# 1NC

## C1: Global Growth

### Link – Stabilizers

#### Welfare programs act as automatic stabilizers that expand during times of recession ending the vicious degradation of human capital

**Spross 19**

Jeff Spross, 10-7-2019, "America needs to put recession-fighting on autopilot," The Week, https://theweek.com/articles/869684/america-needs-recessionfighting-autopilot

Last Friday's disappointing jobs report left just about everyone nervously glancing around to see if **a recession is looming**. But whether a downturn hits in the next few months or the next few years, one thing is certain: America is grossly unprepared. More than that, our policymakers are ignoring one of the most sensible and straightforward ways to prevent recessions — and **to make sure that**, when they do happen, **they're as shallow and brief as possible**. I'm talking about **automatic** **stabilizers**. These are spending programs that **run on autopilot**, **reacting** **to conditions** like income levels and employment levels **as they** **change**, **expanding** **when**ever **the economy slumps**, **and** thus **stimulating** **us back to health**. **SNAP** (a.k.a. food stamps), unemployment insurance, **and Medicaid** all **fit the bill:** **When** a household's income falls below a certain level, **they** **automatically become** **eligible** for SNAP and Medicaid. Government **spending** **goes out the door to cover** **them**, **no new law** from Congress **needed**. Same thing for unemployment insurance when a person loses their job. If we want to recession-proof our economy, we should be expanding these programs or creating new ones so that safety-net spending ramps up whenever the economy slows down, without Congress passing a new law every time. Congress can pass individual stimulus measures in response to individual crises, like it did with 2009's stimulus. But by the time that law passed, for example, the Great Recession had already been underway for over a year. **Recessions** **feed** **on themselves**: People lose their jobs, they no longer have their incomes to spend, so **businesses lose consumers, even more people lose their jobs**, wash and **rinse and repeat**. **Responding** **to downturns** as **fast** **and** as **aggressively** as possible **is critical**, **to** put spending money into people's pockets and **stop** **the feedback loop** **of job loss**. Technically, taxes can serve as automatic stabilizers as well. Tax receipts naturally fall in recessions, thus removing less money from the economy. But taxes are arguably more effective at cooling the economy off when it's booming. Inequality and wage stagnation are also already bad enough that, with the relief lawmakers have introduced into the tax code, over 44 percent of Americans already pay no income tax. We could certainly reform national payroll tax rates to automatically rise in booms and fall in recessions. (Or get rid of payroll taxes entirely.) But between 2009 and 2012, two-thirds of the boost America got from its existing automatic stabilizers came from reduced tax receipts as it is. When it comes to stabilizing recessions, we've squeezed about all we can out of the tax code. Taking advantage of government spending is where we're falling down on the job. Of course, when spending programs like SNAP and Medicaid automatically expand during recessions, federal deficits automatically increase as well. And that tends to freak politicians out. There's more or less constant pressure to cut these programs, both on budgetary grounds and fears that they discourage people from working. The Trump administration is trying to open options for state lawmakers to slap various work requirements and other conditions on SNAP and Medicaid, for example. All of this is entirely self-defeating. A recession happens when not enough demand is flowing through the economy. If taxes rose with spending to prevent deficits, the net effect on demand would be zero. Moreover, the U.S. government creates the currency it taxes, spends, and borrows in, so a "debt crisis" is intrinsically impossible. The government can create too much inflation, but that risk comes from pumping too much money into the economy when it's at the peak of the business cycle, not the trough. Finally, if you make receipt of these benefits conditional on having a job, then by definition they can't do anything to arrest the feedback loop of job loss. If you're legitimately worried that people will find staying on SNAP or unemployment benefits more attractive than taking a job, that tells you something about the quality of the work the labor market is offering them. And **the** **best way to improve** the **pay** **and work conditions** on offer **is** to pump **more demand** into the economy: Increase the demand **for labor relative to** the **supply**, and force employers to compete more ferociously for workers. **That** **doesn't** **mean** **the "welfare cliff"** **effect** **goes away** **entirely**. **But** beyond **improving** the **quality of people's** **employment** **prospects**, the way to **minimize** it is to make the **phase-outs for benefits** **and** **qualifications** **as** slow and **gradual as possible**. If you wanted to get really ambitious, you could imagine something like a self-adjusting universal basic income. A UBI is a monthly check that goes out to all Americans, with no conditions or qualification thresholds whatsoever. It's generally envisioned as a poverty eliminator; but you could also imagine a UBI geared towards stabilizing the economy instead, whose monthly generosity rises or falls in response to metrics like the unemployment rate or the rate of wage growth. Or, if you want to use government spending to directly create jobs, as opposed to just drive more consumption, a national job guarantee is another ideal framework for an automatic stabilizer. (Or, you know, why not both?) But if we're looking for immediate incremental steps to build on where we are now, we should simplify and expand programs like SNAP and unemployment insurance: Raise the income thresholds for qualifying and increase the generosity of the benefits; remove work requirements and drug testing and other conditions; and make the benefits equally available for families and singles, and people with or without children. One final wrinkle is state budgets. Unlike the federal government, states can't print U.S. dollars, and can suffer debt crises. While many states have rainy day funds, their ability to deficit spend is more constrained. By their nature, state-level taxing and spending decisions are often a drag on economic recoveries. The federal government can help in several ways. First, programs like SNAP and Medicaid are often run as partnerships between the states and the federal government. Instead, the federal government should take on the full burden of funding these programs. Second, the federal government could set up permanent streams of money that flow from the national level to the states and localities, and the generosity of the grants could again be designed to automatically increase when the economy nosedives. That would give state and local budgets a lot more room to maneuver, and help spend the economy back to health without the drag of additional tax hikes. If we want to prevent the next recession, we don't just need to embrace big spending; we need to embrace spending that automatically goes big as soon as it's needed.

#### Automatic stabilizers are uniquely important in fighting this recession and futures ones due to structural constrains on the federal reserve

**Estep 19**

Sara Estep, Center for American Progress, "The Importance of Automatic Stabilizers in the Next Recession - Center for American Progress", 6/17/2019, <https://www.americanprogress.org/issues/economy/news/2019/06/17/471120/importance-automatic-stabilizers-next-recession/>

Although the United States currently has automatic stabilizers in place, there is room for improvement. If policymakers do not implement changes to these features to make them larger, more automatic, and—if necessary—more prolonged, they are likely to have a more limited macroeconomic effect than 10 years ago.The role of **automatic stabilizers will be more important than ever when** the **next recession strikes. The Fed**eral Reserve**’s first** policy **response to a recession is** typically a **reduction in the federal funds rate.** Many **structural factors, however, have** contributed to **depressed long-term interest and inflation** rates **and,** currently, a low **federal funds rate[s]. Thus,** during the next downturn, **the Fed will have a limited ability to reduce the rate of interest—w**hichaffects firm behavior—since the rate is alreadylow**.** If a recession were to happen tomorrow, this would leave the Fed with nearly half of the federal funds rate cut that it was able to use in the last recession before it must revert to alternative forms of monetary policy. **As a result, automatic stabilizers** may **[will] play a larger role in mitigating future business cycle shocks.** Additionally, it takes time for policymakers and analysts to recognize that a recession is underway. For example, the last business cycle peak preceding the Great Recession was not announced until a year later, when the recession was well underway. When Congress does decide on a fiscal stimulus package, it then takes even longer for people to see tangible results. **Automatic stabilizers reduce or eliminate that time lag—so long as triggers are effectively tied to economic indicators.**

#### Automatic stabilizers are also fundamental to further fiscal stimulus

**Estep 19**

Sara Estep & Olugbenga Ajilore & Michael Madowitz, 6-17-2019, "The Importance of Automatic Stabilizers in the Next Recession," Center for American Progress, <https://www.americanprogress.org/issues/economy/news/2019/06/17/471120/importance-automatic-stabilizers-next-recession/>

A recession response should generally have a two-pronged fiscal policy approach: automatic stabilizers and a congressional process. **Automatic stabilizers** should be in place long before the economy starts to contract so that **[give] Congress** has **time to** take the second step of **craft**ing temporary **fiscal policies [and]**. A two-part approach **ensure**s **that people are not left to suffer from an inevitably lagged fiscal response** that both houses of Congress must pass and that the president must sign. Time for deliberation is an important part of the congressional process, **but if there are no** preemptive updates to **automatic stabilizers to work** in conjunction **with** a temporary **fiscal stimulus, half the battle will be lost**.

### MPX: Recession Severity

#### The fiscal response during the last recession reduced its length by half and prevented the loss of over 10 million jobs

**Blinder 15**

Alan S. Blinder & Mark Zandi, "The Financial Crisis: Lessons for the Next One", Center on Budget and Policy Priorities, 10-15-2015, https://www.cbpp.org/research/economy/the-financial-crisis-lessons-for-the-next-one, DOA-12-30-2018

The massive and multifaceted policy responses to the financial crisis and Great Recession — ranging from traditional fiscal stimulus to tools that policymakers invented on the fly — dramatically reduced the severity and length of the meltdown that began in 2008; its effects on jobs, unemployment, and budget deficits; and its lasting impact on today’s economy. **Without the policy responses** of late 2008 and early 2009, we estimate that: **The** peak-to-trough **decline in** real gross domestic product (**GDP**), which was barely over 4%, **would have been [250% higher]** close to a stunning 14%; **The economy would have contracted for** more than three years**, more than twice as long as it did;** More than 17 million jobs would have been lost, about twice the actual number. Unemployment would have peaked at just under 16%, rather than the actual 10%; The budget deficit would have grown to more than 20 percent of GDP, about double its actual peak of 10 percent, topping off at $2.8 trillion in fiscal 2011. Today’s economy might be far weaker than it is — with real GDP in the second quarter of 2015 about $800 billion lower than its actual level, 3.6 million fewer jobs, and unemployment at a still-dizzying 7.6%. We estimate that, due to the fiscal and financial responses of policymakers (the latter of which includes the Federal Reserve), real GDP was 16.3% higher in 2011 than it would have been. Unemployment was almost seven percentage points lower that year than it would have been, **with about 10 million more jobs [lost].**

### Link – Immigration

#### Immigration is the most effective path to poverty reduction, but a UBI will force politicians to shut down immigration

**McArdle 14**

Megan McArdle, 4-18-2014, "How a basic income in the U.S. could increase global poverty," PBS, <https://www.pbs.org/newshour/nation/how-a-basic-income-in-the-u-s-could-increase-global-poverty> [AHS AK]

**The greatest poverty reduction program** that the world **has** ever seen has been the United States of America. We have, for decades, over a century, **been** **moving people who are extremely poor** in the countries where they are, **to a country where**, just by being here, their **wages** can double or **triple or quadruple**. **That would not** in any way **be compatible with** a guaranteed minimum income **[UBI]**, just **politically**. **If you** come here and **become a citizen**, **that entitles** **you** **to a check** for $15,000 a year for the rest of your life **from the U.S. government**? A lot of immigrants are low-wage workers. They’re not skilled, a lot of them. They don’t have as much education as most Americans and so they never do get up to the point where they would ever pay enough in taxes to make back that check. Even if you just limited it to their children, the political support for importing people whose children will then be entitled to the same $15,000 a year as your children — I don’t think that would ever be politically viable. **So** if you want **to have a** **guaranteed minimum income**, **you need to shut down**, pretty much effectively, shut down **immigration**, or at least immigration **from lower skilled countries**, **which** on net **would** do a lot more to **increase global poverty** than it would to decrease poverty in the United States. So will we ever have a guaranteed minimum income? I think it’s very unlikely that the United States will ever pass a guaranteed minimum income. For a few reasons: First of all, part of what makes a welfare system work is trust, and having a very homogenous culture where you trust that people you’re giving welfare to aren’t abusing the benefits, and they trust that the benefits are going to be given out in their best interests.

#### UBI even flips more hardline defenders of immigration into implementing reform

**Miller 19**

John Miller, 10-2-2019, "Universal basic income is having a moment. Can advocates convince a skeptical public?," America Magazine, <https://www.americamagazine.org/politics-society/2019/10/02/universal-basic-income-having-moment-can-advocates-convince-skeptical> [AHS AK]

U.B.I. could also flood the economy with too much cash, triggering inflation. Supporters say the trick here is to not simply print money but rather maintain current rates of tax and redistribution. A stable money supply is not supposed to cause inflation. In addition, they say the increase in the number of people who can afford consumer goods will stimulate growth in supply. A **U.B.I.** plan **would force** **authorities** **to** **adopt** **tough**er **immigration policies**. You cannot hand out cash and not expect the world to knock on your door. A nation or community **implementing** a **U.B.I. is likely** **to** **attract interest from migrants**, not all of whom it could admit. **Even liberal proponents** of U.B.I. **would** **endorse** new **immigration restrictions**. “A citizens’ income, like the right to vote, would be limited to those who are citizens,” explains Mr. Clark, the St. John’s economist. “The moral requirement is that we welcome the stranger, not that we make them citizens.” Experiments and Evidence Not surprisingly, some of the firmest supporters of U.B.I. control the tech companies automating and imperilling jobs. In a commencement speech to Havard in 2017, the Facebook founder Mr. Zuckerberg said: Previous generations fought for the vote and civil rights. They had the New Deal and Great Society. Now it’s our time to define a new social contract for our generation. We should have a society that measures progress not just by economic metrics like G.D.P., but by how many of us have a role we find meaningful. We should explore ideas like universal basic income to give everyone a cushion to try new things.

#### Immigrants are the backbone of the US economy because they fill massive demographic labor shortfalls, stimulate consumer spending, and boosting the quality of the workforce

**Porter 17**

Eduardo Porter, 8-8-2017, "The Danger From Low-Skilled Immigrants: Not Having Them," No Publication, https://www.nytimes.com/2017/08/08/business/economy/immigrants-skills-economy-jobs.html

Let’s just say it plainly: **The** **United** **States needs more low-skilled immigrants**. You might consider, for starters, **the enormous demand** **for** low-skilled **workers**, which **could** well **go unmet** **as** **the** baby **boom[er] generation ages out of the labor force, eroding the labor supply**. Eight of the 15 occupations expected to experience the fastest growth between 2014 and 2024 — personal care and home health aides, food preparation workers, janitors and the like — require no schooling at all. “**Ten years from now**, **there** **are going to be** **lots** **of** **older** **people** **with** relatively **few** **low-skilled** **workers** to change their bedpans,” said David Card, a professor of economics at the University of California, Berkeley. “**That is going to be a huge problem**.” But the argument for **low-skilled immigration** **is** **not** **just** about filling **an employment hole**. The **millions** **of immigrants** of little skill who swept into the work force in the 25 years up to the onset of the Great Recession — the men washing dishes in the back of the restaurant, the women emptying the trash bins in office buildings — **have largely improved the lives of Americans**. The politics of immigration are driven, to this day, by the proposition that immigrant laborers take the jobs and depress the wages of Americans competing with them in the work force. It is a mechanical statement of the law of supply and demand: More workers spilling in over the border will inevitably reduce the price of work. This proposition underpins President Trump’s threat to get rid of the 11 million unauthorized immigrants living in the country. It is used to justify his plan to cut legal immigration into the country by half and create a point system to ensure that only immigrants with high skills are allowed entrance in the future. But it is largely wrong. It misses many things: that **less-skilled immigrants** **are** also **consumers** **of** **American-made** **goods** **and services**; that **their cheap labor** **raises** **economic output** **and** also **reduces prices. I**t misses the fact that **their** **children** tend to **have substantially more skills**. In fact, the children of immigrants contribute more to state fiscal coffers than do other native-born Americans, according to a report by the National Academies. What is critical to understand, in light of the current political debate, is that contrary to conventional wisdom, less-skilled immigration does not just knock less-educated Americans out of their jobs. It often leads to the creation of new jobs — at better wages — for natives, too. Notably, it can help many Americans to move up the income ladder. And by stimulating investment and reallocating work, it increases productivity. Immigration’s bad reputation is largely due to a subtle yet critical omission: It overlooks the fact that immigrants and natives are different in consistent ways. This difference shields even some of the least-skilled American-born workers from foreign competition. Editors’ Picks ‘We Had Already Missed the Stop He Mentioned, but I Said Nothing.’ Everything You Think You Know About Housing Is Probably Wrong 20 Reds Under $20: Where the Values Live, for Now It’s more intuitive than it seems. Even American high school dropouts have a critical advantage over the millions of immigrants of little skill who trudged over the border from Mexico and points south from the 1980s through the middle of the last decade: English. Not speaking English, the newcomers might bump their American peers from manual jobs — say, washing dishes. But they couldn’t aspire to jobs that require communicating with consumers or suppliers. Those jobs are still reserved for the American-born. As employers invest more to take advantage of the new source of cheap labor, they will also open new communications-heavy job opportunities for the natives. For instance, many servers and hosts in New York restaurants owe their jobs to the lower-paid immigrants washing the dishes and chopping the onions. There are many more restaurants in New York than, say, in Oslo because Norway’s high wages make eating out much more expensive for the average Norwegian. Similar dynamics operate in other industries. The strawberry crop on the California coast owes its existence to cheap immigrant pickers. They are, in a way, sustaining better-paid American workers in the strawberry patch-to-market chain who would have to find a job somewhere else if the United States imported the strawberries from Mexico instead. One study found that when the Bracero Program that allowed farmers to import Mexican workers ended in 1964, the sudden stop in the supply of cheap foreign labor did nothing to raise the wages of American farmworkers. From the cotton crop to the beet crop and the tomato crop, farmers brought in machines rather than pay higher wages. Another found that manufacturing plants in regions of the United States that received lots of low-skill immigrants in the 1980s and 1990s were much slower to mechanize than plants in low-immigration regions. A critical insight of the new research into the impact of immigration is that employers are not the only ones to adapt to the arrival of cheap foreign workers by, say, investing in a new restaurant or a new strawberry-packing plant. **American-born workers react**, too, **moving** **into occupations** that are **better shielded from** the **newcomers**, **and** even **upgrading** **their own skills**. “The benefits of immigration really come from occupational specialization,” said Ethan Lewis, an associate professor of economics at Dartmouth College. “Immigrants who are relatively concentrated in less interactive and more manual jobs free up natives to specialize in what they are relatively good at, which are communication-intensive jobs.” Looking at data from 1940 through 2010, Jennifer Hunt, a professor of economics at Rutgers, concluded that raising the share of less-skilled immigrants in the population by one percentage point increases the high school completion rate of Americans by 0.8 percentage point, on average, and even more for minorities. ImageA janitor cleaning the jury assembly room at the Bronx County Courthouse. Immigrants could help fill the tremendous demand expected in coming years for low-skilled workers. A janitor cleaning the jury assembly room at the Bronx County Courthouse. Immigrants could help fill the tremendous demand expected in coming years for low-skilled workers.Credit...Michael Appleton for The New York Times Two economists, Giovanni Peri of the University of California, Davis, and Chad Sparber of Colgate University, compared the labor markets of states that received lots of low-skilled immigrants between 1960 and 2000 and those that received few. In the states that received many such immigrants, less-educated American-born workers tended to shift out of lower-skilled jobs — like, say, fast-food cooks — and into work requiring more communications skills, like customer-service representatives. Interestingly, the most vulnerable groups of American-born workers — men, the young, high school dropouts and African-Americans — experienced a greater shift than other groups. And the wages of communications-heavy jobs they moved into increased relative to those requiring only manual labor. It is not crazy for American workers who feel their wages going nowhere, and their job opportunities stuck, to fear immigration as yet another threat to their livelihoods. And yet for all the alarm about the prospect of poor, uneducated immigrants flocking across the border, this immigration has been mostly benign. Take the Congressional Budget Office’s analysis of the immigration reform bill submitted without success by a bipartisan group of eight senators in 2013. By 2033, it estimated, the plan would have increased average wages by 0.5 percent, and do next to nothing to the wages of the least skilled. It would have made the economy some 5 percent bigger, over the long term, mainly because there would be 16 million more people. If there is anything to fear, it is not a horde of less-educated workers ready to jump over the border. The United States’ main immigration problem, looking into the future, is that too few low-skilled immigrants may be willing to come. As the National Academies noted about its report, “The **inflow** **of** **labor supply** has **helped the United States** **avoid** the **problems** **facing** **other economies** **that** have **stagnated** **as a result** **of** **unfavorable** **demographics**, particularly the effects of an aging work force and reduced consumption by older residents.” **There will be an employment** **hole to fill**.

#### Cutting immigration even by half would cause recession - means we won’t even have to win the entire link to get the impact

**Long 17**

Heather Long, 8-2-2017, "It’s a Grave Mistake for Trump to Cut Legal Immigration in Half”, Washington Post, <https://www.washingtonpost.com/news/wonk/wp/2017/08/02/its-a-grave-mistake-for-trump-to-cut-legal-immigration-in-half/>

President Trump endorsed a steep cut in legal immigration on Wednesday. Economists say that's a “grave mistake.” A Washington Post survey of 18 economists in July found that 89 percent believe it's a terrible idea for Trump to curb immigration to the United States. Experts overwhelmingly predict it would slow growth — the exact opposite of what Trump wants to do with “MAGAnomics.” “**Restricting immigration** will only **condemn** **us** **to** **chronically** **low rates** **of** **economic growth**,” said Bernard Baumohl, chief global economist at the Economic Outlook Group. “It also increases the **[and] risk[s]** of a **recession**.” During the campaign, Trump repeatedly told illegal immigrants to “get out.” Now he wants to cut back on legal immigration as well. On Wednesday, Trump stood side-by-side with Sens. Tom Cotton (R-Ark.) and David Perdue (R-Ga.) to endorse their bill, the RAISE Act. The bill does two things: It moves the United States toward a "skills-based immigration system" where people with special skills get top priority and it cuts legal immigration by 50 percent. Miller: Trump seeks a 'permanent change' to immigration system White House senior policy adviser Stephen Miller spoke about the president's proposal to reduce immigration at the daily press briefing on Aug. 2. (Reuters) "This legislation demonstrates our compassion for struggling American families," Trump said Wednesday. He believes immigrants -- both legal and illegal -- take jobs from Americans, even though the jobless rate in the country is incredibly low. Many economists and business leaders endorse the skills-based approach. Canada and Australia, among other countries, use this method. But there's heavy criticism for the RAISE Act's plan to slash the number of green cards from 1 million a year to 500,000 over the next decade. In the first year alone, the bill cuts the number of green cards by 41 percent. “We need to modernize the immigration system, but cutting immigration in half is bad for the economy and bad policy,” says Jeremy Robbins, executive director of New American Economy, a coalition founded by former New York City mayor Michael Bloomberg to improve U.S. immigration policy. AD Robbins points out that Canada and Australia — the supposed models for the Trump administration's reforms — both let in more than double the number of immigrants per capita than the United States does. There are also concerns that such a dramatic cut to legal immigration would cause illegal immigration to rise. Cotton introduced the RAISE Act in February. It wasn't expected to go far given the crowded to-do list for Congress this year, but Trump's news conference Wednesday is giving it new life. [Immigrants are going hungry so Trump won’t deport them] In April, over 1,400 economists from across the political spectrum sent a letter to Trump urging him not to cut immigration. The letter said there was “near universal agreement” on the “the broad economic benefit that immigrants to this country bring.” Thomas Simons, senior economist at Jefferies investment firm, said **a 50** **percent** **reduction** **would** **be** “**absolutely harmful** **to** **an economy** **with** a population undergoing the **demographic transformation**.” The bottom line is that the United States needs more workers. **Growth** **happens** **when** one of two things occurs: **The economy gets** **more** **workers** **or** the **existing workers** **become** **more productive**. At the moment, both of those factors are red flags. Productivity growth is sluggish, and, as Trump has pointed out many times, the percentage of American adults who actually work — the labor-force participation rate — is hovering at the lowest levels since the 1970s. A big part of the problem is the baby boomers are starting to retire. The United States needs more people to replace them, but the U.S. birthrate just hit a historic low, according to the Centers for Disease Control and Prevention. That's why many economists, demographers and business owners keep calling for more immigration, not less. “**Limiting** **immigration** to the U.S. **is a grave mistake**,” says Mark Zandi, chief economist at Moody’s Analytics. “**The** **only** **way** **to** meaningfully **increase** U.S. **economic growth on** a **sustained** **basis** **anytime** **soon** **is** **to increase immigration**.” During the campaign, Zandi predicted that Trump's protectionist stances on trade and immigration would lead to a “lengthy recession.” AD Trump portrays immigrants as scooping up American jobs. But the data appears to tell a different story. U.S. unemployment is at 4.4 percent. In May, unemployment hit the lowest level since 2001, a milestone Trump celebrated. That implies there aren't many people struggling to find work. At the same time, the United States has 5.7 million job openings, which is near a record high. It's been that way for a year now. Business leaders with big and small firms say they can't find enough workers. They are especially vocal about not being able to find enough people for really low-skilled, low-pay work and for really high-skilled jobs.

### IMPACT: Recession

#### Despite powerful stimulus in 2008, global interconnectedness ensures that recessions go global and are devastating

**World Bank**

World Bank, 11-18-2010, "New Study Reviews the World Bank Group’s Response to The Global Financial Crisis," http://www.worldbank.org/en/news/press-release/2010/11/18/new-study-reviews-the-world-bank-groups-response-to-the-global-financial-crisis

Increased poverty resulting from the financial crisis will be a major challenge in the foreseeable future. The World Bank estimates that **the crisis left** **an estimated 50 million more people in extreme poverty** (below the $1.25 a day poverty line) **in 2009**, **and** some **64 million more** will fall into that category **by the end of 2010**. Even with rapid economic recovery, some 71 million people will remain in extreme poverty by 2020 who would have escaped it had the crisis not occurred, coupled with unemployment rates that remain high in several countries. Even in a financial crisis, the WBG needs to support the crucial requisites for long-term results — fiscal and debt sustainability, structural reforms, environmental and social sustainability, and actions to reduce risks related to climate change. Finally, improved coordination among WBG institutions and other development partners during response initiatives will continue to be of paramount importance.