Negative: Human Flourishing

By Kirstin Erickson

***Resolved: Economic stability is more important than economic growth***

You’ll have the advantage of common sense with this case. The idea that things should get better rather than staying the same is pretty intuitive, and the concept of economic growth seems inherently positive, even for people who know next to nothing about economics (like some of your judges will be). You need to reinforce this and prove that economic growth is a better goal than economic stability, that it will provide better outcomes and lead to greater human flourishing. Finally, don’t forget to impact your arguments to your audience. You’re not just debating theoretical concepts; you’re debating real-world issues that impact each person’s wellbeing. By siding with growth, we can create a better world and a healthier society for everyone. Keep focusing on how growth is the best path to human flourishing, and you’ve got a strong negative case.

Negative: Human Flourishing 2

DEFINITIONS 2

Economic Stability 2

Economic Growth 2

VALUE: Human Flourishing 2

Definition 2

Reason to Prefer: Ultimate purpose of government 2

CONTENTION 1: Prioritizing stability is not the best path to human flourishing 3

Government policies to bring stability do not work 3

Government must not pursue stability at the cost of growth and human flourishing 3

Placing stability as the highest goal has dangerous consequences for the economy 3

CONTENTION 2: Prioritizing growth is the best path to human flourishing 4

Productivity growth is necessary for the best economy 4

Economic growth improves quality of life 4

MPX: Businesses and employees flourish 5

MPX: Poverty reduced and human development enhanced 5

Negative Counter-Brief: Human Flourishing 6

A/T Government policies to bring stability do not work 6

Government spending is much more effective when focused on stability rather than growth 6

True stability is about being free from government interference 6

GDP is not an accurate indicator of human flourishing 7

Economic growth is an increase in GDP 7

GDP leaves out many important aspects of an economy 7

GDP growth is not a good gauge of societal health 7

GDP is not meant to be a measure of economic welfare 7

Works Cited 9

Negative: Human Flourishing

When our founding fathers crafted the United States’ Constitution, they included an important list of the purposes of government. Each purpose can be summed up in one key phrase: “to promote the general welfare.” Because government ought to always act in the best interests of its citizens, please join me in negating the resolution: Economic stability is more important than economic growth.

DEFINITIONS

Economic Stability

Business Dictionary (Business Dictionary is the leading online business resource, featuring over 25,000 definitions spanning across critical business-related topics) “Economic Stability” <http://www.businessdictionary.com/definition/economic-stability.html>

A term used to describe the financial system of a nation that displays only minor fluctuations in output growth and exhibits a consistently low inflation rate.

Economic Growth

John L. Cornwall (John Cornwall is Professor of Economics at Dalhousie University in Halifax, Nova Scotia. He is the author of The Theory of Economic Breakdown and others) “Economic Growth” <https://www.britannica.com/topic/economic-growth>

Economic growth, the process by which a nation’s wealth increases over time. Although the term is often used in discussions of short-term economic performance, in the context of economic theory it generally refers to an increase in wealth over an extended period.

VALUE: Human Flourishing

Definition

Human Flourishing refers to a person’s wellbeing and quality of life. It means more than just feelings of happiness, as it refers to both many aspects of both physical and mental health. Obviously, flourishing is multi-dimensional, meaning that there are many important factors that play into this. The resolution focuses us on the economic aspect of human flourishing. Thus, even though neither side can make everyone’s lives perfect, we can see which side does a better job of helping citizens flourish economically – which will ultimately improve their wellbeing.

Reason to Prefer: Ultimate purpose of government

If you ask people what they believe is the purpose of government, you’ll get a variety of answers: to control crime, to establish laws, to improve the economy, to provide for its citizens. However, although the government has many different purposes, the end goal of them all is to promote the wellbeing of citizens and to help society flourish. No matter what your political position or leaning – no matter how you believe the government should carry out its responsibilities – nearly everyone agrees that the government should be acting in the interests of its citizens. That’s why the founding fathers wrote into our Constitution that government ought to “promote the general welfare”.

 Hetan Shah and Nic Marks 2014 (Hetan Shah is the Chief Executive of the British Academy, the national academy for humanities and social sciences, and a Visiting Professor at King's College London. He served as Executive Director of the Royal Statistical Society from 2011 to 2019. Nic Marks is an independent policy adviser, speaker, statistician and author. He is a recognized expert in the field of well-being research and is the founder and leader of the award-winning Centre for Well-being at the New Economics Foundation, a London-based think tank) “A WELLBEING MANIFESTO FOR A FLOURISHING SOCIETY” <https://neweconomics.org/2014/09/wellbeing-manifesto-flourishing-society>

One of the key aims of a democratic government is to promote the good life: a flourishing society, where citizens are happy, healthy, capable and engaged – in other words with high levels of well-being.

CONTENTION 1: Prioritizing stability is not the best path to human flourishing

Government policies to bring stability do not work

Frank Shostak 2019 (Frank Shostak is an Associated Scholar of the Mises Institute. His consulting firm, Applied Austrian School Economics, provides in-depth assessments and reports of financial markets and global economies. He received his bachelor's degree from Hebrew University, his master's degree from Witwatersrand University, and his PhD from Rands Afrikaanse University and has taught at the University of Pretoria and the Graduate Business School at Witwatersrand University.) “Does Economic Stability Contribute to Growth?” <https://mises.org/wire/does-economic-stability-contribute-growth>

Based on this way of thinking it is not surprising that the mandate of the central bank is to pursue policies that will bring price stability i.e. a stable price level.

By means of various quantitative methods, the Fed’s economists have established that at present policy makers must aim at keeping price inflation at 2%. Any significant deviation from this figure constitutes deviation from the growth path of price stability.

Observe that Fed policy makers are telling us that they have to stabilize the price level in order to allow the efficient functioning of the market economy.

Obviously, this is a contradiction in terms since any attempt to manipulate the so-called price level implies interference with markets and hence leads to false signals as conveyed by changes in relative prices.

By means of setting targets to interest rates and by means of monetary pumping it is not possible to strengthen economic fundamentals, but on the contrary, it only makes things much worse.

It is not surprising that the mandate of the Federal Reserve is to pursue policies that will generate price stability. However, by means of monetary policies, the Fed’s objective of stabilizing the price level actually undermines economic fundamentals. The fact that the annual growth rate of US industrial production was less volatile during 1961 to 2019 versus 1920 to 1960 is not something to be proud about. It reflects relatively more suppressed side effects of the central bank and the government tampering with the economy.

Government must not pursue stability at the cost of growth and human flourishing

International Monetary Fund 2020 (The International Monetary Fund (IMF) is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world) “How the IMF Promotes Global Economic Stability” <https://www.imf.org/en/About/Factsheets/Sheets/2016/07/27/15/22/How-the-IMF-Promotes-Global-Economic-Stability>

A dynamic market economy necessarily involves some degree of volatility, as well as gradual structural change. The challenge for policymakers is to minimize instability in their own country and abroad without reducing the economy’s ability to improve living standards through rising productivity, employment, and sustainable growth.

Placing stability as the highest goal has dangerous consequences for the economy

George A. Akerlof, George L. Perry, and William T. Dickens 1996 (Daniel Koshland is Sr. Distinguished Professor Emeritus of Economics at University of California, Berkeley; George L. Perry is Senior Fellow of Economic Studies at the Brookings Institution; William Dickens is University Distinguished Professor of Economics & Social Policy at Northeastern University) “Low Inflation or No Inflation: Should the Federal Reserve Pursue Complete Price Stability?” <https://www.brookings.edu/research/low-inflation-or-no-inflation-should-the-federal-reserve-pursue-complete-price-stability/>

Whether or not the Mack bill passes, the Fed will certainly have to consider whether or not it still wants to pursue lower inflation. We have examined the costs of maintaining a zero inflation rate and find that contrary to previous work, the costs of zero inflation are likely to be large and permanent: a continuing loss of 1 to 3 percent of GDP a year, with correspondingly higher unemployment rates. Therefore, zero inflation would involve large real costs to the American economy.

CONTENTION 2: Prioritizing growth is the best path to human flourishing

Productivity growth is necessary for the best economy

 Andrew Soergel 2015 (Andrew Soergel is a senior writer covering economics for U.S. News & World Report. He previously wrote for the Washington and Lee University Law Alumni Magazine, and is a 2019 Economics of Aging and Work Fellow of AP-NORC Center for Public Affairs Research) “The Missing Piece in America's Economic Growth” <https://www.usnews.com/news/articles/2015/08/06/productivity-a-missing-piece-in-americas-economic-growth>

A productive workforce is able to generate more output with fewer hours worked, which in turn can help boost gross domestic product. Considering economic growth and productivity have moved in tandem over the last few years, and U.S. GDP in the first quarter budged at a meager 0.6 percent rate and at an underwhelming 2.3 percent rate in the second quarter, a modest boost in productivity could go a long way toward setting the country's economy up for a stronger second half of the year.

"Slow GDP growth in recent years has been accompanied by decent employment gains only because of a rapid slowdown in productivity," Josh Bivens, the research and policy director at the Economic Policy Institute, wrote in a research note last week. "Achieving a healthy economy that sees full employment accompanied by rapid productivity growth seems like it will take some time."

In addition to bolstering GDP growth, labor productivity could help alleviate the country's consistently underwhelming wage gains, as increased output in fewer hours worked could encourage employers to lift salaries or expand their workforces. Such gains would undoubtedly be viewed favorably by U.S. employees, who just experienced the single worst quarter for compensation growth since the government started tracking the data back in the early 1980s.

"We suspect that difficulty in measuring the impact of technology on productivity, and the rapid increase in the share of the economy that is 'knowledge-based' (aka, good old American know-how), may be distorting and perhaps even understating overall productivity," Canally said.

But few would argue that productivity growth has been a problem in recent years, even if its growth may be underestimated statistically. The question isn't necessarily whether productivity is a problem; it's "How do we fix it?"

"If we don't see productivity growth picking up, then that's going to be a drag on potential output, or the best the economy can be, if you want to put it in layman's terms," says Robin Anderson, a senior economist at Principal Global Investors.

Economic growth improves quality of life

Jim Chappelow 2019 (Jim Chappelow has 13 years of experience in economic development, forecasting, research, teaching, content creation, and strategic consulting. He has worked in the public sector as an economic development specialist and state labor market analyst. In academia, Jim has been a researcher and instructor in applied economics and strategic management at the University of Missouri and Southern New Hampshire University. He is a former Managing Economist and lead editor at ITR Economics. He has written and edited hundreds of reports, articles, and economic analyses for the general public, policy officials, academic audiences, and private consulting clients)“Economic Growth” <https://www.investopedia.com/terms/e/economicgrowth.asp>

In simplest terms, economic growth refers to an increase in aggregate production in an economy. Often, but not necessarily, aggregate gains in production correlate with increased average marginal productivity. That leads to an increase in incomes, inspiring consumers to open up their wallets and buy more, which means a higher material quality of life or standard of living.

MPX: Businesses and employees flourish

Kimberly Amadeo 2020 (Kimberly Amadeo has over 20 years of senior-level corporate experience in economic analysis and business strategy. She is the U.S. Economy expert for The Balance and is president of WorldMoneyWatch, which produces publications about the global economy that are easy to understand, succinct, and full of practical information) “Economic Growth, Its Measurements, Causes, and Effects” <https://www.thebalance.com/what-is-economic-growth-3306014>

Economic growth creates more profit for businesses. As a result, stock prices rise. That gives companies capital to invest and hire more employees. As more jobs are created, incomes rise. Consumers have more money to buy additional products and services. Purchases drive higher economic growth. For this reason, all countries want positive economic growth. This makes economic growth the most-watched economic indicator.

MPX: Poverty reduced and human development enhanced

Department for International Development 2008 (The Department for International Development was the government department of the United Kingdom responsible for administering overseas aid. The goal of the department was "to promote sustainable development and eliminate world poverty". Through the DAC Evaluation Resource Centre, the Network collected evaluation reports from all its members' development agencies to create an extensive resource that provides evaluators with evidence of what works and what does not.) “Growth: Building jobs and prosperity in developing countries” <https://www.oecd.org/derec/unitedkingdom/40700982.pdf>

Economic growth is the most powerful instrument for reducing poverty and improving the quality of life in developing countries. Both cross-country research and country case studies provide overwhelming evidence that rapid and sustained growth is critical to making faster progress towards the Millennium Development Goals – and not just the first goal of halving the global proportion of people living on less than $1 a day.

Growth can generate virtuous circles of prosperity and opportunity. Strong growth and employment opportunities improve incentives for parents to invest in their children’s education by sending them to school. This may lead to the emergence of a strong and growing group of entrepreneurs, which should generate pressure for improved governance. Strong economic growth therefore advances human development, which, in turn, promotes economic growth.

Negative Counter-Brief: Human Flourishing

The evidence in this brief is tailored to the negative case: the first section addresses the first contention, and the second section addresses the second contention. The two cards in the first section serve different purposes. Karen Campbell’s quote refutes the negative’s claim that government policies with the goal of stability are detrimental. Frank Shostak’s quote, on the other hand, is a source critique, showing that even though Shostak disagrees with the government trying to regulate economic stability, he still believes stability is necessary for a healthy economy. The second part of the brief becomes clear when we remember that the definition of economic growth is basically an increase in GDP. If you mentally substitute the phrase “growth” for “GDP” in each of the cards, it becomes clear that economic growth is not a good way to measure human flourishing. It is far too limited to achieve the value, as it ignores many crucial factors of flourishing that stability achieves. To sum up – even though economic growth might sound good at first, we find that prioritizing it above all else will ultimately be a detriment to society. But when stability is the goal, society flourishes, raising citizens’ quality of life.

A/T Government policies to bring stability do not work

Government spending is much more effective when focused on stability rather than growth

Karen A. Campbell 2009 (Karen Campbell, Ph.D., is Policy Analyst in Macroeconomics in the Center for Data Analysis at The Heritage Foundation) “The Economic Role of Government: Focus on Stability, Not Spending” <https://www.heritage.org/monetary-policy/report/the-economic-role-government-focus-stability-not-spending>

Government spending and government deficits automatically increase during economic downturns due to more demands on social-safety-net provisions and falling tax revenues. Such spending can have a stabilizing effect on the economy because it happens automatically rather than through legislative acts, and the money is spent at times it is needed most. Borrowing and spending to stimulate the economy using legislative discretion is much more difficult to time for the right moment, and is thus much riskier. The funds are often not spent until long after the downturn has taken place, and can prolong the downturn by crowding out productive investment and spending that would have otherwise occurred.

True stability is about being free from government interference

Frank Shostak 2019 (Frank Shostak is an Associated Scholar of the Mises Institute. His consulting firm, Applied Austrian School Economics, provides in-depth assessments and reports of financial markets and global economies. He received his bachelor's degree from Hebrew University, his master's degree from Witwatersrand University, and his PhD from Rands Afrikaanse University and has taught at the University of Pretoria and the Graduate Business School at Witwatersrand University.) “Does Economic Stability Contribute to Growth?” <https://mises.org/wire/does-economic-stability-contribute-growth>

True economic stability is not about keeping price fluctuations stable but rather keeping price fluctuations free from interference. Only in an environment free of government and central bank’s tampering with the economy can free fluctuations in relative prices take place. This in turn is going to allow businesses to abide by the wishes of consumers (i.e. will permit an efficient allocation of scarce resources). Fluctuations in prices are going to mirror changes in the relative supply-demand conditions.

For most economists, the key to healthy economic fundamentals is price stability. A stable price level, it is held, leads to the efficient use of the economy’s scarce resources and hence results in better economic fundamentals.

GDP is not an accurate indicator of human flourishing

Economic growth is an increase in GDP

Jim Chappelow 2019 (Jim Chappelow has 13 years of experience in economic development, forecasting, research, teaching, content creation, and strategic consulting. He has worked in the public sector as an economic development specialist and state labor market analyst. In academia, Jim has been a researcher and instructor in applied economics and strategic management at the University of Missouri and Southern New Hampshire University. He is a former Managing Economist and lead editor at ITR Economics. He has written and edited hundreds of reports, articles, and economic analyses for the general public, policy officials, academic audiences, and private consulting clients)“Economic Growth” <https://www.investopedia.com/terms/e/economicgrowth.asp>

Economic growth is an increase in the the production of economic goods and services, compared from one period of time to another. It can be measured in nominal or real (adjusted for inflation) terms. Traditionally, aggregate economic growth is measured in terms of gross national product (GNP) or gross domestic product (GDP), although alternative metrics are sometimes used.

GDP leaves out many important aspects of an economy

Kimberly Amadeo 2020 (Kimberly Amadeo has over 20 years of senior-level corporate experience in economic analysis and business strategy. She is the U.S. Economy expert for The Balance and is president of WorldMoneyWatch, which produces publications about the global economy that are easy to understand, succinct, and full of practical information) “Economic Growth, Its Measurements, Causes, and Effects” <https://www.thebalance.com/what-is-economic-growth-3306014>

GDP doesn't include unpaid services. It leaves out child care, unpaid volunteer work, or illegal black-market activities. It doesn't count the environmental costs. For example, the price of plastic is cheap because it doesn't include the cost of disposal. As a result, GDP doesn't measure how these costs impact the well-being of society. A country will improve its standard of living when it factors in environmental costs.

GDP growth is not a good gauge of societal health

Alana Semuels 2018 (Alana Semuels is a former staff writer at The Atlantic) “Does the Economy Really Need to Keep Growing Quite So Much?” <https://www.theatlantic.com/business/archive/2016/11/economic-growth/506423/>

Indeed, GDP measures activity in the economy, but there’s no way to know whether that activity is actually good for society. Merely sitting in traffic can cause GDP to go up, since people need to buy all that gas, but it has no societal benefit whatsoever, and additionally has negative consequences, such as pollution and frustration, that don’t show up in GDP at all. The BP oil-rig explosion, which killed 11, and the subsequent spill, which leaked 3 million barrels of oil into the Gulf, actually[lifted GDP](http://blogs.wsj.com/economics/2010/06/15/oil-spill-may-end-up-lifting-gdp-slightly/), analysts said, because of the amount of money spent cleaning it up.

GDP is not meant to be a measure of economic welfare

Chad Stone 2017 (Chad Stone is Chief Economist at the Center on Budget and Policy Priorities, where he specializes in the economic analysis of budget and policy issues. He was the acting executive director of the Joint Economic Committee of the Congress in 2007, chief economist for the Senate Budget Committee in 2001-02 and chief economist at the President’s Council of Economic Advisers from 1996 to 2001. Stone has been a senior researcher at the Urban Institute and taught for several years at Swarthmore College. He holds a Ph.D. in economics from Yale University) “Economic Growth: Causes, Benefits, and Current Limits” <https://www.cbpp.org/economy/economic-growth-causes-benefits-and-current-limits>

Faster growth in gross domestic product (GDP) expands the overall size of the economy and strengthens fiscal conditions. Broadly shared growth in per capita GDP increases the typical American’s material standard of living. But GDP is not meant to be a measure of economic welfare, and other considerations are important in fully assessing the costs and benefits of policy changes.

GDP measures the market value of goods and services produced in the country, but it captures only market activity and is not designed to be a measure of economic welfare.  A parent in the paid labor force contributes to GDP; one who stays home to take care of children or an aging family member does not, but, if the family hires someone to perform these same duties, that labor would contribute to GDP.  Health, safety, and environmental regulations can impose costs on businesses that may slow measured GDP growth, but any such costs must be compared with the benefits of better health, safer workplaces, and a cleaner environment that may not be captured in GDP.

Finally, a full assessment of the benefits of economic growth requires consideration of how widely Americans share in that economic growth.  There’s a big difference between growth like that we experienced between 1948 and 1973, which doubled living standards up and down the income distribution, and the growth accompanied by widening income inequality we’ve experienced since.

**Missing from growth are many aspects of wellbeing**

Alana Semuels 2018 (Alana Semuels is a former staff writer at The Atlantic) “Does the Economy Really Need to Keep Growing Quite So Much?” <https://www.theatlantic.com/business/archive/2016/11/economic-growth/506423/>

“Many of us think we would benefit from a multi-dimensional approach that captures things people care about,” Michael Spence, a Nobel Prize laureate who is also an emeritus professor at Stanford, told me. “Missing from growth are many things: health, distributional aspects of growth patterns, sense of security, freedoms of various kinds, leisure broadly defined, and more.”

Works Cited

1. ABC News 2018. (writer is Julia Macfarlane. She is a London-based reporter covering global affairs for ABC News. She began her career as a freelance photojournalist working in Indonesia, where she was born. She then moved to Beirut, Lebanon and worked for the BBC News bureau as a producer and TV journalist. A graduate of University of St. Andrews in Scotland, Macfarlane received her MA in English Literature.) 2 February 2018 “Why is the US still in Afghanistan?” https://abcnews.go.com/International/us-afghanistan/story?id=52763044