining economic trend . . . so you have the economic pressure building. This is what’s going on in Russia as well. We are making a serious mistake by thinking that Russia can’t fight. My sources say that they anticipated the sanctions on Putin would make the oligarchs turn against him and force him to back out. That’s not going to happen. **We are going into a period of economic decline,** and whenever that happens, **government needs an external enemy**.” So, when markets crashed in 2007, what did Congress do? They did investigations and went after Wall Street. They never admit it has anything to do with them. . . . If Putin were to back off, they would eat him for lunch. He would be overthrown within Russia.” On the subject of new sanctions from the U.S. and EU, Armstrong says, “Europe is already in an economic decline, and it is a very, very serious one. Even the IMF has come out and said there are major problems with deflation, which is what you get from a Great Depression, and that is really what the EU is going through. I don’t see any hope of the EU bottoming out before 2020. It’s going to get worse.” So, is this going to lead to war between NATO and Russia? Armstrong says, “That seems to be what’s happening.” On the Middle East, Armstrong charges, “The United States has made a complete mess of the Middle East. The real truth behind the Benghazi affair, that ambassador that was killed . . . he was effectively an arms dealer. They were providing all the arms in Libya to overthrow Gadhafi. When that was done, those same arms were sent to this group called ISIS who was against Syria. You have to realize that Saudi Arabia was really the one behind the funding of all of this. Why? They wanted a pipeline through Syria. The problem now is that everyone was trying to fund somebody else to do their dirty work, and now you have an Islamic State that is rising and it is taking territory from both sides.” On the direction of the price of gold, Armstrong predicts, “I personally think you are going to see gold emerge as a currency of the underground economy. It’s not a hedge against inflation, and we have done every study imaginable. So, why are countries like China buying all this gold? Armstrong says, “People are buying gold, not because they think it will be going up, but simply as a hedge against government.” On the recent strength of the U.S. dollar, Armstrong says, “The central banks only have the dollar, that’s it. It is the reserve currency. We had a former Obama economist who just came out a few days ago and said the risk to the United States is a strong dollar, and we should give up the reserve currency position. Why? Because they realize there is no other choice. What are you going to do, put your retirement money in rubles? How about Yuan? There is no place you can go. It’s only dollars.” So, is the dollar is not going to fall out of bed anytime soon? Armstrong says, “Not yet. You have to take the dollar up, and that will bring gold down short term. Also, as war begins to happen, you have to realize that capital flees from wherever conflict is. The more conflict you have in the Middle East and Europe, the more money is going to come this way (to the U.S.)” In closing, Armstrong gave an ominous prediction and said, “**The next decline** we will see **is going to be far worse than the last one**. Each one is building in intensity.”

### AT: Steals Jobs

#### The H-1B visa is key to increasing skilled labor at no expense to US jobs

Sherk and Nguyen, 08 (James and Diem, Heritage Foundation, March 31, “Increasing the Cap for H-1B Visas Would Help the Economy,” http://www.policyarchive.org/handle/10207/bitstreams/13613.pdf,)

Insourcing Jobs. Increasing the cap on H-1B visas creates new jobs for American workers, not just H-1B immigrants. Employees do not compete for a fixed number of jobs so that when more H-1B workers come to the United States, an equal number of Americans lose their jobs. Instead, businesses create jobs when they grow and shed jobs. Currently, the economy has a severe shortage of workers for many high-skilled positions. The unemployment rate in computer and mathematical occupations, like computer programming, was 2.1 percent in 2007—essentially full employment after accounting for workers between jobs.2 There are not enough high-tech workers in America to fill the jobs that employers want them to do. By increasing the H-1B cap, Congress would allow companies to fill vital positions and enable them to expand within the United States, which avoids the problem of companies outsourcing work or moving overseas. Take the example of an engineering software company that hires an engineer and a software developer on H-1B visas. Without those key workers, the company could not expand. Because it hired those key workers, however, the company grows and creates many new domestic jobs: software programmers, software salesmen, and technical support staff. A study by the National Foundation for American Policy found that the average S&P 500 company creates five new domestic jobs for each highly skilled H-1B visa employee it hires.3 By raising the H-1B cap, Congress “insources” jobs, allowing companies to fill vital positions and expand their operations in America instead of moving overseas. This benefits both American workers and the U.S. economy.

#### Empirics prove that H-1B don’t steal job from Americans, but also create new employment opportunities for American workers

Immigration Policy Council ’11 (“The U.S. Economy Still Needs Highly Skilled Foreign Workers” March 30, 2011 https://www.americanimmigrationcouncil.org/research/us-economy-still-needs-highly-skilled-foreign-workers)

 H-1B workers are associated with job creation. In a study released in March 2008, [H-1B Visas and Job Creation](http://www.nfap.net/pdf/080311h1b.pdf), the National Foundation for American Policy (NFAP) found that, among technology companies in the Standard & Poor’s (S&P) 500, there is “a positive and statistically significant association” between the number of H-1B positions requested by employers between 2001 and 2005, and the percentage change in total employment of those employers one year later. In 2008, Bill Gates [testified](http://democrats.science.house.gov/Media/File/Commdocs/hearings/2008/Full/12mar/gates_testimony_12mar08.pdf) that “Microsoft has found that for every H-1B hire we make, we add on average four additional employees to support them in various capacities.” According to the NFAP, “for every H-1B position requested, U.S. technology companies increase their employment by 5 workers,” on average, the following year. For technology companies with fewer than 5,000 employees, “each H-1B position requested in labor condition applications was associated with an increase of employment of 7.5 workers.” This suggests that the U.S. labor market’s demand for H-1B workers expands and contracts with the demand for highly skilled workers in general. It also suggest that the presence in a company of highly skilled foreign workers—whose abilities and talents complement, rather than substitute for, those of native-born workers—creates new employment opportunities American workers. In a survey of 120 technology companies, the NFAP also found that 65 percent had reacted to the arbitrarily low limits on the hiring of foreign nationals through the H-1B program by moving more of their work out of the United States—to countries where the workers they need are available. A similar [survey](http://www.gao.gov/new.items/d1126.pdf) by the Government Accountability Office (GAO) found that companies which were denied H-1B workers sometimes placed their job candidates temporarily overseas. More than a quarter of research and development centers surveyed stated that the H-1B cap was an “important determinant in the creation of these overseas centers.” H-1B workers don’t “steal” jobs from U.S. workers. H-1B visas are issued to temporary, “nonimmigrant” workers in “specialty occupations.” As described by the [Congressional Research Service](http://www.aila.org/content/default.aspx?docid=18974), a “specialty occupation” is one “requiring theoretical and practical application of a body of highly specialized knowledge in a field of human endeavor including, but not limited to, architecture, engineering, mathematics, physical sciences, social sciences, medicine and health, education, law, accounting, business specialties, theology, and the arts, and requiring the attainment of a bachelor’s degree or its equivalent as a minimum.” Under the H-1B program, the U.S. Department of Labor (DOL) is tasked with ensuring that H-1B workers “do not displace or adversely affect wages or working conditions of U.S. workers.” To this end, each employer seeking to hire an H-1B worker is required to file a Labor Condition Application (LCA) with DOL in which “the employer must attest that the firm will pay the nonimmigrant the greater of the actual compensation paid other employees in the same job or the prevailing compensation for that occupation; the firm will provide working conditions for the nonimmigrant that do not cause the working conditions of the other employees to be adversely affected; and that there is no applicable strike or lockout.” If DOL certifies the employer’s LCA, the employer can file a petition with U.S. Citizenship and Immigration Services on behalf of a potential H-1B worker, who must demonstrate that he or she has “the requisite education and work experience” for the job. If approved, the H-1B worker is authorized to work for the U.S. employer for up three years, with one renewal allowed, for a maximum stay of six years.

# Negative

## Solvency

### Won’t Increase Applicants

#### Increasing the cap won’t bring more H1-B applicants – qualitfy of life and economic stability have to be solved first

**Wadha et al. 09** – Executive in Residence @ Pratt School of Engineering, Duke University [Vivek Wadhwa (Senior Research Associate @ Labor & Worklife Program, Harvard Law School), AnnaLee Saxenian (Dean and Professor in the School of Information @ University of California, Berkeley), Richard Freeman (Chair in Economics @ Harvard University, Director of Labor and Worklife Program @ Harvard Law School, & Director of Labor Studies Program @ National Bureau of Economic Research, Gary Gereffi (Director, Center on Globalization, Governance & Competitiveness @ Duke University) & Alex Salkever (Visiting Researcher in the Masters of Engineering Management Program @ Duke University), *America’s Loss is the World’s Gain: America’s New Immigrant Entrepreneurs, Part IV*, March 2009]

The returnees believe that the U.S. remains superior in areas such as education and certain career opportunities. In education, it maintained a significant edge in the minds of Chinese returnees and was at least on a par with education in India in the minds of Indian returnees. Beyond education, respondents to the survey were not definitive on whether they would return to the U.S. if given a permanent visa and an equivalent job opportunity. A majority of respondents indicated that they would at least consider returning to the U.S. if they could get a visa and a good job. Most likely the good job is the key here, as **visa considerations did not weigh heavily in their decision to leave**. Fewer than onethird of respondents had permanent-residency status, however, and it is possible that, though visa issues may not be perceived as a major reason to leave, job difficulties resulting from restrictive visa policies could be playing a major role in spurring the exodus. Of our random sample of workers who had returned from the United States, a disproportionately large number had done so in the previous five years. We unfortunately lack data on the number of immigrants who have chosen to remain in the U.S. rather than return home, but it appears likely that the trend of skilled workers to return has accelerated over the past decade. Clearly a less restrictive visa and immigration policy would do no harm in terms of retaining talented foreign nationals in the future. Although visa problems did not surface as the primary factor in losing these talented immigrants, a significant minority of respondents did indicate visa and residency permit issues as having played a role in their decision to return to their home country. At the same time, a huge backlog of demand for visas is building in the U.S., with tens of thousands of capable foreign undergraduate students and graduate students seeking ways to stay in the United States that are not as restrictive as the H-1B program. Our findings clearly indicate that **retaining highly skilled immigrant workers will require more than expanding the numbers of** permanent **visas** in the skilled-worker categories. To retain these highly skilled workers and stay competitive, the United States will need to develop a new approach that entails coordinated efforts to address immigration policies, professional-development opportunities, and talented immigrants’ concerns over family welfare and quality of life. It is also possible that extended familyimmigration programs would prove to be a critical benefit, by helping talented immigrants bring their families to them and reduce loneliness and cultural isolation, which may too have been a root cause for concern about children’s emotional growth. \ The current global **recession** may further increase the trend toward returning to one’s country and make it more difficult for the U.S. to retain these persons or draw them back. Pg. 6

#### Visas are the least important factor

**Wadwa et al 09** - Executive in Residence Pratt School of Engineering, Duke University [Vivek, “Losing the World’s Best and Brightest: America’s New Immigrant Entrepreneurs, Part V”, 3-18, <http://www.kauffman.org/uploadedFiles/ResearchAndPolicy/Losing_the_World%27s_Best_and_Brightest.pdf>,]

The strongest reason students cited for leaving the United States was the desire to be with friends and families at home. The second-most important factor was a perception that economic opportunities in the home country were better. The least-important factor cited of those provided in the survey was discrimination, followed by the difficulty of getting a visa to stay in the U.S. and availability of jobs in the U.S. This was consistent with our previous findings of why experienced, skilled workers had returned to India and China. Entrepreneurial aspirations, but not in the U.S. Seventy-four percent of Indian, 77 percent of European, and 71 percent of Chinese students indicated that they wished to start a business within the next decade. Of Indian and Chinese students wishing to start a business at some time, the majority (53 percent and 55 percent respectively) hoped to do so in their home countries, whereas only 35 percent of corresponding European students wished to start their business in their home country.

#### The aff can’t solve – its about process delays – not numbers

**Lowell 10** – Director of Policy Studies @ Institute for the Study of International Migration, Georgetown University [B. Lindsay Lowell, “A Long View of America’s Immigration Policy and the Supply of Foreign-Born STEM Workers in the United States,” American Behavioral Scientist March 2010 vol. 53 no. 7 1029-1044]

The problem with the timely processing of visas compounds, and **often is confused with**, the perception that the U.S. system is too restrictive on the number of both permanent and temporary immigrants that it admits. Indeed, observers agree that the immigration system—both the permanent and the temporary—has serious problems with process, but there are fundamental disagreements over how well the system supplies the number of immigrants demanded by the economy (Endelman, 2002). We will see that **the number of STEM immigrants is, in fact, very substantial and hardly worthy of the claims about numerical restriction**. At the same time, we have seen that the process has implications for the manner in which immigration supplies employer demand that does impede timely employment and, in that regard, **muddies perceptions** about supply. Pg. 1032

### H1-B = Exploitation

#### **Empirics show that H1B workers receive lower wages and worse quality of life**

Ontiveros ’17 (Maria L. Ontiveros “H-1B Visas, Outsourcing and Body Shops: A Continuum of Exploitation for High Tech Workers” Berkeley Journal of Employment & Labor Law Volume 38 | Issue 1 3-1-2017)

Many H-1B workers experience similar problems with substandard pay. Although the statute says that visa workers should be paid on par with regular workers, surveys consistently show H-1B workers earning less than their non-visa counterparts. One expert testified before Congress that H-1B workers averaged about $13,000 less that the median wage for U.S. workers in the same occupation and state; most H-1B workers were paid wages in the bottom 25th percentile of U.S. wages controlled by occupation and state; and just 16% of H-1B workers earned wages that were above the median U.S. wage for occupation and state.48 As a result, companies using H-1B workers have reported wage savings of between 20 and 40 percent after switching from using U.S. workers.49 Several reasons explain the ability of companies to pay relatively low wages to H-1B workers. First, because employers may choose among wage surveys or use their own wage surveys to set the prevailing wage, they have control over the wage that will be set and have an incentive “to select the lowest of many widely varying figures.”50 The ability of private wage surveys to effectively protect the interests of the American workforce was recently criticized and struck down in the context of a parallel guest worker program (the H-2B visa program).51 In that case, the Third Circuit found that the Department of Labor’s shift in policy to allow the use of private wage surveys instead of government surveys violated the Administrative Procedures Act because it did not provide a reason for its change in policy.52 Although this procedural defect may not invalidate the use of private surveys for the H-1B program, the finding by the court that allowing the use of private wage surveys was an “arbitrary and capricious act”53 is significant. The court found the Department of Labor’s decision faulty because the private surveys resulted in wages that were consistently lower than those found in government surveys and because “this authorization creates a system that permits employers who can afford private surveys to bring H–2B worker into the country for employment at lower wages than employers who cannot afford such surveys and who therefore must offer the higher OES prevailing wage.”54 These criticisms of private wage surveys are equally applicable to the use of private wage surveys in the H-1B program. Second, once a survey has been selected, employers can use a variety of mechanisms to set the lowest possible wage. Employers choose a prevailing wage based on a location, a job title, a job description and a job level. Each of these designations allows the employer discretion that can result in a lower wage. In setting a job title, for example, someone who works in the computer software field could be considered a “software engineer,” a “systems analyst,” or a “programmer.” An employer can choose the job title with the lowest average salary and use it on the LCA.55 The job description often includes the bare minimum education and experience requirement, which leads to a lower rate of pay.56 The employer is also able to determine the level of the job and will routinely list the job as an entry-level position, which again drives the wage rate down.57 In 2010, 54% of the H-1B visas issued were for “entry-level” positions which, according to the statute, only require a “basic understanding of duties and perform routine tasks requiring limited judgment.”58 Only 6% of the H-1B visa recipients were categorized as Level IV employees who receive the highest level of compensation.59 There have also been reported instances of an employer misrepresenting the location of a job in order to set the prevailing wage based on a lower cost region.60

#### **H1B is a failing program that steals jobs from American workers in favor of exploiting immigrant high tech workers**

Ontiveros ’17 (Maria L. Ontiveros “H-1B Visas, Outsourcing and Body Shops: A Continuum of Exploitation for High Tech Workers” Berkeley Journal of Employment & Labor Law Volume 38 | Issue 1 3-1-2017)

The H-1B program was originally intended to help American companies and workers like the hypothetical Raji Patel. He could provide needed, hardto-find technical expertise to a company, make a decent living, and perhaps become an American citizen. Unfortunately, the visa rules are set up in such a way as to leave him powerless to protest poor treatment, overwork, or lack of pay. At the same time, American workers like the hypothetical Roger Greenman have to compete with Raji and other H1-B workers or find themselves displaced. As a result, their living standards decline. Finally, the lives of some of the H1B workers like Sanjiv Gupta are even worse. They arrive in America to find broken promises about the job they thought would be waiting for them and the amount of money they would earn. Bound by contracts with unconscionable penalties, they find themselves unable to quit and go home, even if they want to. Better enforcement of the visa laws, as well as state and federal causes of action, can help ameliorate the situation, but true change will only happen with revisions to the guest worker visa program, so that it is no longer a system of unfree labor.

### H1-B = Discrimination

**Raising the H-1B visa Cap increases discrimination**

Underwood 1(Sabrina J.D. Candidate, Georgetown University Law Center, May 2002, “NOTE: Achieving the American Daydream: The Social, Economic, and Political Inequalities Experienced by Tempo-rary Workers under the H-1B Visa Program”, 2001 Georgetown Immigration Law Journal, pg10,)

The exclusion of Asians from American society and the portrayal of Asians as foreigners have resulted in a racial hierarchy in which non-citizens and their United States citizen descendants are considered second-class citizens. n118 By allowing H-1B workers to be employed on a temporary basis, at risk of dismissal and thus forced to return to their countries of origin, the United States is creating second-class citizens from these Asian workers. If employers and American society at large perceive Asian employees as workers to be exploited and discarded, the danger is that all Asians and Asian-Americans will be seen as outsiders who are excludable at the will of society. Outsiders become easy targets to blame for problems in society, as shown by the history of hostility between domestic and foreign workers. Those excluded are seen as suspicious and untrustworthy, resulting in xenophobia against the foreigners and all who appear different. The most effective way to combat the legacy of the past discriminations against Asian laborers is to provide more protections for similarly situated H-1B employees in the American high-tech industry. By protecting the H-1B employees' interests, the government removes the stigma of second-class citizenship.

## Competitiveness

### Kills Innovation

#### **The plan decreases innovation – restrictions on H1-B are good because it forces companies to train and recruit**

Lippman ’17 (Harley Lippman is CEO of Genesis 10, a professional technology services firm and one of the nation’s largest domestic IT staffing firms, “H1B visa reform could encourage companies to hire more American workers” 12/09/17 http://thehill.com/opinion/immigration/364099-h1b-visa-reform-could-encourage-companies-to-hire-more-american-workers)

After languishing for nearly a year in a congressional committee with two other H1B visa reform bills, the House of Representatives Judiciary Committee voted to send the “Protect and Grow American Jobs Act” to the full House chamber. This bill introduced by Rep. [Darrell Issa](http://thehill.com/people/darrell-issa) (R-Calif.) is similar to the other two bills in that it seeks to ensure American companies take the long view by training and hiring American workers, rather than chasing the quick fix — specifically importing workers from South Asia and damaging our long-term economic prospects in the process. Issa’s bill addresses H1B visa abuse raising the minimum salary of an H1B visa holder to $90,000 per year and by prohibiting those American companies, whose workforces are at least 20 percent comprised of H1B visas holders, from replacing American workers with foreign worker. These measures represent a good start, but while the committee deserves applause for moving the bill forward, we remain in a race against time. This is especially true in the tech industry, where the need for qualified workers remains great and vast pools of potential workers remain shut out of the game. We’re seeing jobs go to H1B visa holders every day. These are jobs that with some formal training could be performed by veterans, displaced blue-collar workers, older workers cut off from their careers, and women returning to the workforce after taking time to raise children. In fact, earlier this year [Goldman Sachs estimated](http://www.businessinsider.com/corporate-america-is-freaking-out-about-trumps-h-1b-visa-reform-2017-2) that foreign nationals with H1B visas hold nearly one million jobs in the U.S., including at least 12 percent of all tech industry jobs. At one time, the H1B program served a worthy purpose, providing growing companies the ability to hire foreign workers who possess a specific technical skill the company couldn’t find in its pool of American applicants. That‘s capitalism; it’s how the global market works at its best. What we’re seeing now, though, is widespread exploitation of the H1B program as an across-the-board cost cutting strategy. The practice of importing, en masse, foreign IT workers led to the [2014 layoff of 18,000 Microsoft employees](https://techcrunch.com/2014/07/17/microsoft-to-cut-workforce-by-18000-this-year-moving-now-to-cut-first-13000/) and [Hewlett Packard’s jettisoning of nearly 85,000 workers](https://finance.yahoo.com/news/another-round-hp-layoffs-hit-222143122.html) over 2015 and 2016. Yet, importing IT workers doesn’t save much money in the short run, and in the long run, it’s a losing strategy. For instance, [only a small percentage](http://www.pewresearch.org/fact-tank/2017/07/06/more-than-half-of-new-green-cards-go-to-people-already-living-in-the-u-s/) of all H1B visa holders in the tech industry can get green cards each fiscal year and stay permanently, resulting in a lack of continuity that damages corporate culture, morale, and quality. How can a short-term worker on an H1B visa, most likely working for a foreign-based staffing agency, represent a brand with the same level of pride and care as a company employee with local roots? Even when putting these considerations aside, there is the productivity factor. It shouldn’t come as a surprise that American workers — who from a young age, have learned the importance of creative problem-solving, teamwork and initiative — create more value. In fact, American workers produce up to twice as much output as their foreign counterparts. The idea that foreign IT workers are cheaper is a fallacy. At a time when we’re seeing a sea-change in the nature of IT work, from rote repetitive task-oriented assignments to automated programming and data management, we’re also seeing a profound need for workers who are flexible and embrace challenge. This need will only grow as technologies such as blockchain, Internet of Things, artificial learning and 3D printing become ubiquitous and central to a company’s ability to compete. If American industry is going to remain the epicenter of innovation by taking full advantage of next-generation enterprise technology, we’ll need IT workers at all levels who can thrive in a perpetually shifting business environment. The bi-partisan nature of the H1B bills, including bills similar to Rep Issa’s introduced by Rep [Zoe Lofgren](http://thehill.com/people/zoe-lofgren) (D-Calif.) and by Sens. [Chuck Grassley](http://thehill.com/people/chuck-grassley) (R-Iowa) and [Dick Durbin](http://thehill.com/people/dick-durbin) (D-Ill,) is extremely telling.

### No Impact

#### No impact to heg collapse

Mearsheimer, 16 (JOHN J. MEARSHEIMER is R. Wendell Harrison Distinguished Service Professor of Political Science at the University of Chicago. STEPHEN M. WALT is Robert and Renée Belfer Professor of International Affairs at the Harvard Kennedy School., “The Case for Offshore Balancing”, Foreign Affairs, July/August,)

Americans’ distaste for the prevailing grand strategy should come as no surprise, given its abysmal record over the past quarter century. In Asia, India, Pakistan, and North Korea are expanding their nuclear arsenals, and China is challenging the status quo in regional waters. In Europe, Russia has annexed Crimea, and U.S. relations with Moscow have sunk to new lows since the Cold War. U.S. forces are still fighting in Afghanistan and Iraq, with no victory in sight. Despite losing most of its original leaders, al Qaeda has metastasized across the region. The Arab world has fallen into turmoil—in good part due to the United States’ decisions to effect regime change in Iraq and Libya and its modest efforts to do the same in Syria—and the Islamic State, or isis, has emerged out of the chaos. Repeated U.S. attempts to broker Israeli-Palestinian peace have failed, leaving a two-state solution further away than ever. Meanwhile, democracy has been in retreat worldwide, and the United States’ use of torture, targeted killings, and other morally dubious practices has tarnished its image as a defender of human rights and international law. The United States does not bear sole responsibility for all these costly debacles, but it has had a hand in most of them. The setbacks are the natural consequence of the misguided grand strategy of liberal hegemony that Democrats and Republicans have pursued for years. This approach holds that the United States must use its power not only to solve global problems but also to promote a world order based on international institutions, representative governments, open markets, and respect for human rights. As “the indispensable nation,” the logic goes, the United States has the right, responsibility, and wisdom to manage local politics almost everywhere. At its core, liberal hegemony is a revisionist grand strategy: instead of calling on the United States to merely uphold the balance of power in key regions, it commits American might to promoting democracy everywhere and defending human rights whenever they are threatened.

**Numerous reasons collapse inevitable**

**Patrick, 16** (Stewart, the Senior Fellow and Director of the International Institutions and Global Governance (IIGG) ISIS Defense program, Council on Foreign Relations (CFR), The Elliott School of International Affairs The Washington Quarterly • 39:1 pp. 7–27, Spring 2016)

By organizing its post-World War II primacy around multilateral institutions grounded in principles and norms, the United States set in motion a profound historical trend—a profusion of international organizations and rules to regulate multiple global arenas. The result was to alter the context in which nation-states formulated and pursued national interests. **Today’s salient question is whether the post-1945 Western liberal order can survive the fastest redistribution of global economics in world history**, **a process likely to upset at least the membership if not the existence of many of these global institutions.** When we look at today’s power transitions, two things stand out. The first is the sheer number of emerging powers. Never before **have we seen the** simultaneous rise **of** multiple **regional (and potentially even global)** powers—led by China, of course, but also including India, Brazil, and—though smaller in economic size and political clout—South Korea, Turkey, Mexico, Indonesia, and South Africa. In 1990, when the Cold War was ending, the OECD advanced market democracies accounted for 62 percent of global GDP.32 Today, that figure is only 47 percent, despite the OECD’s addition of a dozen new members including South Korea and Mexico.33 **Most emerging players are at least mildly revisionist**. The question is whether their demands can be accommodated with modest adjustments to voting weight and shares within existing institutions, as well as tweaking of rules, or whether their challenge is more fundamental. Both George W. Bush and Barack Obama assumed rising powers could be integrated smoothly as “responsible stakeholders” 34 into an existing Western liberal order. The second novelty is that **today’s power shifts are occurring in a dense, and still thickening, institutional landscape**. A century ago, when Germany challenged Britain for supremacy, few multilateral organizations existed beyond the International Postal Union. Between 1945 and 1999, the number of such bodies jumped more than six-fold, from 955 to 6,076. In the last two decades of the twentieth century, **the U**nited **S**tates concluded or acceded to 450 new multilateral agreements.35 Today, it **is party to more than 10,000 bilateral and multilateral treaties**,36 on matters ranging from defense cooperation to environmental protection, communications standards, pandemic response, foreign investment, and trade preferences. A recurrent theme of Obama’s foreign policy has been insistence on global adherence to established rules and norms: Rising powers must assume responsibility, not just privilege, by maintaining and defending world order; and outliers like North Korea and Iran that repeatedly violate rules must be punished. As the President declared in Prague in April 2009, “Rules must be binding. Violations must be punished. Words must mean something.” 37 The 2010 U.S. National Security Strategy continued this theme.38 From the perspective of established Western powers, the ideal scenario would be for rising powers to simply accept existing frameworks—much as aspirants to the European Union must accept the acquis communautaire (the EU’s accumulating body of body of jurisprudence and regulations). In return for a seat and voice at the high table(s) of world politics, emerging countries would accept regnant norms and contribute to realizing common purposes. Unfortunately, **six obstacles complicate this integration scenario**: (1) persistent strategic rivalry, (2) enduring value divergences, (3) incompatible regime types, (4) different developmental stages, (5) institutional inertia, and (6) ambivalent U.S. multilateralism. **First**, **serious geopolitical rivalry persists.** The Obama administration had hoped otherwise, declaring in its 2010 NSS that “power, in an interconnected world, is no longer a zero-sum game.” 39 If so, great power competition should now take a back seat to the joint management of interdependence. Alas, **from Syria to Ukraine to the S**outh **C**hina **S**ea, **strategic competition has proven to be alive and well**. **Second**, **emerging and established powers often diverge on the principles, norms, and rules they believe should govern world order and state conduct**. Issues up for grabs include the appropriate boundaries of sovereignty, the correct role of states in markets, the role of religion in national and international politics, the authority of the state to regulate and restrict information flows, and the proper foundations of domestic political legitimacy. **Third**, **agreement on global rules of the road is often stymied by differences in the domestic authority structures of major powers**. Take internet governance: Western democracies support an open, global internet largely in private hands, whereas China insists on state control including censorship and persecution of dissidents. **Fourth**, differences in levels of development accentuate differences in interests and outlook. **Many emerging market governments, democratic or not, are preoccupied with delivering growth, employment, and social welfare—and thus resist shouldering international obligations or complying with rules perceived to collide with societal expectations**. **Fifth**, **the goal of adapting the existing governance structures to give emerging powers greater voice and weight is often undercut by vested interests within institutions, as current power-wielders cling tenaciously to their privileges**. Such dynamics explain the slowness of the UN Security Council, International Energy Agency (IEA), and International Monetary Fund (IMF) to adapt to global power shifts. **Finally**, the Janus-like U.S. attitude toward multilateralism complicates the “responsible stakeholder” scenario. Since World War II, no country has done more to build institutions of world order. And yet, few have so resisted submitting to norms and rules it hopes will bind others. American “exemptionalism” reflects a desire to preserve U.S. sovereignty (variously conceived as external freedom of action, domestic policy autonomy, and the supremacy of the U.S. Constitution). Collectively, these several factors explain why reforming existing international organizations, institutions, and rules to adapt to dramatic power shifts is so hard. In the absence of sweeping global governance reform, **the U**nited **S**tates and other major players (both established and emerging) increasingly **rely on informal, non-binding, purpose-built partnerships and coalitions of the interested, willing**, and capable to address global problems ranging from pandemic disease to nuclear security.40 **Such ad hoc**, disaggregated **approaches** to cooperation bring advantages including speed, flexibility, modularity, and possibilities for experimentation. But an “à la carte” or “minilateral” approach to world order also **presents dangers**, **by encouraging rampant forum-shopping, undermining critical international organizations, and reducing accountability in global governance**.4144

### Alt Causes

#### Competitiveness decline is irreversible—no R&D

Davidson ’11 Adam Davidson, co-founder of NPR's Planet Money, “Will China Outsmart the U.S.?” New York Times, 12/28/2011, http://www.nytimes.com/2012/01/01/magazine/adam-davidson-china-threat.html?\_r=2&pagewanted=all

China already has plans to focus on exciting but vague ideas now — like green energy and bio- and nanotechnology — that will most likely become products in the 2020s. And if U.S. government labs, university departments and corporate researchers aren’t already on top of the next generation of breakthroughs, the country will very likely fall behind in 10 or 20 years when those innovations become marketable products. Our global competitiveness is based on being the origin of the newest, best ideas. How will we fare if those ideas originate somewhere else? The answers range from scary to scarier. Imagine a global economy in which the U.S. is playing catch-up with China: while a small class of Americans would surely find a way to profit, most workers would earn far less, and the chasm between classes could be wider than ever. Unfortunately, there isn’t much to prevent this trend. Overall government research spending (relative to G.D.P.) has been heading down since its peak in the space-race years of the 1960s. And because it’s nearly impossible to imagine Congress significantly increasing research financing, any growth in long-term R. and D. will be, largely, up to the private sector. And that’s the real problem. From a C.E.O.’s perspective, long-term R. and D. is a lousy investment. The projects cost a lot of money and often fail. And even when they work, some other company can come along and copy all the best ideas free. Charles Holliday Jr., the C.E.O. of DuPont who retired three years ago, told me that it’s tough to get investors to think more than two years ahead — at most. “The stock market pays you for what you can do now,” he said. As a result, DuPont isn’t the only American company changing the way it does R. and D. Corporate research labs at I.B.M., AT&T, Xerox and others have also been slimmed way down or cut altogether.

### Heg Bad

#### Leadership makes nuclear war inevitable—allies and empirics prove

Posen, 16

([Barry R. Posen](http://web.mit.edu/polisci/people/faculty/barry-posen.html) is Ford International Professor of Political Science, MIT and Director of their Security Studies Program, "The High Costs and Limited Benefits of America’s Alliances", Aug 7 nationalinterest.org/blog/the-skeptics/the-high-costs-limited-benefits-americas-alliances-17273)

The "credibility" wars that the U.S. fights, or threatens are another cost of the alliance system. The Balkan Wars of the 1990s fall into this category. So far, the post-Cold War world has not seen very expensive wars of this kind, but there was nothing about the Balkan wars that threatened the United States. Currently, members of the foreign-policy establishment argue that the United States should be assisting Ukraine in its fight with Russia and subverting the brutal Assad regime, in part to convince others of U.S. credibility. Once committed to defend allies everywhere, a state becomes obsessed with its political and military prestige, and vulnerable to the claim that "small" wars must be fought in the hope of deterring large ones. This is especially true when the actual strategic value of these allies is modest. A third cost of these alliances is the commitment to nuclear war that they embody. We understood this during the Cold War, but no one discusses this anymore. Europe's principal potential challenger is Russia; Japan's is China; South Korea's is North Korea. To defend these regions or countries from their most plausible challengers, and to deter attack, the United States must convince those challengers that it would, if pressed, wage nuclear war on their behalf. (The difficulty of making its nuclear-escalation commitments plausible further tempts America to fight 'small' wars to build credibility.) Are these nuclear commitments strategically necessary? During the Cold War, at the margin, one could make the argument that they were. We did not want to see what the Soviet Union might extract from rich European states or Japan by way of extra resources, if it could cow or conquer them, and convert their economic assets into military power. Today, however, it is hard to argue that any of the challengers that these countries face today are capable of conquering these allies, or coercing them into making great contributions to the challenger's military war chest. The United States assumes nuclear risks in the absence of a clear case for doing so. To offer an extreme example, the Baltic states are members of NATO. The United States is committed to their defense if they are challenged by Russia. These states cannot defend themselves conventionally, and because of the peculiarities of their geography, neither can the United States (This was seldom discussed when these states were brought into NATO in the George W. Bush administration.) I believe that a full fledged Russian challenge over the Baltics is unlikely, but were it to occur the United States could face the alternative of a potentially irreversible military defeat or a dramatic and dangerous nuclear crisis.¶ Finally, these alliance commitments create a special kind of "moral hazard." The extravagant insurance that we offer these countries encourages them to engage in risky behavior. For the Europeans and Japanese, this consists of buying too little military insurance for themselves. Their defense budgets are too small even to sustain their present force structures. U.S. defense secretaries from both parties dutifully chide allies for their shortfalls and then go on to ignore them as we move to provide more security welfare. In NATO, for example, all but four of the allies fail to spend 2 percent of GDP on defense, an alliance commitment, while the United States spends 3 percent excluding war costs. (Germany, the fourth-most-productive economy in the world and the NATO ally best placed to assist the Baltic states, spends barely 1.2 percent.) Yet in the face of European concerns about Russian adventurism, the United States has rushed into the breach with five billion dollars of additional spending on European security over the last three fiscal years, which the Pentagon smuggled into the budget for Overseas Contingency Operations, whose purpose is to pay for actual unexpected war costs, and which therefore escapes the scrutiny of normal budget politics.

#### Specifically causes nuclear war with Russia and China

Roberts, 15

(Paul Craig Roberts, PhD in economics from Oxford, Fellow in Economics at Oxford, was Assistant Secretary of the Treasury for Economic Policy and associate editor of the Wall Street Journal, “War Threat Rises As Economy Declines”, May 11 2015 http://www.paulcraigroberts.org/2015/05/11/war-threat-rises-economy-declines-paul-craig-roberts/)

On the foreign policy front, the hubris and arrogance of America’s self-image as the “exceptional, indispensable” country with hegemonic rights over other countries means that the world is primed for war. Neither Russia nor China will accept the vassalage status accepted by the UK, Germany, France and the rest of Europe, Canada, Japan and Australia. The Wolfowitz Doctrine makes it clear that the price of world peace is the world’s acceptance of Washington’s hegemony.¶ Therefore, unless the dollar and with it US power collapses or Europe finds the courage to break with Washington and to pursue an independent foreign policy, saying good-bye to NATO, nuclear war is our likely future.¶ Washington’s aggression and blatant propaganda have convinced Russia and China that Washington intends war, and this realization has drawn the two countries into a strategic alliance. Russia’s May 9 Victory Day celebration of the defeat of Hitler is a historical turning point. Western governments boycotted the celebration, and the Chinese were there in their place. For the first time Chinese soldiers marched in the parade with Russian soldiers, and the president of China sat next to the president of Russia.¶ The Saker’s report on the Moscow celebration is interesting. <http://thesaker.is/todays-victory-day-celebrations-in-moscow-mark-a-turning-point-in-russian-history/>Especially note the chart of World War II casualties. Russian casualties compared to the combined casualties of the US, UK, and France make it completely clear that it was Russia that defeated Hitler. In the Orwellian West, the latest rewriting of history leaves out of the story the Red Army’s destruction of the Wehrmacht. In line with the rewritten history, Obama’s remarks on the 70th anniversary of Germany’s surrender mentioned only US forces. In contrast Putin expressed gratitude to “the peoples of Great Britain, France and the United States of America for their contribution to the victory.” <http://thesaker.is/15865/>¶ For many years now the President of Russia has made the point publicly that the West does not listen to Russia. Washington and its vassal states in Europe, Canada, Australia, and Japan do not hear when Russia says “don’t push us this hard, we are not your enemy. We want to be your partners.”¶ As the years have passed without Washington hearing, Russia and China have finally realized that their choice is vassalage or war. Had there been any intelligent, qualified people in the National Security Council, the State Department, or the Pentagon, Washington would have been warned away from the neocon policy of sowing distrust. But with only neocon hubris present in the government, Washington made the mistake that could be fateful for humanity.

## Economy

### No Impact

**No impact to economic decline**

**Drezner, 14** (Daniel, Professor of International Politics at The Fletcher School of Law and Diplomacy at Tufts University “The System Worked: Global Economic Governance during the Great Recession,” January 2014, World Politics 66)(1):123-164, accessed 1-30-14 //)

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."45

#### No risk of conflict from economic downturn now

Barnett ‘9 Thomas Barnett, senior managing director of Enterra Solutions LLC, “The New Rules: Security Remains Stable Amid Financial Crisis,” 8/25/2009, http://www.aprodex.com/the-new-rules--security-remains-stable-amid-financial-crisis-398-bl.aspx

When the global financial crisis struck roughly a year ago, the blogosphere was ablaze with all sorts of scary predictions of, and commentary regarding, ensuing conflict and wars -- a rerun of the Great Depression leading to world war, as it were. Now, as global economic news brightens and recovery -- surprisingly led by China and emerging markets -- is the talk of the day, it's interesting to look back over the past year and realize how globalization's first truly worldwide recession has had virtually no impact whatsoever on the international security landscape. None of the more than three-dozen ongoing conflicts listed by GlobalSecurity.org can be clearly attributed to the global recession. Indeed, the last new entry (civil conflict between Hamas and Fatah in the Palestine) predates the economic crisis by a year, and three quarters of the chronic struggles began in the last century. Ditto for the 15 low-intensity conflicts listed by Wikipedia (where the latest entry is the Mexican "drug war" begun in 2006). Certainly, the Russia-Georgia conflict last August was specifically timed, but by most accounts the opening ceremony of the Beijing Olympics was the most important external trigger (followed by the U.S. presidential campaign) for that sudden spike in an almost two-decade long struggle between Georgia and its two breakaway regions. Looking over the various databases, then, we see a most familiar picture: the usual mix of civil conflicts, insurgencies, and liberation-themed terrorist movements. Besides the recent Russia-Georgia dust-up, the only two potential state-on-state wars (North v. South Korea, Israel v. Iran) are both tied to one side acquiring a nuclear weapon capacity -- a process wholly unrelated to global economic trends. And with the United States effectively tied down by its two ongoing major interventions (Iraq and Afghanistan-bleeding-into-Pakistan), our involvement elsewhere around the planet has been quite modest, both leading up to and following the onset of the economic crisis: e.g., the usual counter-drug efforts in Latin America, the usual military exercises with allies across Asia, mixing it up with pirates off Somalia's coast). Everywhere else we find serious instability we pretty much let it burn, occasionally pressing the Chinese -- unsuccessfully -- to do something. Our new Africa Command, for example, hasn't led us to anything beyond advising and training local forces. So, to sum up: No significant uptick in mass violence or unrest (remember the smattering of urban riots last year in places like Greece, Moldova and Latvia?); The usual frequency maintained in civil conflicts (in all the usual places); Not a single state-on-state war directly caused (and no great-power-on-great-power crises even triggered); No great improvement or disruption in great-power cooperation regarding the emergence of new nuclear powers (despite all that diplomacy); A modest scaling back of international policing efforts by the system's acknowledged Leviathan power (inevitable given the strain); and No serious efforts by any rising great power to challenge that Leviathan or supplant its role. (The worst things we can cite are Moscow's occasional deployments of strategic assets to the Western hemisphere and its weak efforts to outbid the United States on basing rights in Kyrgyzstan; but the best include China and India stepping up their aid and investments in Afghanistan and Iraq.) Sure, we've finally seen global defense spending surpass the previous world record set in the late 1980s, but even that's likely to wane given the stress on public budgets created by all this unprecedented "stimulus" spending. If anything, the friendly cooperation on such stimulus packaging was the most notable great-power dynamic caused by the crisis. Can we say that the world has suffered a distinct shift to political radicalism as a result of the economic crisis? Indeed, no. The world's major economies remain governed by center-left or center-right political factions that remain decidedly friendly to both markets and trade. In the short run, there were attempts across the board to insulate economies from immediate damage (in effect, as much protectionism as allowed under current trade rules), but there was no great slide into "trade wars." Instead, the World Trade Organization is functioning as it was designed to function, and regional efforts toward free-trade agreements have not slowed. Can we say Islamic radicalism was inflamed by the economic crisis? If it was, that shift was clearly overwhelmed by the Islamic world's growing disenchantment with the brutality displayed by violent extremist groups such as al-Qaida. And looking forward, austere economic times are just as likely to breed connecting evangelicalism as disconnecting fundamentalism. At the end of the day, the economic crisis did not prove to be sufficiently frightening to provoke major economies into establishing global regulatory schemes, even as it has sparked a spirited -- and much needed, as I argued last week -- discussion of the continuing viability of the U.S. dollar as the world's primary reserve currency. Naturally, plenty of experts and pundits have attached great significance to this debate, seeing in it the beginning of "economic warfare" and the like between "fading" America and "rising" China. And yet, in a world of globally integrated production chains and interconnected financial markets, such "diverging interests" hardly constitute signposts for wars up ahead. Frankly, I don't welcome a world in which America's fiscal profligacy goes undisciplined, so bring it on -- please! Add it all up and it's fair to say that this global financial crisis has proven the great resilience of America's post-World War II international liberal trade order.

**Empirics prove**

**Marston, 16** (Hunter Marston, Research Assistant and Communications Coordinator at the Brookings Institute, "More Trade Won't Stop China's Aggression", June 14 2016 nationalinterest.org/feature/more-trade-wont-stop-chinas-aggression-16587)

**The past has repeatedly proved wrong those who assume that a rising power’s economic connectivity obviates the inevitability of great power military conflict**. Peacenik theorists of the pre–World War I era opined that the level of interconnectivity in global markets had [rendered obsolete](http://www.bl.uk/world-war-one/articles/europe-before-1914) the great-power warfare of the eighteenth and nineteenth centuries.¶ Likewise, in the interbellum period before the breakout of World War II, advocates of [appeasement](http://www.spiegel.de/international/europe/the-road-to-world-war-ii-how-appeasement-failed-to-stop-hitler-a-646481.html) wagered that a militarizing Germany would not threaten continental peace due to its deep economic ties with the rest of Europe. Obviously, both schools of thought overestimated the ability of global economic connectivity to deter military aggression.¶ What makes scholars think China is different today? Of course, the scale of interpenetration of global markets has risen and bound major powers such as China and the United States, as well as regional groupings like the Association of Southeast Asian Nations (ASEAN), ever more tightly together. **But just as proponents of peace were proven wrong in the twentieth century, echoes of the past are perceivable in Asia and Europe today**.¶ **Despite its dependence on the EU for revenue from gas exports, Russia invaded Crimea and eastern Ukraine in 2014**. Likewise, European dependence on Russian gas has not prevented the EU from leveling heavy sanctions against Russia for its bellicosity. **Nationalist impulses often trump economic considerations that would otherwise impel autocrats toward moderation**.¶ Just as the Communist Party in Beijing is beholden to a public whose education hammered home the lessons of a “century of humiliation” at the hands of Western imperialists, Russia’s Vladimir Putin’s legitimacy—and mythos—flows from a narrative of western domination that has prevented Russia from attaining the greater world power that Russians feel their nation deserves.¶ **Similarly, though Beijing is investing in massive infrastructure projects across Southeast Asia and pursuant to the sixteen-member Regional Comprehensive Economic Partnership free-trade agreement, Beijing’s behavior indicates that it will prioritize security interests over regional economic integration, peace and stability**.

### Innovation Not Key

#### Innovation isn’t key to economic strength

**Samuelson 18** – Economics Columnist for the Washington Post [Robert J. Samuelson, Think innovation will save the economy? That’s probably an illusion, May 2, 2018, <https://www.washingtonpost.com/opinions/think-innovation-will-save-the-economy-thats-probably-an-illusion/2018/05/02/8cdfe56c-4e1d-11e8-84a0-458a1aa9ac0a_story.html?noredirect=on&utm_term=.d5a42f1d82de>]

We now have a new paper from economist Robert J. Gordon of Northwestern University that seeks to answer a great puzzle of our time: “Why has economic growth slowed when innovation appears to be accelerating?” In the process, Gordon illuminates a dispute between the Trump administration (which thinks growth can be increased) and its critics (who are dubious). The “real” economy that we experience directly and the one defined by statistics are strikingly different. The first seems awash with innovation, from smartphones to driverless cars. And yet, the statistical economy is lackluster. From 1970 to 2006, U.S. economic growth averaged 3.2 percent a year; from 2006 and 2016, growth averaged 1.4 percent, reports Gordon. That’s a huge decline. It matters, as Gordon says, because faster growth generates more tax revenue to “address the nation’s problems, including faltering education, aging infrastructure, and the looming shortfall in funding for Social Security and Medicare.” Not to mention immense budget deficits. What explains the growth slowdown? As a matter of arithmetic, economic growth consists of two parts. First, the number of workers and how long they work; that’s the “labor force.” And second, their skills — that’s their “productivity.” A brain surgeon is more productive than, say, a ditch-digger. Gordon says that, **contrary to conventional wisdom, flagging productivity gains aren’t the main cause of the economic slowdown.** According to his calculations, nearly three-fifths (57 percent) of the economic slowdown from 2007 to 2017 reflects changes in the labor force. The most obvious is the retirement of baby boomers from the job market. Likewise, a growing proportion of men in their prime earning years (ages 25 to 54) are dropping out of the labor market. These changes are significant in their own right, but they also seem to exonerate lower productivity growth as the main culprit in the decline of overall economic growth. (Productivity improvements typically stem from advances in technologies, products and organizational changes.) Only about two-fifths (43 percent) of the decline in economic growth can be explained by weaker productivity gains, Gordon estimates. He acknowledges the tidal wave of new Internet products: Facebook, YouTube, eBay. But he argues that their very visibility exaggerates their economic significance. They pale in comparison with many earlier inventions — the automobile or electricity generation, for example. So productivity growth has also slumped. The debate between the Trump administration and its economic critics involves whether, and how much, these trends can be easily altered by government policies. Can the government increase economic growth above today’s disappointing levels? President Trump and his economic advisers have been arguing that they can. Favorable tax policies for businesses will, the argument goes, stimulate more investment in technologically advanced industries. Productivity growth will improve, boosting overall economic growth. That was the theory behind the Trump tax cut — the Tax Cuts and Jobs Act — passed late last year. Not so fast, say critics. The negative trends affecting the economy reflect deep social problems that resist change. “Rising educational attainment during the 20th century was an important source of productivity growth,” writes Gordon, “but the pace of that increase slowed markedly after 1980.” The truth is that we’ve been trying to improve schools for decades with, at best, modest success. Or take the drain of prime-age men from the job market. The main problem, argues Gordon, “reflects in large part the loss of stable middle-income employment opportunities.” The result has been fewer marriages, more drug use and more suicides, writes Gordon. None of this is easily altered. Among 20 advanced countries, the United States has the second-lowest labor-force participation rate of prime-age men. Only Italy is lower. We seem to have entered a new economic era — one defined more by the limits on our economic power than by its promises. The explosion of new technologies seems to have fooled us into thinking that a burst of innovation will magically restore our economic vitality. On the evidence, this is a mirage.

### Growth Stable

#### The Economy is growing under Trump

Domm ‘18 ([Patti Domm](https://www.cnbc.com/patti-domm/) , CNBC Markets Editor “Trump economy's sustained growth pace unlike anything seen in 13 years”, CNBC, January 12, 2018, https://www.cnbc.com/2018/01/12/trump-economys-sustained-growth-pace-unlike-anything-seen-in-13-years.html)

We've marked up our GDP forecast to 2.5 - 2.75% in 2018. In the year since President [Donald Trump](https://www.cnbc.com/donald-trump/) has been in office, the economy has done something it has been unable to do since 2005 — maintain 3 percent growth for three quarters in a row. While the final numbers aren't in, economists Friday were ratcheting up growth projections to 3 percent or better for the fourth quarter, after December's strong retail sales and revisions to prior months. "It could even grow at 3 percent for the year. The numbers are very strong," said Joseph LaVorgna, chief economist Americas at Natixis. He forecasts an above consensus growth pace of over 4 percent for the fourth quarter. Economists in CNBC/Moody's Analytics Survey upped their median fourth-quarter GDP forecast Friday by a median 0.4 to 3 percent. NatWest Markets raised fourth-quarter GDP to 3.5 percent from 2.7 percent, based on a stronger view of the consumer, and the [Atlanta Fed GDPNow](https://www.frbatlanta.org/cqer/research/gdpnow.aspx) shows fourth-quarter growth now at a pace of 3.3 percent, from 2.8 percent earlier in the week. When the White House said it expected 3 percent growth, economists were skeptical and many growth forecasts held to growth in the 2 percent range. Economists say the White House can take some credit for consumer confidence, but in reality, the consumer was already spending before Trump and the GOP took control a year ago, and the labor market was already strong. However, the improvement in business attitudes and spending is a direct result of the changing of the guard in Washington and may be contributing to a more consistent growth pattern. "I think the policies matter. In particular, business investment which was lagging badly through much of the expansion and really started to pickup in the last year, I think that does have a lot to do with the attitude about regulation," said Stephen Stanley, chief economist at Amherst Pierpont. "Aside from just the reality of a tough regulatory environment, I think there was a fear of the unknown. I think there was a perception in the business community, and people can debate whether it was merited or not, that they were subject to what were considered arbitrary, adverse regulatory decisions. So I think there was a hunkering down." Stanley said since the election, attitudes improved and now with tax law changes, he anticipates a pickup in business spending over the next several years. While growth did come close to 3 percent for three quarters in a row ending in 2015, Stanley said that period was more typical with growth varying more, with higher peaks and lower valleys in the growth rate. On absolute levels, the last time three quarters each had 3 percent or more growth was in the period ending in the first quarter of 2005. Growth was 3.2 percent in the third quarter of 2017, and 3.1 percent in the second quarter. Fourth quarter GDP is reported on Jan. 26. "It certainly is the best economy of this cycle. It's the strongest we've seen. We had been averaging around 2 percent. It is unusual to get three [3 percent] in a row because typically you get get big swings. I think what you're seeing for the first time in the expansion is growth that's being driven by all the key components," he said. Stanley said growth in prior quarters was impacted by swings in inventories or trade. "When the string is broken, it's going to be one of those categories rather than demand falling apart," he said. The question also is what will happen in the first quarter, which has been traditionally slow growing and is vulnerable to weakness from weather impacts. Barclays chief U.S. economist Michael Gapen said he raised his tracking GDP estimate for the fourth quarter to 3 percent from 2.6 percent. [Retail sales for December](https://www.cnbc.com/2018/01/12/us-retail-sales-rise-while-core-sales-are-revised-sharply-higher.html) rose 0.4 percent, and November sales were revised to a gain of 0.9 percent from an increase of 0.8 percent. Sales, excluding autos and gas, were revised higher by a tenth to 0.5 percent for October and 0.4 to 1.2 percent in November. "There were solid upward revisions to core retail sales. We were tracking 3.1 on consumption [for the quarter] going into the release, and we're tracking 3.6 percent coming out of it," he said. LaVorgna notes his forecast is an outlier, but he says the fourth quarter could even hit as high as 5 percent, and he sees the 3 percent pace continuing into 2018. "What's hurting us for the year was weak Q1. Three of the last four years, the first quarter has been weak. That's one thing that I see tempering 2018 is the residual problem of Q1," LaVorgna said. "My guess is the optimism is going to continue. My big fear is what the [Fed](https://www.cnbc.com/id/43752521) is going to do in reaction to it," he said.

### Slow Growth Inevitable

#### Slow growth is nearly inevitable – singular policies cannot resolve the alternative causes

Lindsey ‘17 (Brink Lindsey, vice president for research at the Cato Institute. Lindsey earned an AB from Princeton University and a JD from Harvard Law School.)(Cato Handbook for Policy Makers, 8th Edition, 2017. 6. Reviving Growth.)

Unfortunately, the economy's sluggishness is likely to persist. At a Cato Institute conference in December 2014, two of the nation's leading experts on productivity growth presented long-term growth projections for the U.S. economy. Dale Jorgenson of Harvard University projected annual growth in aggregate real GDP of 1.75 percent, while John Fernald of the Federal Reserve Bank of San Francisco projected a slightly faster growth rate of 2.1 percent. After taking account of likely population growth, Jorgenson's projection puts annual growth in real GDP per capita at below 1 percent, while Fernald's comes in under 1.4 percent. In other words, in Fernald's more optimistic scenario, growth in the years to come will be more than a third off its 20th-century pace, while in Jorgenson's scenario, the long-term growth rate has been cut in half. The reasons for Jorgenson and Fernald's pessimism have nothing to do with any recent events—neither lingering effects from the severe recession nor problems with policies enacted in its wake. Rather, both recognize the impact of deep-seated factors that once propelled growth but that now have shifted in an unfavorable direction. To understand what's going on, let's break down measured economic growth into the constituent elements tracked by conventional growth accounting: (1) growth in labor participation, or annual hours worked per capita; (2) growth in labor quality, or the skill level of the workforce; (3) growth in capital deepening, or the amount of physical capital invested per worker; and (4) growth in so-called total factor productivity, or output per unit of quality-adjusted labor and capital. Over the course of the 20th century, these various components fluctuated in their contributions to overall growth. The fluctuations, however, tended to offset each other, so that the long-term trend line of growth overall remained stable. In the 21st century, however, this pattern of offsetting fluctuations has come to a halt as all growth components have fallen off simultaneously. One way to get faster growth is for more people to work or for people to work longer hours. Between the mid-1960s and 2000, average annual hours worked per capita surged from under 800 to above 950, powered by rising labor force participation among women and the influx of baby boomers into the work force. Since 2000, however, the labor force participation rate for both men and women has been in steep decline: from its overall peak of 67.3 percent in early 2000, it has dropped all the way to 62.7 percent as of June 2016, the lowest rate since 1978 (Figure 6.1). With labor hours shrinking, output per worker hour (otherwise known as labor productivity) has to rise just to keep the economy from shrinking. Accordingly, hours worked per capita has gone from providing a strong tailwind for growth to now resisting growth with a stiff headwind. While the quantity of labor supplied is an important factor in determining output, so is the quality of labor. Since workers with higher skills and more experience produce more output in a given hour than do their less skilled, more junior colleagues, boosting the skill level of the workforce is an important way to create economic growth. Over the course of the 20th century, huge investments in mass schooling—first at the secondary level, then at the postsecondary level—led to a much more highly skilled workforce. Harvard economists Claudia Goldin and Lawrence Katz estimate that rising educational attainment accounted for about 15 percent of total growth over the period 1915–2005. But the rate of increase in years of schooling per worker has slowed dramatically in recent decades: the pace of improvement between 1980 and 2005 was less than half that during the period between 1960 and 1980 (Figure 6.2). And looking ahead, the educational level of the workforce is expected to plateau. Another important source of growth has therefore petered out. An additional source of growth is investment: workers with more and better tools are able to produce more. Unfortunately, net national investment (investment net of depreciation charges) as a percentage of net national product has been falling for decades, dragged down by the more widely reported drop in the national savings rate (Figure 6.3). There is therefore no current basis for expecting a surge in investment to counteract the unfavorable trends regarding hours worked and educational attainment. In the case of labor hours, worker skills, and investment, growth is created by adding more inputs. If you increase inputs with more hours worked, more training, and more equipment, then you will produce more output. The final source of growth, innovation, involves figuring out how to get more output from a given set of inputs—either through inventing new products or by developing more efficient production processes. Economists' best measure of innovation is known as total factor productivity (TFP) growth: the increase in output from a given unit of labor and capital. From 1996 to 2004, TFP growth surged after a long slump that began in the 1970s; since 2004, however, TFP growth has returned to the low rates of decades past (Figure 6.4). Admittedly, shifts in the rate of TFP growth are unpredictable, so it is possible that another round of rapid growth is just around the corner. But at present, no signs of such a turnaround are visible. In the 21st century, the U.S. economy has thus experienced simultaneous weakening in all four components of economic growth. This does not mean that slow growth is inevitable from here on out: the current trends are not set in stone. Nevertheless, it is difficult to avoid the conclusion that the conditions for growth are less favorable than they used to be.

### Plan Kills Jobs

#### **Increasing the cap undercuts and replaces American workers and ships key jobs overseas**

Thibodeau ’15 (Patrick Thibodeau Senior Editor at Computerworld “New H-1B bill will 'help destroy' U.S. tech workforce” Jan. 14, 2015, https://www.computerworld.com/article/2868428/it-industry/new-h-1b-bill-will-help-destroy-us-tech-workforce.html)

New legislation being pushed by Sen. Orrin Hatch (R-Utah) to hike the H-1B visa cap is drawing criticism and warnings that it will lead to an increase in offshoring of tech jobs. IEEE-USA said the legislation, introduced by a bipartisan group of lawmakers on Tuesday, will "help destroy" the U.S. tech workforce with guest workers. Other critics, including Ron Hira, a professor of public policy at Howard University and a leading researcher on the issue, said the bill gives the tech industry "a huge increase in the supply of lower-cost foreign guest workers so they can undercut and replace American workers." Hira said this bill "will result in an exponential rise of American jobs being shipped Technically, the bill is a reintroduction of the earlier "I-Square" bill, but it includes enough revisions to be considered new. It increases the H-1B visa cap to 195,000 (instead of an earlier 300,000 cap), and eliminates the cap on people who earn an advanced degree in a STEM (science, technology, education and math) field. Hatch, who is the No. 2 ranking senator in the GOP-controlled chamber, was joined by co-sponsors Amy Klobuchar (D-Minn.), Marco Rubio (R-Fla.), Chris Coons (D-Del.), Jeff Flake (R-Ariz.) and Richard Blumenthal (D-Conn.) in backing the legislation. The bill also makes it easier for U.S. advanced degree graduates to get a green card. One problem may be whether this bill will restrict, in any way, visa mills from churning out STEM master's degree holders for either green cards or H-1B visas. Daniel Costa, director of immigration law and policy research at the Economic Policy Institute (EPI), said the bill doesn't include reforms such as higher prevailing wages and requirements to recruit U.S. workers. Nor does the bill limit the use of the H-1B visa by offshore outsourcing firms, he said. "This bill is basically a wish list for the tech industry," said Costa. The number of H-1B visas today is capped at 65,000, with an additional 20,000 allowed for advanced degree holders in STEM fields. The number of H-1B visas issued is actually higher, when groups exempt from the cap such as non-profits and research institutions, are added. EPI estimates that between 2007 and 2012 nearly 776,000 H-1B visas were issued -- an average of almost 130,000 per year. workforce.