# A2 China AC

<http://www.clb.org.hk/en/content/minimum-wage-increases-2012-fail-provide-workers-living-wage>

<http://www.bloomberg.com/news/articles/2014-11-19/china-wages-policy-backfiring-as-cost-jump-means-sock-city-blues>

## Welfare CP

### Quick CP

#### The government of the People’s Republic of China should make its Di Bao social welfare program incentive-compatible and significantly expand its coverage and level of benefits. The Republic of China should invest heavily in public education.

#### Counterplan solves the aff.

Gan 13 [(Li, Texas A&M University, College Station, Texas USA Southwestern University of Finance and Economics, Chengdu, China) “Income Inequality and Consumption in China” 2013] AT

After a long period of market economy development and rapid economic growth, income inequality in China is among the highest in the world. The country’s household income Gini coefficient has reached a staggering 0.61. However, inequality in China is partly due to market competition. Employees are paid based on their output, and China’s population differs tremendously in both human capital and command of resources. Regional and urban/rural differences also contribute to the creation of inequality. Moreover, compared to OECD and other countries, China’s sparse government income transfers play a large role in its high inequality rate. China’s income inequality creates the problem of insufficient consumption. Although China’s overall household saving rate is rather high, most of the saving is carried out by the rich. Poor households have incentives to consume but face liquidity constraints. Therefore, a policy of solving income inequality becomes a policy of economic transition. It will help China move from an export and investment-driven economy to a domestic consumption–driven economy. In the short run, policies of reducing inequality must include an increase in income transfer programs; I believe that the Chinese government has the financial capabilities to do this. Furthermore, international experiences suggest the use of successful income transfer programs that are incentive compatible. These programs include both Condition Cash Transfer programs and Earned Income Tax Credits. China’s current leading social welfare program, Di Bao, can particularly benefit from reform by becoming incentive compatible. In the long run, the Chinese government should invest heavily in education. It is probably the only long-term solution to inequality of China.

### Standard CP

#### The government of the People’s Republic of China should expand the coverage of the existing Di Bao social welfare system to rural migrant workers; significantly increase its benefits; condition its benefits on its beneficiaries’ enrolling their children in school, undertaking work efforts, and gaining access to social services; and allow newly employed beneficiaries to receive benefits during a transitional period. The Republic of China should significantly increase its investment in public education. The counterplan is funded through expanding the use of state-owned enterprises’ profits, added revenue, and deficit spending.

#### Counterplan solves income inequality and poverty – international evidence and modeling proves

Gan 13 [(Li, Texas A&M University, College Station, Texas USA Southwestern University of Finance and Economics, Chengdu, China) “Income Inequality and Consumption in China” 2013] AT

In addition, China’s current income tax policies have done little to reduce income inequality. High-income families already carry a comparatively high tax burden: the top 20 percent of high-income households have an average tax rate of 6.4 percent, accounting for 91 percent of the total income tax paid by all households (Table 16). From the experience of OECD countries, transfer payments have played an effective role in eliminating income inequality and reducing poverty. Figure 4 indicates that most OECD countries successfully reduced their Gini coefficients through wealth redistribution using transfer payments. For instance, Germany’s Gini coefficient decreased from 0.5 to 0.3. According to a report released by the American Congressional Budget Office in 2009, through transfer payments, the annual household income of the bottom 20 percent percentile group grew from $7,600 to about $30,000, and the Gini coefficient decreased from 0.49 to 0.38.3 Similar effects can be seen in Latin American countries. Beginning in the early 1990s, Argentina’s income gap increased dramatically; by 2003, the annual average GDP per capita reached US$6,565 and the Gini coefficient approached 0.55.4 The government responded with a large-scale transfer payment policy that covered 20 percent of poor households in 2002. The income gap gradually narrowed. In 1994, Mexico’s GDP per capita was US$5,242 and the Gini coefficient reached 0.52. The government began to pursue the policy of making transfer payments in the 1990s, including a project named “Progresa,” which covered 500,000 households and aimed to support children’s education among poor families. Since the end of the 1990s, Mexico’s unemployment rate has decreased year by year, from 52 percent in 2000 to 48 percent in 2006. In 1989, Brazil’s GDP per capita was US$6,565 and its Gini coefficient reached 0.63.5 To narrow the income gap, the Brazilian government implemented transfer payment policies that allowed households to receive funds equaling 29 percent of their total income (Figure 5). Among these programs, the project “Bolsa Familia,” aimed at improving children’s education and adults’ health, covered about 1.1 million households, accounting for 50 percent of the nation’s poor families. Brazil’s Gini coefficient gradually decreased at the start of the twenty-first century. Relative to OECD countries, China devotes insufficient funds to social welfare programs. In 2011, China’s social welfare expenditure accounted only for 12.3 percent of public fiscal expenditure (excluding social insurance), compared with 36.6 percent in the United States (Table 17). As a consequence of low government spending, sufficient support is not available to poor families. According to CHFS data, if we define poor households as those whose average daily consumption is below US$1.25, then 70.8 percent of poor households did not receive any government subsidies in 2010. In addition, the coverage rate for social retirement insurance is too low. CHFS data suggest that 45 percent of households do not receive any retirement insurance or employer-provided retirement income. At the same time, the participation rate in social unemployment insurance is only 30 percent, and the unemployment payment equals just 17 percent of the average salary. Lastly, although the current health insurance system covers the majority of China’s population, the benefits received differ substantially because of varying premium contribution levels. Low-income families, unable to meet premiums, rarely receive any social welfare benefits. If the government can raise the social welfare standard of rural areas to that of urban areas, poor families would enjoy the same level of social welfare as wealthy families, greatly reducing income disparity. It is important to point out that the Chinese government has sufficient financial resources to undertake redistribution policies. One important source of additional revenue is profits from stateowned enterprises. According to data released by the Ministry of Finance, state-owned enterprises made 1.94 trillion yuan in 2012, yet only 4.2 percent (823 billion yuan) was turned in to the government. China’s state fiscal revenue reached 11.7 trillion yuan in 2012, a 12.8 percent increase from the previous year. Moreover, the government ran a low level of budget deficit at 1.5 percent of GDP in 2012. If the Chinese government uses 80 percent of state-owned enterprises’ profits (about 1.55 trillion yuan) and half of the newly added increased revenue at 0.75 trillion yuan, runs another 3 percentage point budget deficit at 1.5 trillion yuan, and uses 3.8 trillion yuan for income redistribution programs, it would have a significant effect on lowering income inequality in China. We calculate the Gini coefficient based on CHFS data under various funding methods. A subsidy to the bottom 60 percent of households could reduce China’s Gini coefficient from 0.61 to 0.40; the rural Gini coefficient could be reduced even further, from 0.60 to 0.27. If we design a more precise subsidy system, the transfer payment would have a more obvious effect on adjusting income disparity (Table 18).

### Long CP

#### The government of the People’s Republic of China should expand the coverage of the existing Di Bao social welfare system to rural migrant workers; significantly increase its benefits; condition its benefits on its beneficiaries’ enrolling their children in school, undertaking work efforts, and gaining access to social services; and allow newly employed beneficiaries to receive benefits during a transitional period. The Republic of China should significantly increase its investment in public education. The counterplan is funded through expanding the use of state-owned enterprises’ profits, added revenue, and deficit spending.

#### Solves the case – creates incentives to use social support and increase education, decreases unemployment, and solves poverty

Gan 13 [(Li, Texas A&M University, College Station, Texas USA Southwestern University of Finance and Economics, Chengdu, China) “Income Inequality and Consumption in China” 2013] AT

One major concern of income transfer policies is the possibility of creating welfare-dependent beneficiaries. However, experiences in both developed and developing countries suggest that it is entirely possible to have incentive-compatible programs. Two broad program categories are briefly discussed here: conditional cash transfer (CCT) and earned income tax credits (EITC). Conditional Cash Transfer (CCT) Conditional Cash Transfer (CCT) is a social welfare program that provides financial assistance to impoverished households, usually dependent on specific criteria receivers must meet. Such criteria may include enrolling children in school and gaining access to health care and other social services. CCT’s advantage is that it creates incentives for poor households to take actions that have positive social effects while aiding them in the process. Despite CCTs limited existence in China, CCT programs are popular in many other countries. Almost all Latin American countries have implemented some form of CCT program. CCT has played a significant role in helping poor households escape the poverty trap; improving children’s school enrollment, health, and nutrition; increasing poor households’ level of consumption; and reducing the poverty rate. In Mexico, over the course of two years, children who participated in CCT programs grew one centimeter taller than children not participating. The country’s dropout rates also declined by 24 percent, whereas high school graduation rates increased by 23 percent. Soon after Nicaragua’s “Red de Proteccion Social” (Social Security Network) program began, the rate of immunization increased by 18 percent. Similarly, in Ecuador, in just two years after CCT implementation, the secondary school enrollment rate increased by 10 percent and child labor decreased by 17 percent among beneficiary households. Additionally, CCT programs have been proven to increase the average rate of consumption among poor households, with growth rates ranging from 15 percent in Colombia to 30 percent in Honduras. CCTs also positively affect the reduction of income disparity and poverty. For example, poverty rates dropped by 10 percent and 7 percent in Mexico and Nicaragua, respectively, after the first two years of employing CCT programs. Comparatively, China has few programs similar to CCTs. One successful initiative is the national nutrition improvement program for rural students. The pilot project, initiated in 2011, includes 680 counties (cities) and 26 million students. The central government provides nutritional meal supplements equivalent to three yuan per student per day for primary and secondary students. As the funds are usually transferred to schools, however, monetary aid may not be spent entirely on students. In December 2011, UNICEF initiated a CCT pilot in several provinces in China, including Sichuan, Yunnan, Gansu, Hebei, and Guangxi, among others. It is the first nutrition and health CCT in China. The “Maternal and Child Health Integrated Project” and the “Mother and Child Health Promotion Project” will also be implemented at pilot sites. These programs aim to improve the utilization, quality, and efficiency of maternal and child health services in poor areas. Services will include prenatal examinations, nutritional supplements, hospital delivery, breastfeeding counseling and training, postpartum symptoms management, and immunization. The scale of these projects is small and no study of their effects is yet available. Adopting CCT programs in China is particularly important today. A large number of migrant workers and their families now live in cities. Whereas these workers are paid less relative to their urban counterparts in the hukuo, or household registration system, they actually have a higher cost of living because they have lower homeownership rates and are not part of the urban social safety network. As a result, migrant families spend only half as much as urban families on their children’s education. This disparity in education spending creates a real possibility of an intergenerational transmission of poverty. An effective way to solve this problem is to start a CCT program for migrant workers. The government could pay rural migrant families to send their children to schools and provide them with free meals similar to programs in rural areas. Additionally, the government might allow rural migrant workers in urban areas to be a part of the urban social safety network. Di Bao and Earned Income Tax Credits (EITC) In the United States, EITC is a proven incentive-compatible system. The program subsidizes those who work but earn low incomes. Thirty percent of American households have benefited from this program with an average $2,300 in annual benefits. The program has been shown to generate work incentives and enjoys support from both Democrats and Republicans. China can learn from such a program. Right now, the subsistence welfare system (Di Bao) is China’s leading social welfare program for the poor. The beneficiaries of the system are residents who have local hukou and whose household per capita income is lower than the local minimum standard. In addition to the Di Bao system, some other assistance initiatives include programs for workers laid off by state-owned enterprises; rural resident assistance in the form of food, clothing, medical care, housing, and burial expenses; and homeless relief. The coverage of these programs is relatively narrow, however, and they have a limited impact on income gap reduction. Di Bao is by far the largest program, covering 74.9 million people. Total government spending in 2011 was 66.5 billion yuan for the rural Di Bao program and 67.5 billion yuan for the urban Di Bao. (For comparative purposes, in 2011 the government spent 18.9 billion yuan on workers laid off from state-owned enterprises, 18.5 billion yuan on other rural resident assistance, and only 2 billion yuan on homeless relief.) Although Di Bao has enjoyed tremendous success as a major social welfare program in China by covering a large number of people who are in extreme poverty, it also has several problems. First, the benefits from Di Bao are insufficient. The program’s objective is to increase income over a certain threshold. If any household per capita income is lower than the threshold, Di Bao will fill in the gap. A typical threshold is set at a level that is far too low, that is, 20 percent to 25 percent of the local average income. In November 2012, the Di Bao monthly per capita expenditure was only 235 yuan in cities and 104 yuan in rural areas. Second, the Di Bao system is rather restrictive, based on hukou; poor migrant households are excluded from the urban Di Bao system. Meanwhile, as a migrant worker’s income is generally higher than someone still living in a rural area, he or she is not qualified to receive benefits from the rural Di Bao either. For migrant households, higher living costs in the cities crowd out education spending for their children. Without help, an intergenerational transmission of poverty is likely to occur. Third, the current Di Bao system creates “benefit dependency.” About 61 percent of the people who enjoy Di Bao benefits in urban areas have the ability to work. However, the current system discourages them from doing so. As mentioned earlier, the benefits cover the gap between beneficiaries’ income and the minimum subsistence level in most provinces, and they cover a 100 percent tax for incomes lower than the threshold level. The combined benefits may actually reinforce beneficiaries’ dependence on benefits. Additionally, the beneficiary status of Di Bao is a prerequisite for some other assistance policies. An increased income not only leads to an equal amount of reduction in Di Bao benefits that offsets the increase, but also disqualifies beneficiaries from other assistance programs when income exceeds minimum subsistence. This greatly impairs work incentives for Di Bao beneficiaries. I propose the creation of an incentive that is compatible with the Di Bao system. An immediate reform of the Di Bao would allow beneficiaries who have successfully found jobs to maintain their Di Bao benefits for a transitional period of at least one year, possibly more. The maximum length of the transitional period should be the subject of further research. I also suggest that a person’s Di Bao status should partially depend on his or her work efforts. For example, 50 percent or less of the Di Bao benefits could depend on the beneficiary’s participation in training, active job search, or the setting up of his or her own business. These types of requirements would also include Di Bao in the previously discussed CCT category.

### Education Solves

#### Education investment solves inequality

Gan 13 [(Li, Texas A&M University, College Station, Texas USA Southwestern University of Finance and Economics, Chengdu, China) “Income Inequality and Consumption in China” 2013] AT

In the long run, education is an important way of increasing human resource capital, and increasing the government’s investment in education is regarded as an effective means of providing more equal access to opportunities. Taking a long-term perspective, reducing educational inequality can reduce income inequality. By comparing the household income gap among different education levels, we can find that the income gap is smaller within the higher education group. The largest income disparity exists among the group whose household heads have only an elementary or below education level, showing a Gini coefficient of 0.56. The income gap is smaller within the group whose household heads have a college or above education level. This indicates that a difference in education level has a clear relation to income disparity (Table 19). Table 20 indicates that educational inequality contributes about 11 percent to income inequality as indicated by the Gini coefficient. At a rough estimate, if educational marginal returns remain unchanged and the educational level rises to the average American or OECD level, China’s Gini coefficient will fall to 0.44.

### A2 Spending DA

#### It’s feasible

Gan 13 [(Li, Texas A&M University, College Station, Texas USA Southwestern University of Finance and Economics, Chengdu, China) “Income Inequality and Consumption in China” 2013] AT

It is important to point out that the Chinese government has sufficient financial resources to undertake redistribution policies. One important source of additional revenue is profits from stateowned enterprises. According to data released by the Ministry of Finance, state-owned enterprises made 1.94 trillion yuan in 2012, yet only 4.2 percent (823 billion yuan) was turned in to the government. China’s state fiscal revenue reached 11.7 trillion yuan in 2012, a 12.8 percent increase from the previous year. Moreover, the government ran a low level of budget deficit at 1.5 percent of GDP in 2012. If the Chinese government uses 80 percent of state-owned enterprises’ profits (about 1.55 trillion yuan) and half of the newly added increased revenue at 0.75 trillion yuan, runs another 3 percentage point budget deficit at 1.5 trillion yuan, and uses 3.8 trillion yuan for income redistribution programs, it would have a significant effect on lowering income inequality in China.

## Econ DA/Solvency

### 1NC Econ DA

#### The plan kills cheap labor in China

Kaiser 11 [(commentator, cites Hal Sirkin, leader of the study and senior partner at BCG) “Cheap Labor in China Coming to an End” DailyTech] AT

Years ago, several U.S. manufacturers moved production plants to China in an effort to cut labor costs. However, the age of cheap labor in China is ending as annual wages for manufacturing workers continue to grow, and now, some of the larger plants in China are looking for a new home. Originally, toys, footwear, and textiles were among the first to go to China decades ago. With 1.3 billion people, cheap labor in China seemed unlimited at the time. But in the last two decades, this began to change as a "frenzied" infrastructure and housing build-out caused a flourishing economy that has grown nearly 12 percent per year. In addition, the Chinese government raised the minimum wage 14 percent to 21 percent this year alone in the five largest manufacturing provinces. "We've seen our wage costs in China go up nearly 50 percent in the last two years alone," said Charles Hubbs of Guangzhou Fortunique, which is a medical supply company for some of the United States' largest health care companies. "It's harder to keep workers on now, and it's more expensive to attract new ones. It's gotten to the point where I'm actively looking for alternatives. I think I'll be out of here entirely in a couple of years." But where will plants go to next? Countries like India, Laos, Cambodia and Vietnam are a few options for cheap labor. Also, some companies like Wham-O, a toy company, are returning to the U.S. Last year, Wham-O moved 50 percent of its Frisbee and Hula Hoop production to the U.S. According to a study by the Boston Consulting Group (BCG), China's average wage rate was 36 percent of the United States' in 2000, and by the end of 2010, this "gap" shrunk to 48 percent. By 2015, BCG predicts it will be 69 percent. "So while the discussion in the short term favors China, the spread is getting down to a smaller and smaller number," said Hal Sirkin, leader of the study and senior partner at BCG. "Increasingly, what you're seeing [in corporate boardrooms] is a discussion not necessarily about closing production in China but about 'Where I will locate my next plant?'" Production in China will not close entirely for most companies because even though labor costs have increased, they're still cheaper than most other places. Right now, the average manufacturing wage in China is about $3.10 an hour, while it is $22.30 in the United States. In the eastern part of China, it is about 50 percent more than the average $3.10 wage elsewhere.

#### That collapses the Chinese economy

Bremmer 11 [(Ian, American political scientist specializing in US foreign policy, states in transition, and global political risk. He is the president and founder of Eurasia Group, a political risk research and consulting firm) “The secret to China’s boom: state capitalism” Nov 4] AT

One of the biggest changes we’ve seen in the world since the 2008 financial crisis can be summed up in one sentence: Security is no longer the primary driver of geopolitical developments; economics is. Think about this in terms of the United States and its shifting place as the superpower of the world. Since World War II, the U.S.’s highly developed Department of Defense has ensured the security of the country and indeed, much of the free world. The private sector was, well, the private sector. In a free market economy, companies manage their own affairs, perhaps with government regulation, but not with government direction. More than sixty years on, perhaps that’s why our military is the most technologically advanced in the world while our domestic economy fails to create enough jobs and opportunities for the U.S. population. Contrast the U.S. and its free market economy with China’s system. For years now, that country has experienced double digit growth. Many observers would say that China’s embrace of capitalism since 1978, and especially since joining the World Trade Organization in 2001, has been responsible for its boom. They would be mostly wrong. In fact, a new study prepared for the U.S. government says it’s not capitalism that’s powering China, but state capitalism — China’s massive, centrally directed industrial policy, where the government positions huge amounts of capital and labor in economic sectors it intends to nurture. The study, prepared by consultants Capital Trade for the U.S.-China Economic and Security Review Commission, reads in part: In a world in which central planning has been so utterly discredited, it would be natural to conclude that the Chinese government and, by extension, the Chinese Communist Party have been abandoning the institutions associated with the communist economic system, such as reliance on state‐owned enterprises (SOEs), as fast as possible. Such conclusion would be wrong. In a G-zero world where no country can claim the mantle of international leadership, China has pulled an accomplished head fake. While the media focuses on China’s special economic zones, like Hong Kong and Macau, and the rise of the banker class and Chinese tech industry, state directed spending is the real engine of growth. Capital invested in infrastructure like factories, heavy industry, roadways, and high speed trains continues to power annual double digit growth in GDP. Reliable data from 2004 shows that 76% of Chinese non-financial firms are classified as State Owned Enterprises (firms with government ownership of greater than 10%). In short, while the U.S. has spent decades and vast treasure building up its defense system (and yes, by extension, the sectors of the economy that service it), China has spent its time and money building up control over the broad direction of its entire economy. In today’s world, where the first sentence of this essay rings true, which country currently looks better positioned to, pardon the pun, capitalize, in the years ahead? During last week’s euro zone bailout talks, French President Nicolas Sarkozy went hat in hand to China, painting a stark picture of China’s still-growing economic importance internationally. Never mind that the phone call didn’t result in any particular action; the mere act raised Chinese President Hu’s profile going into the G-20 talks in France this week. Not only that, the entreaty by Sarkozy made plain that China has nothing to hide about the economic path it’s chosen for itself. After decades of hectoring from the West, the tables are perhaps about to turn. After all, what economic model should China emulate? Europe’s? The United States’? “With all due respect,” you can almost hear President Hu saying, “we like the way our system is working, thanks.” There is, though, a fatal flaw with state capitalism. It works, and it will continue to work, until the day that it doesn’t. China’s economic growth is built on the back of cheap labor. As China’s wealth and per capita GDP (currently $4,400 compared to the U.S.’s $47,000) continues to rise, that labor will one day cease to be cheap — perhaps not compared to the U.S.’s, but certainly compared to the labor forces in India, Turkey and across Southeast Asia. This trend is already beginning, as we have seen multinational companies turn to countries like Indonesia, Vietnam, and Thailand for cheaper labor in the region. State capitalism requires that the state have access to a cheap good or service that has high value in trade. Saudi Arabia has oil, Argentina has mines. Reaching back further, as New Yorker writer John Cassidy has recently noted, the British had access to cheap Indian opium that 19th century China snapped right up. When China’s emperor protested the drugging of his people, the British sent warships to force its ports open. State capitalism, in other words, has a long history as midwife to economic powerhouses. China’s cheap resource continues to be its labor. The leadership there is going to protect that resource as long as it can, through any lever its government can control. When state capitalism breaks down, the results will be ugly if the government has not adequately braced the economy for fundamental change.

#### Chinese economic collapse causes CCP instability and crushes opportunity for reforms

Yep 9 [(Ray, Professor of Public Policy, Univ of Hong Kong) “Economic Downturn and Instability in China: Time for Political Reform?” SERIES: Brookings East Asia Commentary | Number 28 of 77, April 2009] AT

The existence of millions of disgruntled unemployed workers is a concern for any government, yet there are distinctive institutional features in China that make the regime particularly vulnerable to this threat. Decades of market reform have completely reshaped the nation’s mode of welfare delivery. The all-caring welfare philosophy of the pre-reform era, with the workplace supplying comprehensive support for its employees, is long gone. Though limited elements of a rudimentary welfare and entitlement system are present in the cities, an effective safety net for urban workers is still not on the horizon. The Chinese government is yet to hammer out a formula that fairly distributes burdens among employers, employees, and the state.¶ But it is the migrant workers, who receive no systematic support in times of need, who are the most at risk from the economic downturn. Rural-urban inequality is reflected not only in terms of discrepancy of life chances, income opportunities, and standards of living: the difference in welfare regime is also testament to the huge gap between the two worlds. Self-sufficiency is the defining feature of China’s rural welfare system, with peasants striving on their own to face economic ups and downs. With the economic and social systems in flux, and with no welfare system to serve as a tether, entitlement to the lease of land is crucial for the rural population. Land, and farming, provides a steady flow of income, cheap food, shelter, and most important of all, a sense of security. It is the last line of defense against economic disaster and a fall-back option for migrant workers.¶ However, in a severe downturn such as this one, when millions of these peasant workers eventually abandon their hopes in the cities and return home, many of them will have to face the cruel reality of landlessness. Many peasants lease out their lands when they take jobs in the cities, but others have been forced to surrender their land leases under less pleasant circumstances.¶ For revenue-hungry local governments, the sale of rural land is now a major source of income. More than one-third of revenue in county budgets now comes from land sales, which explains the general harmony between property developers, industrialists, and local officials in securing farmland for commercial purposes. As rural lands are “collectively owned”—Chinese peasants are entitled only to lease land for a fixed period of time and the ultimate control over land is in the hands of their “representatives,” village officials—peasants are simply at the mercy of local governments in defending their land leases. Waves of confrontation over land transfers in recent years attest to the general resentment of peasants against these transactions.¶ The effect of the Party’s latest decision in facilitating rural land transfers in alleviating tension remains uncertain. While the decision made in the 3rd Plenary Meeting of the 17th Party Congress held in October 2008 reiterates the peasants’ right to land contracts and allows greater flexibility in the exchange of land leases among peasants, specific policy prescriptions for regulating land requisition—the coercive sale of farmland for non-agricultural purpose by local governments—is missing.¶ The combination of presence of tens of million of frustrated, jobless, and landless people and the disposition of public security forces to sometimes employ excessive violence toward complainants appears to be the perfect recipe for confrontation and disturbance. The situation is so delicate that the Chinese government may consider it the lesser of two evils if some of these unemployed migrant workers prefer to stay in the cities. In light of such pent-up frustration, it may be reasonable to ponder the option of expanding avenues for public participation in governance, as this may help serve as a safety valve for releasing social tension. Charter 08, a petition released on December 10, 2008, represents the latest effort to articulate this theory. Originally signed by more than 300 university professors, entrepreneurs, writers, lawyers, and social activists, the document is a deliberate attempt to imitate the founding of the Charter 77 movement in Czechoslovakia. The Chinese document unleashes severe criticisms against the current political order in China:¶ “The political reality, which is plain for anyone to see, is that China has many laws but no rule of law; it has a constitution but no constitutional government. The ruling elite continues to cling to its authoritarian power and fights off any move toward political challenge. The stultifying results are endemic official corruption, an undermining of the rule of law, weak human rights, decays in public ethics, crony capitalism, growing inequality between the wealthy and the poor, pillage of the natural environment as well as of the human and historical environments, and the exacerbation of a long list of social conflicts, especially, in recent times, a sharpening animosity between officials and ordinary people.”¶ And the signatories go on to call for reforms enshrining the universal values of freedom, human rights, equality, republicanism, democracy, and constitutional rule. Unsurprisingly, the Chinese government has responded with coercive measures and a number of signers have been interrogated and held in police custody. Wu Bangguo, president of National People’s Congress, launched a further rebuttal to the initiative during the annual session of the Chinese legislature. In his report on National People’s Congress on March 9, 2009, he reiterated the distinctive path of Chinese democracy and excluded the possibility of implementing western ideas of bicameralism, multi-party rule, and separation of powers in China. In short, China will implement political reforms, but in its own style and pace.¶ It may be unfair to say that the Chinese government has been totally indifferent to popular demands for political reform. President Hu Jintao called democracy “the common pursuit of mankind” during his 2006 visit to the United States. And over the last three decades of market reforms, more than 250 new laws were passed, competitive elections have occurred widely at the village level across the countryside, and electoral experiments at the township and county levels were introduced. With the introduction of new laws like the Administrative Litigation Law, Chinese citizens do enjoy new leverage for redressing their grievances against the government. However, the bottom line for any form of political reform is that the Party’s dominance should never be challenged. As explained by Deng Xiaoping in the aftermath of Cultural Revolution in the late 1970s, “the Party did make mistakes, but it was the Party itself that corrected its mistakes.” The central message, echoed in Wu Bangguo’s work report, is that the Party alone should pick the opportune moment and formula for political modernization.¶ CCP: Economic stability as the key to social harmony¶ For the Party leadership under Hu Jintao, 2009 is hardly an ideal year for audacious change in political institutions. It is the twentieth anniversary of the 1989 Tiananmen Incident and the fiftieth anniversary of the Liberation of Tibet. As the global economic crisis continues, it will also be a year of social and economic dislocations. For Party leaders, “social harmony,” a synonym for maintenance of the status quo and suspension of diversity, is the priority. Contrary to the ideas of liberals who see political freedom and democracy as the solution to conflicts and tension, the Party regards economic stabilization as a more reliable option for preserving order.¶ Central to the response to the trying time ahead is a 4-trillion-yuan ($586 billion) plan to boost the national economy and a drastic increase in public expenditure, as outlined in Premier Wen Jiabao’s Report on Government Work to the NPC. Generous support has been bestowed upon sectors directly related to people’s livelihood. For example, the plan calls for an 18% increase in social security spending and similar rise in direct subsidies to farmers in 2009. Another 850 billion yuan will be allocated for medical and healthcare reforms over the next three years. These “people-centered” policies, as phrased by Wen, do not come cheap however. The 24% increase in public expenditure this year has to be financed by a deficit of 950 billion yuan ($139 billion), the largest since the founding of the People’s Republic of China in 1949. Yet, for the Party, this is an expensive but effective strategy of governance. For the Chinese leaders and the CCP, the unabated economic growth and steady rise in living standard over the last 30 years provided a new lease of life following the ideological bankruptcy of the 1970s; economic growth is the proven way to placate the people and preserve the Party’s legitimacy.¶ Political reforms that may help strengthen the administrative competence of the Chinese bureaucracy or contribute to a more business-friendly environment are deemed as relevant and thus welcomed by the regime. Political liberalization, as advocated by vocal intellectuals and dissidents in exile, is not. History tells us that those in power may contemplate sharing power when popular pressure for change has reached the boiling point and there is a threat of violent takeover. Social tension in China may have been rising and grievances against rampant corruption and social injustice are growing fast, but – given its tenacity and because success in delivering economic progress has remained by and large intact – it is debatable whether the Communist Party has already lost the mandate to rule and is prepared to concede to pressure for fundamental political reform. Realistically, an opening for political reforms will only emerge when the Party feels comfortable with its power position and is confident of its ability to control the pace and direction of those reforms. The turbulence and adversity inherent in the current global financial meltdown hardly seem conducive to these sentiments.

#### CCP collapse causes multiple global nuclear wars

Perkinson 12 Jessica Perkinson, Master School Of International Service American University , “The Potential For Instability in the PRC: How The Doomsday Theory Misses the Mark”

There are a number of areas of concern among China’s immediate regional neighbors and partners, including those on the Korean Peninsula, Taiwan, Japan, and India. Though China currently adheres to a strict foreign policy regime based on the Five Principles of Peaceful Coexistence151 and has been able to significantly advance their own interests internationally using this method, the potentially destabilizing effect that forced political reform could have on the country may derail their relations and security with their neighbors. Chief among these regional concerns are North Korea’s dependence on China’s exports, South Korea’s dependence on China’s North Korea deterrence and trade, the security and stability of the Taiwan Strait, Japan’s reliance on Chinese trade and message consistency regarding territorial disputes, and stability of the Sino-Indian border area. First, the stability of the Korean Peninsula rests in large part on the stability of China’s political system. Both North and South Korea have vested interests in the continued stability of the CCP for their own security. As is generally well-known in the international community, North Korea relies in large part on China superseding international trade sanctions not only for luxury goods, but for basic needs such as food and oil. For example, the United States led the charge and enacted its first set of sanctions against North Korea over two decades ago in response to the existence of fissile material on the Korean Peninsula and its risk for proliferation.152 Over time, these sanctions have been expanded upon and have attracted the support and participation of the United Nations Security Council (UNSC). Specifically, these sanctions have included blocked property and interests in property, banned transactions involving North Korean vessels and bans on reception of imports originating in North Korea.153 Though these sanctions have not encouraged the North Korean regime to change its policies (and in some cases have made them more militant), they have unfortunately had a devastating effect on the North Korean people, including depravation of access to critical resources such as medication, food and water and energy supplies such as oil.154 In addition, due to a succession of floods and droughts and the refusal of the international community to intervene in a country violating international laws, pervasive malnutrition has led to “up to one million excess deaths since the 1990’s.155 In order to maintain stability on the Peninsula and prevent the North Koreans from becoming desperate, China continues to export both luxury goods and basic commodities into North Korea. For example, in 2005, China accounted for 53% of North Korea’s international commerce. However, this has increased rapidly since sanctions have become stricter and have increased pressure in the country. In 2009, China accounted for 79% in North Korea’s international commerce and as of 2010 was up to 83% of North Korea’s $4.2 billion in trade156 in order to ease the effect of the existing international sanctions. In addition, China has been a facilitator of the Six-Party Talks, the primary international diplomatic forum for handling tensions on the Korean Peninsula. Countries involved in the Six-Party Talks include China, North Korea, Russia, the United States, South Korea and Japan, and the first round of talks was initiated and hosted by China, taking place in Beijing in August 2003.157 During the talks, China served as a moderator between the US and North Korea during tense times of debate, also insisting on certain thresholds of success before members could leave the talks, such as the drafting of diplomatic agreements158. Though the talks have remained in an on-and-off pattern over the last decade, China still makes consistent efforts to bring North Korea back to the diplomatic negotiations over their nuclear regime.159 South Korea’s dependence on China’s continued stability is twofold. Not only does South Korea rely on China’s continued deterrence of North Korean aggression both through diplomacy and satisfaction of their trade needs, but they also rely on China as a trade partner. For example, on November 23, 2010, North Korea fired dozens of missiles onto the South’s Yeonpyeong Island, killing two South Korean soldiers, significantly escalating tension on the Peninsula as South Korea threatened military retaliation for the attack.160 In response, China focused their energy on deterring an armed response by the South Koreans, which could have potentially led to protracted civil war between the two countries. Though the international community has expressed deep disagreement with China’s soft-line approach toward North Korea, it appears their understanding, ‘big-brother’ style of handling North Korean aggression toward South Korea has at least prevented a violent, protracted conflict, though not necessarily further North Korean acts of aggression.161 Not only does South Korea rely on the continued intervention of the Chinese in North-South relations, but they have a deep economic integration and dependence on Chinese trade. For example, in 2010, South Korea was China’s fourth-largest trading partner, exchanging goods of $207.2 billion, up 32.6% over 2009.162 In other words, both North and South Korea rely heavily on China not only for their continued economic prosperity, but also for the survival of their people and territorial security. Should the Chinese government undergo a period of reform and instability great enough to interrupt these benefits to the Korean Peninsula, the international system may be faced with a serious nuclear and conventional military conflict between North and South Korea. A second region that relies heavily on the continued stability of China’s government is the island of Taiwan. Because China and Taiwan have a long history of conflict over the status of Taiwan’s sovereignty, maintenance of stability in the Taiwan Strait continues to be an issue of critical interest to the international community as a whole. For example, in 1995, the third Taiwan Strait Crisis occurred in response to what may seem like a small event to the international community, but what was viewed by the Chinese as a grave threat to their sovereignty. In 1995, then-US President Bill Clinton allowed Taiwanese President Lee Teng-Hui to come and visit his alma-mater at Cornell University. Though the visit alone sparked some controversy between the US, China and Taiwan, the remarks made at Cornell by Lee Teng-Hui during an address tipped the security balance on the Taiwan Strait. In his address, Lee referred to Taiwan as the “Republic of China” on multiple occasions, and made references to “nation” and “country”.163 These events led the Chinese leadership to believe that the US was making overtures toward Taiwanese independence from the mainland. The following year, the PLA fired missiles off the coast of Taiwan, nearly drawing the international community – including the US – into a conflict on the Strait.164 Some scholars argue this was to deter the US from developing closer ties with Taiwan.165 However, since that incident, the Strait has remained relatively calm and stable, as the Taiwanese leadership under Ma Ying-jeou has remained very moderate in their stance on China-Taiwan relations and has been very careful not to make any inflammatory statements that could set off conflict on the Strait. However, a period of significant reform within the CCP could lend itself to instability on the Taiwan Strait. There is no guarantee that pro-independence factions within Taiwan would not take advantage of the CCP and PLA’s distraction with their own transformation to take dramatic, perhaps militaristic, steps toward independence. For example, during Taiwan’s most recent election cycle, the pro-independence candidate Tsai Ing-wen, though she lost the election, garnered enough support to make the government in mainland China nervous about her rise in support.166 The potential destabilization of the Taiwan Strait could spell disaster for the entire region, as other countries and allies could be pulled into a protracted conflict between the two regions. A third region that has a deep interest in China’s political stability is their neighbor Japan. Not only is Japan deeply integrated economically into the Chinese trade system, it also has a number of ongoing territorial disputes with the country. For example, in January 2007, total trade between China and Japan was $18.1 million. That amount spiked to $344.9 million in December, 2011 (an 1808.1% increase)167, a clear indicator that China and Japan are growing their trade dependence at an astounding rate. In addition, Japan and China continue to disagree over the status of some hotly contested territories, including the Diaoyu/Senkaku Islands. Not only do both countries have a territorial claim to the islands, but the area contains vast amounts of oil and natural gas resources that both countries want to develop. For example, it is estimated that the Japanese side of the disputed East China Sea area contains up to 500 million kiloliters of crude oil volume.168 As China is the world’s second-largest consumer of oil and Japan third, with Chinese demand for oil expected to rise 14% by 2025, these oil deposits are of crucial national security interest to both countries.169 Tension in the region has been rising as China has continued to press closer to the median line that Japan has drawn around the islands, at one point coming as close as five kilometers from the line.170 The consistency of the Chinese message on the status of these disputed territories, though tense and combative for the Japanese, have at least lent a level of predictability to China’s stance and actions. However, should the CCP undergo a period of instability and reform, and if their message or actions were to change regarding the status of these islands, it could cause a significant conflict over these territories between China and Japan, and could severely destabilize an already weakened Japanese economy. Much like the potential destabilization of the Taiwan Strait, the destabilization of the East China Sea region could draw the countries’ regional neighbors and international partners into a protracted conflict between the two nations. A fourth region that would be negatively affected by political destabilization in China is their southern neighbor, India. Though China and India are becoming increasingly reliant on one another economically, they still suffer from a number of serious areas of conflict, including a hotly contested border area and India’s support of the Dalai Lama and the Tibetan government-in-exile. In 1962, the PLA invaded India through the Arunachal Pradesh region, laying claim to portions of the Himalayas that had previously been under Indian control in what became known as the Sino-Indian War. Though the Chinese eventually called a cease-fire and withdrew from the region171, the conflict over it remains tense for a number of reasons, including access to water resources, forestry resources and China’s enduring theme of territorial integrity. Similar to the destabilization of the two regions mentioned above, the inconsistency of China’s message during a time of political destabilization or reform could lead the Indian military to either panic from the unpredictability of China’s potential actions or move to take the Arunachal Pradesh region by force. Not only could political instability in China cause a border conflict between India and China, but it could also cause an influx of Tibetans into the country, as India’s government is sympathetic to the Tibetan plight. Though China has labeled the Dalai Lama and his government-in-exile a separatist force working to separate Tibet from mainland China, India has provided the group sanctuary in Dharamsala, India.172 Abroad, the Dalai Lama continues to draw supporters from around the world, occasionally attracting Tibetans inside Tibet to make the treacherous journey across the Himalayas to Dharamsala. China, in turn, has taken up guarding this area in an attempt to prevent flows of Tibetans out of Tibet and into India to reach the Dalai Lama.173 However, should the CCP undergo a period of significant political reform, this could encourage Tibetans to either take advantage of the CCP’s distraction to seek independence by force, or could cause massive immigrant flows across the Sino-Indian border. Both China and India already have a regional example of destabilization due to immigrant flows, as China already suffers from this issue on its border with North Korea. In addition, any political stability within the CCP would spell disaster for the Indian economy, which is becoming increasingly reliant on China as a trading partner. Partially as a counterweight to the two nations’ conflict, India and China have been dramatically growing their bilateral trade in the last three decades. Though this has served to promote peace in the region and between the two giants in particular, it has also made India increasingly reliant on China’s continued stability for its economic prosperity. For example, in 1990, trade between India and China had bottomed out at near $0. However, this figure shot up drastically between 2000 and 2008 to around $35 billion174, with no sign of leveling off. It is obvious from these statistics that the two nations continue to build their trade dependency and that India’s economy is deeply intertwined with China’s. The consistency of China’s message on the contested border area, as well as the fairly stable environment surrounding the Tibetan dispute, lend at least some predictability to the disagreement between the two nations. However, if China were to undergo a period of political instability, this series of predictable messages and actions from China on these disagreements could change, and cause aggression from either side, destabilizing the region and India’ economy in the process. Outside of China’s immediate vicinity, there exist a number of countries that would be challenged by political instability in China. Due to intense and growing economic and military integration between China, the East Asian region and the world, these other countries have a significant reliance on the continued stability of the CCP. Chief among these global concerns are China’s growing integration with European countries and its continued commitment of foreign direct investment (FDI) into developing countries, primarily on the African continent.

### Outsourcing

#### Cheap labor will be outsourced to India – they don’t solve wage exploitation, they just move it to India

Castilla 10 [INDIA'S LIVING-WAGE GAP – Another modern slave work ethosmore by Alvaro De Regil Castilla Sustainable Human Development August 2010 The Jus Semper Global Alliance: Living wages north and south]

Undoubtedly, raising wages is anathema for the owners of the market: the financial institutional investors and their corporations. For a long time, they have been gaming the system to increase profiteering at the expense of all other stakeholders, with no regard whatsoever for their rather dire footprint. Such a thing is simply disregarded as the externalities of doing business, with no qualms for their lack of true social and environmental responsibilities. Thus, at the slightest sign of increase of China’s labour endowments, their anxiety for a potential loss of shareholder value increases exponentially. To this effect, Pritchett, a Harvard professor, responds to The Economist magazine’s question of whether the era of cheap Chinese labour is over, by pointing at India. He argues that assuming China's wages and other factors combine to push it up out of the niche, the impact on the global market hinges entirely on India. India has the demographic potential to fill in everything China leaves behind. So far they are still in the fat of the demographic pyramid, they are still substantially under-urbanised (three quarters rural), have had rapidly rising schooling levels, have an economy amazingly concentrated in services that could move into manufacturing, have incredibly low wages except at the very top end—and most obviously have more than a billion people. 12 The logic followed is that a large supply of workers in the world, clearly above demand, must expect low wages for their work. Nonetheless, this logic has largely been discredited by the indisputable fact that today’s neoliberal system operates under rather imperfect market conditions. Unlike the assumption of an ethos of perfect competition of such theory, we endure a global oligopolist system. These conditions are not a random event but the direct product of economic policies staunchly entrenched in a supply-side paradigm deliberately designed to boost shareholder value at the expense of workers’ compensations and to promote the oligopolisation of the system. Both China and India –who are still in transition into a neoliberal market ethos– fully subscribe to it. Therefore, it is quite likely that both India and China will continue to protect their so-called comparative advantage of rather low labour costs to attract more foreign direct investment (FDI) and to compete in the world with their own exports at the expense of their labour endowments. Although both countries are interested in developing their domestic markets, their leaders have not shown any evident interest in making the eradication of poverty a priority of their economic and social policies. They still see their vast pool of workers as a valuable strategic asset in the global market. In the 2009 Human Development Report, India ranked 134th and China 77th out of 182 countries. And in the case of India, in particular, although poverty has been decreasing, 42% lived below the poverty line of $1,25 a day in 2007 and 46% of children under the age of five were underweight in 2006.13 India, in fact, contains the largest concentration of poor people in the world.14 Yet, even if China continues to slowly increase real wages, as I have shown in my China assessment,15 so far it appears that India is ready to fulfil the demands of corporations for outsourced labour at hunger prices. This Darwinian logic imposes a tremendous downward pressure on the quality of life of many societies in the developing world, for governments have bet their sustainability in power on customary centre-periphery relationships. They put emphasis on the attraction of FDI by offering cheap labour at misery prices to global corporations. Neoliberal globalisation has globalised consumer markets, prices and access to labour pools, but wages, deliberately, have not been globalised. In this sense, the extremely low level of India’s and China’s wages and the weight of their huge pool of workers is a perfect strategic element used by corporations to maintain strong pressure on the manufacturing wages of other economies that compete for FDI, and periphery governments enthusiastically comply with providing their labour force under modern slave work conditions. In essence, the institutional investors and their corporations have successfully maintained a race to the lowest common denominator in real wages in much of the developing world. As could be expected, to maintain this rather unfair and unsustainable labour environment of misery wages, labour rights are customarily violated by governments and the private sector in their race to the bottom. Similarly, this logic has put a cap on the real wages of workers in the major economies. One emblematic example is the United States. According to the Economic Policy Institute, the so-called “new economy” has bypassed most working families in the U.S. and it has driven a wedge between productivity and living standards.16 This is the political economic ethos in which India’s labour endowments are immersed. From the perspective of Jus Semper’s The Living Wages North and South Initiative (TLWNSI), my assessment of wages for all employees in India’s manufacturing sector, between 1999 and 2005, finds that real wages growth has actually stagnated after a period of some improvement –in PPP terms. This has caused India’s manufacturing sector’s living wage gap to show minute improvement over a six-year period. Further assessment indicates that, if real wage increases continue at such a rate, there is no chance, whatsoever –in a hypothetical case– to ever close the gap between the current value of wages and the value of a living wage for manufacturing employees in India, vis-à-vis their U.S. counterparts, even under very stable global economic conditions; currently, a very unlikely event as the world’s capitalist system is increasingly being dominated by the Darwinian economics of global institutional financial market speculators. To close its enormous wage gap, India will need to forcefully embark on the implementation of a very specific economic policy of real wage appreciation in the same line as the programme that Brazil initiated this year for minimum wage appreciation.17 From TLWNSI’s perspective, as in the case of China, India’s real wages in the manufacturing sector are light years away from reaching the quality of what would constitute a living wage in its economy. Although India’s cost of living –in PPP terms– is about a third of the U.S., India’s manufacturing wages account, nominally, for barely 3% of U.S. wages in the sector. Thus, in real terms they account for less than 10% of what they ought to be. This makes the quality of these wages what constitutes, in today’s globalised economy, an outright modern slave work ethos.

### Global Econ Impact

#### Continued Chinese economic strength is key to global economic strength.

Lin 11 [Justin Yifu Lin (World Bank's chief economist and senior vice president for Development Economics). “Viewpoint: China, the 'leading dragon' of the world economy.” BBC News. 11/23/11. <http://www.bbc.co.uk/news/business-15861161>] AJ

Whether we are on the verge of an "Asian Century" or not, one thing is clear: there has already been a dramatic shift in the geographic centre of the global economy. China is now front and centre, and its role as a leading dragon can be beneficial for growth prospects for the world economy. The world desperately needs engines of growth right now, and fortunately - with continued strong and pragmatic economic policy making - China can provide that impetus. China is now the world's second biggest economy and the largest exporter of goods, with 9.6% of the global share, followed by Germany, the United States and Japan. China has an income per capita of $4,400 in current dollars and is well established as a high-middle income country. China's foreign reserves, which now exceed $3 trillion, are the largest in the world. Behind this rise, there has been a dramatic structural transformation entailing rapid industrialisation, a massive movement out of agriculture, and an impressive stretch of trade-related growth. Continue reading the main story “Start Quote Contagion from the Euro area... sagging demand in high-income countries... a double-dip recession in advanced countries cannot be ruled out as a downside risk” The 'advantage of backwardness' China has the potential to grow dynamically for another 20 years. This is in part because, as of 2008, the country still had a capita income that was just 21% of US per capita income - measured in purchasing power parity terms. This US-China income gap is evidence that a big technological gap still exists between China and the industrialised countries. China can continue to enjoy the advantage of backwardness before closing the gap. By 2030, China's income per head (measured in purchasing power parity) may reach about 50% of that in the United States. By then, China's economic size (in purchasing power parity terms) may be twice as large as the US; and measured at market exchange rates, China may be at least the same size as the US two decades from now. The challenges Chinese dragon in Tianamen Square China's economy is set to become a "lead dragon", says Justin Lin Yet China and other emerging markets must confront several serious challenges in the coming years. First, contagion from the Euro area and sagging demand in high-income countries could dampen hopes for moderate world growth over the next few years. Indeed, a double-dip recession in advanced countries cannot be ruled out as a downside risk. Nationally, China must tackle what amounts to a triple imbalance. Engineering a shift towards domestic demand and moving from an over-reliance on export-led growth represents the first rebalancing. The process should be balanced between consumption and continued strong growth in investment. The latter is critical for industrial upgrading, raising incomes, as well as developing "green economy" sectors and protecting the environment. The second rebalancing entails a structural transformation to reduce income disparities. In spite of the general improvement of living standards, China has shifted from a relatively egalitarian society in 1979 to a country with alarming income inequality. The Gini index [a common measure of social inequality] reached 41.5 in 2005, approaching the level of Latin American countries. The widening of disparity may threaten social stability and hinder economic growth. The third imbalance relates to environmental costs that have accompanied rapid growth. China needs to shift its stance vis-a-vis short-term growth and long-term environmental sustainability. The future structure of production must shift towards cleaner technologies. China's growing reach As a result of superior growth in the developing world, we are now in a multi-polar growth world, with economic weight shifting from the G7 economies [of seven leading industrialised nations] to developing economies. Continue reading the main story “Start Quote The gradual emergence of the Chinese Renminbi as a global reserve currency... is almost inevitable given the growing relative strength of China ” China's contributions to the multi-polar world are manifold. For high-income countries, China's growth will expand markets for their capital goods and intermediate goods exports. Many developing countries are still major producers of agricultural and natural resource commodities. Chinese consumption and production growth will continue to support adequate commodity prices and thus help these exporters. In addition, the Chinese government and Chinese firms will also provide funds for natural resource and infrastructure investment in emerging markets and low-income countries. This is already happening, and it is likely to continue. In particular, there is a growing role of Chinese finance in the Africa region - the developing region with the most constrained access to finance. Also, as China undergoes industrial upgrading, it will leave space for other developing countries to enter the more labour-intensive industries. Chinese enterprises are expected to relocate their existing production to other lower wage countries as they upgrade to higher value-added industries - just like Japan and East Asian economies did a few decade ago. The difference is that, because of its size, China may become a "leading dragon" for other developing countries instead of a "lead goose" in the traditional flying geese pattern of the international diffusion of industrial development. Over time, there is also the possibility of the gradual emergence of the Chinese Renminbi as a global reserve currency. This is something that would require many fundamental reforms in the Chinese economy; however, it is almost inevitable given the growing relative strength of China in the multi-polar world.

#### Economic collapse causes competition for resources and instability that triggers hotspots around the globe – co-opts all other causes of war

Harris and Burrows 9 Mathew, PhD European History @ Cambridge, counselor in the National Intelligence Council (NIC) and Jennifer is a member of the NIC’s Long Range Analysis Unit “Revisiting the Future: Geopolitical Effects of the Financial Crisis” <http://www.ciaonet.org/journals/twq/v32i2/f_0016178_13952.pdf> Increased Potential for Global Conflict

Of course, the report encompasses more than economics and indeed believes the future is likely to be the result of a number of intersecting and interlocking forces. With so many possible permutations of outcomes, each with ample Revisiting the Future opportunity for unintended consequences, there is a growing sense of insecurity. Even so, history may be more instructive than ever. While we continue to believe that the Great Depression is not likely to be repeated, the lessons to be drawn from that period include the harmful effects on fledgling democracies and multiethnic societies (think Central Europe in 1920s and 1930s) and on the sustainability of multilateral institutions (think League of Nations in the same period). There is no reason to think that this would not be true in the twenty-first as much as in the twentieth century. For that reason, the ways in which the potential for greater conflict could grow would seem to be even more apt in a constantly volatile economic environment as they would be if change would be steadier. In surveying those risks, the report stressed the likelihood that terrorism and nonproliferation will remain priorities even as resource issues move up on the international agenda. Terrorism’s appeal will decline if economic growth continues in the Middle East and youth unemployment is reduced. For those terrorist groups that remain active in 2025, however, the diffusion of technologies and scientific knowledge will place some of the world’s most dangerous capabilities within their reach. Terrorist groups in 2025 will likely be a combination of descendants of long established groups\_inheriting organizational structures, command and control processes, and training procedures necessary to conduct sophisticated attacks\_and newly emergent collections of the angry and disenfranchised that become self-radicalized, particularly in the absence of economic outlets that would become narrower in an economic downturn. The most dangerous casualty of any economically-induced drawdown of U.S. military presence would almost certainly be the Middle East. Although Iran’s acquisition of nuclear weapons is not inevitable, worries about a nuclear-armed Iran could lead states in the region to develop new security arrangements with external powers, acquire additional weapons, and consider pursuing their own nuclear ambitions. It is not clear that the type of stable deterrent relationship that existed between the great powers for most of the Cold War would emerge naturally in the Middle East with a nuclear Iran. Episodes of low intensity conflict and terrorism taking place under a nuclear umbrella could lead to an unintended escalation and broader conflict if clear red lines between those states involved are not well established. The close proximity of potential nuclear rivals combined with underdeveloped surveillance capabilities and mobile dual-capable Iranian missile systems also will produce inherent difficulties in achieving reliable indications and warning of an impending nuclear attack. The lack of strategic depth in neighboring states like Israel, short warning and missile flight times, and uncertainty of Iranian intentions may place more focus on preemption rather than defense, potentially leading to escalating crises. 36 Types of conflict that the world continues to experience, such as over resources, could reemerge, particularly if protectionism grows and there is a resort to neo-mercantilist practices. Perceptions of renewed energy scarcity will drive countries to take actions to assure their future access to energy supplies. In the worst case, this could result in interstate conflicts if government leaders deem assured access to energy resources, for example, to be essential for maintaining domestic stability and the survival of their regime. Even actions short of war, however, will have important geopolitical implications. Maritime security concerns are providing a rationale for naval buildups and modernization efforts, such as China’s and India’s development of blue water naval capabilities. If the fiscal stimulus focus for these countries indeed turns inward, one of the most obvious funding targets may be military. Buildup of regional naval capabilities could lead to increased tensions, rivalries, and counterbalancing moves, but it also will create opportunities for multinational cooperation in protecting critical sea lanes. With water also becoming scarcer in Asia and the Middle East, cooperation to manage changing water resources is likely to be increasingly difficult both within and between states in a more dog-eat-dog world.

### Econ Turns Gender

#### Turns case – economic downturn disemploys women

Merk 9 [Jeroen Merk, Clean Clothes Campaign & The Asia Floor Wage Campaign. “Stitching a Decent Wage Across Borders: The Asia Floor Wage Proposal”. 2009. pp. 1-66. AS 7/2/14]

Wages are low also because employers take advantage of cultural stereotypes that depict women as passive, flexible, and less likely to challenge management. In an industry that is dominated by women workers, often over 80 per cent of the workforce, this can have a significant downward impact on wage levels. This is no coincidence but a result of gender discrimination prevalent in garment producing countries, as in many other places. There are a number of gender-relat- ed factors that play a role in keep- ing wages low.¶ First, women are typically paid less than men because their income is seen as complementary to those of male[s] breadwinners. In reality, however, women workers often represent the sole income provid- ers for the household. This form of inequality is most clearly observed in the difference between men’s wages and women’s wages, often¶ referred to as the “gender pay gap”.22 Women are often paid less than men in the clothing industry, even if they do the same tasks.¶ One ILO study on gender wage differentials in Bangladesh found that women earn an average of 23.2 percent less per hour¶ than men.23¶ In Cambodia, ”women’s incomes may be up to 40 per cent lower than those of men”.24¶ Second, gender discrimination means that women workers – when they do have a permanent work contract - have fewer chances of promotion.¶ Third, women workers are over- represented in insecure jobs – causal, seasonal, subcontracted, and home-based. For employers, women workers often represent a ‘flexible’ layer and “serve as a buffer to accommodate just-in-time¶ ordering, fluctuations in orders and prices, and stiff competition among suppliers”.25 During economic downturns and recessions, women workers are most likely to be the first to lose their jobs.26¶ Finally, another but related reason why wages are low is that without a regular contract or any form of job security it is far more difficult for workers to participate in trade union activities to promote wage increases. And this is especially true for women workers, where cultural constraints can create obstacles for women workers to be activeor have their voice heard in trade unions, or to have the confi- dence or opportunity to speak out against (male-dominated) manage- ment. Gender-based harassment in factories is all too often an effective tool to keep women workers afraid and submissive.

## China Hukou DA

### Short Hukuo DA

#### Hukou system will collapse in the status quo

Ulrich 12 [(Jing Ulrich Managing Director, Chairman, Global Markets, China) “Urbanization, Hukou Reform and Investment Implications” HANDS-ON CHINA REPORT, March 13, 2012] AT

During China’s first three decades of economic reform, internal migration surged as poorer rural residents from the country’s interior sought better-paying jobs in China’s coastal areas. Although work in urban settings has lifted many migrant families from poverty, migrant workers’ rural household registration often limits their access to social benefits such as healthcare, pensions and free education for their children. These disadvantages are generally thought to increase the need for precautionary saving and thus limit household consumption for this large segment of the population. Several developments in recent weeks suggest that momentum toward reform of the household registration system (referred to as “hukou” in Mandarin Chinese) is accelerating: i) In late-February, the State Council released a circular on hukou reform (dated a year earlier), stating that migrant workers and their families should be entitled to apply for permanent residence permits or urban hukou in all county-and prefectural-level cities, provided that they meet basic criteria relating to employment, residence and social insurance contributions. The notice also stated that no new rules pertaining to hukou conversion should require that people relinquish their claims to rural land. ii) In his government work report at the opening of this year’s National People’s Congress (NPC), Premier Wen Jiabao emphasized that the government would “prudently carry forward the reform of the hukou system” and also deepen reforms of land, household registration and public services in the year ahead. At the National Rural Work Conference in December, the Premier indicated that regulations for implementing a national land compensation system would be issued in 2012. iii) On the sidelines of the NPC, China’s Vice Minister of Public Security said that his ministry is circulating a draft regulation for a new nationwide residence permit system for consultation, and intends to submit it to the State Council for approval within the year. A senior official of the National Development and Reform Commission (NDRC) also said that China should establish a cost-sharing mechanism to grant migrant workers equal access to social benefits and public services in cities.

#### The plan increases migration

Fu 14 [(Ben Fu, Postdoc, Beedie School of Business, Simon Fraser University; and Sophie Wang, Assistant Professor, China Center for Human Capital and Labor Market Research, Central University of Finance and Economics) “Rural-urban Migration and Minimum Wage – A Case Study in China”] AT

In this paper, we present a theoretical model with heterogeneous agents, endogenous internal migration, and endogenous labor markets, and calibrate this model to analyze the effects of China's minimum wage policy on its economic development and inequality issues within the country's urban and rural region. Because China's government adopted an urban-biased investment strategy since it was founded, the investment decisions are exogenous in the model as the source of inequality between urban and rural region. Nevertheless, as heterogeneous workers are looking for jobs in two regions (urban and rural region) and across four sectors (urban modern industry sector (UM), urban subsistence sector (US), rural modern industry sector (RM), and rural traditional agricultural sector (RA)), at equilibrium, high-ability rural workers go to the UM sector, while workers who stay in the RM sector may come from two discontinuous groups. All workers who are between the two groups have an incentive to migrate to the US sector. An enforced minimum wage may have different effects on the economy, depending on whether or not it is binding for migrant workers in the urban industrial sector. If not, the minimum wage policy replaces low-skilled urban UM workers with relatively high-skilled migrant workers, benefiting the whole economy. Otherwise it negatively affects the whole economy, while helping to slow down the inequality enhancement in cities. To achieve the second best outcome, full compensation of migrating costs should be given to the marginal migrant workers from the RM to the US sector, and the minimum wage should not be binding for migrant workers in the UM sector.

Continues

In spite of their positive influence on living standards and social inequality, it is commonly agreed that minimum wage laws reduce output because they produce unemployment. This paper suggests that minimum wage policy may be beneficial for a transitional economy in which labor is migrating from rural region to urban region and positive migrating costs occur. With a positive migrating cost, a binding minimum wage can cause relatively low productivity urban workers to be replaced by more productive rural migrants, and therefore increase aggregate output. Moreover, minimum wage policy can be used to affect migration flows and social inequality. The simulation results suggest that minimum wage policy may benefit the whole economy if it is only binding for urban workers but not for migrant workers in the urban industrial sector. Otherwise output is negatively affected. To achieve the second best outcome, governments should fully compensate the migrating costs for the marginal migrant workers who migrate from the rural industrial sector to the urban subsistence sector and a binding minimum wage should be imposed on the urban workers but not the migrant workers in the urban industrial sector.

#### That means hukuo stays

Chao 12 [(Professor Chien-min Chao, National Chengchi University Department of Social Sciences IMAS/ Fall 2012 Political Development of Mainland China) “The Hukou System: Why China Does Not Want to Abolish It”] AT

China’s population today is divided into two classes: rural and urban. Between them there is an undistinguished “floating” population of about 200 million people who travel from their official place of residency – the village – to the big coastal cities in search of work and better opportunities. They have no civic rights, no social benefits and no access to public services. They are just conveniently cheap labour for the expanding manufacturing industries that exploit and treat them like modern coolies. They also are Chinese but, as a matter of fact, are perceived as second class citizens. This sort of “apartheid” has been institutionalized with the introduction of the household registration system which officially identifies a person as a resident of an area, rural or urban. The initial purpose of it was to limit mass migration from the countryside to the cities, and ensure some structural stability to the country on its recovery. Over the last two decades, there have been many calls for reforms of the hukou system, both from within and outside of the country; and the government itself has repeatedly announced them. In the end, nothing has really changed for the better, in some cases things have worsened for the migrants, especially since the central authorities have delegated some of these issues to the cities. The Chinese saying “The thunder is loud, but the raindrops are tiny” ( ) rightly describes what has happened in this round of tentative hukou reforms. The internal mass migration in China started over thirty years ago, when the Chinese leadership announced dramatic reforms towards market economy and the opening to foreign investors. That first generation of migrants has endured hardships and deprivations that the second generation – more educated and aware of its own rights – is not willing to bear, and it has shown so by being very vocal towards local authorities and the government.

#### Hukou causes Chinese aggression and state instability

Hudson 14 [(Valerie M. Hudson is professor and George H.W. Bush chair in the Bush School of Government and Public Service at Texas A&M University. Andrea den Boer is a senior lecturer in International Relations at the University of Kent in the United Kingdom) “The security risks of China’s abnormal demographics”] AT

At the Third Plenum held in November 2013, the Chinese Communist Party announced the establishment of a new National Security Commission designed to increase state security and social stability and provide greater coordination between internal and external security. This linkage between internal and external security is one that security scholars and policymakers have not sufficiently recognized. While external issues such as relations with Japan, Taiwan and North Korea, and concerns related to China’s military power and nuclear weapons, are of major concern to those seeking peaceful relations with China, we argue that the security risks posed by China’s abnormal demographics must be taken into account when assessing China’s security. Fertility patterns, high birth-sex ratios and the resulting gender imbalance, when coupled with inequalities between rural and urban workers, have contributed to increases in societal instability characterized by a rise in violent crime, the numbers of secret societies and gangs, the levels of muscular nationalism, and prostitution and trafficking in women and children. These national effects, in turn, can have regional and international repercussions as they undermine national stability and security. According to China’s 2010 Census, men currently outnumber women by at least 34 million, an imbalance in large part due to China’s fertility policy (known as the one child policy) and a preference for sons. Despite government attempts to stop the use of sex-selective technologies to manipulate the sex of offspring, birth-sex ratios remain high (118-120 male babies for every 100 female babies born in 2010). The dearth of women among the young adult population is of particular concern to demographers, who estimate that the sex ratio of the marriageable population will continue to rise and will peak between 2030 and 2045, with the effect that at least 20 percent of men will be unable to marry. A surplus of 40-50 million bachelors throughout the mid- to late 21st century will have a significant effect on China’s stability and development as a nation: Male criminal behavior drops significantly upon marriage, and the presence of significant numbers of unmarriageable men is potentially destabilizing to societies. In the case of China, the fact that a sizeable percentage of young adult males will not be making that transition will have negative social repercussions, including increased crime, violent crime, crimes against women, vice, substance abuse and the formation of gangs that are involved in all of these antisocial behaviors. The high concentrations of involuntary bachelors, or bare branches, in China’s poorer provinces (there are already a significant number of “bachelor villages”) may also be exacerbated by the presence of ethnic minorities in these areas, where the gender imbalance may contribute to social tensions. Those who leave the unproductive rural areas to seek employment in urban areas are faced with problems created by China’s hukou (household registration) system, which denies access to economic and social benefits to illegal migrants in China’s “floating population.” The floating population is rapidly changing the landscape of China’s urban areas, and the Chinese government is aware of both the benefits and risks posed by internal migrants. The current floating population is young — 62 percent are under 35 and the majority of them have a junior high school level of education or less, and are only slightly more male (53 percent), although the sex composition of the floating population varies by geographic area and by employment sector. In Guangdong province alone, the male migrant population outnumbers the female population by 3.1 million. The gender imbalance of migrants in these areas may mean that these areas are at risk for higher levels of crime and greater social instability. An estimated 10 percent to 30 percent of the floating population participates in criminal secret societies known as black societies (heishehui), groups believed to account for the majority of criminal activity in China, or in “dark forces” (e’shili), the more loosely organized criminal gangs. At the moment, China views the rise in gangs and increased crime rates as local, not national, problems, although many gangs are operating both nationally and internationally, and often with the collaboration of local government officials, as demonstrated by the 2009-2010 crackdown in Chongqing. Compounding the situation is the March 2014 announcement of the state’s National New-Type Urbanization Plan, which aims to increase urbanization to 60 percent by 2020, and plans to ensure that 45 percent of those in urban areas have official urban status. This mandated aggregation of the population will not only deepen resentment among many urban and rural residents, but will also provide an improved logistical foundation for recruitment of the disaffected by groups with grievances against the current system. The ranks of the disaffected surely include China’s bare branches, who have been fodder for such groups throughout Chinese history. China’s demographic situation is further complicated by the increase in its aging population and the decline in the labor force. China is different from the other aging countries of the world in that a) it is not yet fully developed, b) most of its population is still poor, and c) it has the highest sex ratio in the world. By 2055, China’s elderly population will exceed the elderly population of all of North America, Europe and Japan combined, and this is exacerbated by the now declining working-age population. China’s impressive economic growth has been facilitated by its expanding working-age population: The population ages 15-64 increased by 55 percent between 1980 and 2005, but this age cohort is now in decline due to the declining fertility rate. In 2012, the working age population declined by 3.5 million and is expected to continue to decline unless there is a dramatic shift in China’s fertility rate. Aging will have a negative effect on economic growth through higher pension and healthcare costs, fewer low-income jobs, increased wage depression, slowing economic growth and job creation, declining interest from foreign investors, lower entrepreneurship, and higher budget deficits. Labor force declines also translate into lower tax revenues for governments, and if these governments are tempted by deficit financing, global financial stability may be compromised, according to the Center for Strategic and International Studies (CSIS) Commission on Global Aging. When we look at global aging, China’s aging, and the synergy between the likely economic effects of aging and the effects of abnormal sex ratios in China, the confluence is likely to be dangerous for the Chinese government. There appears to be an inevitable economic slowdown approaching in the global economy that will last well beyond the effects of the Great Recession of 2008, primarily due to aging trends in the most advanced economies. This global slowdown is likely to amplify the economic storm clouds already looming for China. A society with a masculinized young adult population, such as China’s, is likely to respond to significant economic hardship with heightened domestic instability and crime. As a result, the Chinese regime may be hard pressed to maintain its usual control over society and to meet this internal security challenge, the regime may well become more authoritarian. The Chinese government realizes that they must maintain the respect of their bare branch populations: a government perceived as weak invites the contempt of its society’s young men who might also exploit vulnerabilities to undermine the regime’s control over the country. Governments quickly learn they must react swiftly and aggressively in the wake of perceived slights and insults from other countries. A “virile” form of nationalism begins to creep into the government’s foreign policy rhetoric, and it is stoked domestically to keep the allegiance of young adult bare branches. Faced with worsening instability at home and an unsolvable economic decline, China’s government may well be tempted to use foreign policy to “ride the tiger” of domestic instability. The government’s fanning of nationalist fervor has already been seen in the dispute over the Diaoyu/Senkaku Islands, where large and violent protests around the country were accompanied by the dramatic public destruction of Japanese goods and strong expressed anti-Japanese sentiments. The recent minor relaxation of the one child policy announced at the Third Plenum will do little to address the imbalance in China’s population in future, but there is hope that this is the first of further changes to reduce state control of fertility. Even if sex ratios were rectified today, young adult sex ratios in China will result in a significant gender imbalance in the adult population for the next 30 years. The US needs to be aware of the possibility of greater internal instability if China experiences reduced economic growth, which may disproportionately affect the bare branch population. Furthermore, the U.S. needs to consider how China’s estimated 34-50 million bare branches figure in to the strategic trajectory of its relations with Japan and Russia, as well as nearby states with sizable proportions of bare branches themselves (such as India and Vietnam). U.S. policymakers should be aware that Chinese leaders may perceive a relatively short window of time for China to leverage its rise so as to maximize power and achieve its perceived national interests in the regional and international system. China’s high sex ratios are not a matter of concern for China alone; as former secretary of state Hillary Clinton noted, “the subjugation of women is a direct threat to the security of the United States,” and in this case, she is certainly correct.

#### Extinction

Etzioni 13 [Amitai, Professor of International Relations at George Washington University. “Preparing to Go to War With China” http://www.huffingtonpost.com/amitai-etzioni/preparing-to-go-to-war-wi\_b\_3533398.html]

If you have never heard of the Air-Sea Battle (ASB) concept, you are in the good company of most Americans. Since 2009 the Pentagon has been fleshing out this operational concept, which prepares the United States, among other contingencies, for an all-out war with China. You may say, "Wait a moment; surely the military has a contingency plan for everything, even for an alien invasion" -- and you would be correct. Air-Sea Battle, however, is moving beyond the contingency phase to implementation, including force restructuring and significant budget allocations, changes that are difficult to reverse once they are set in motion.¶ The challenges that led the Pentagon to develop Air-Sea Battle are indeed formidable. Military leaders point out that potential adversaries of the U.S. have acquired increasingly sophisticated "anti-access/area-denial (A2/AD) capabilities," which is Pentagon-speak for weapons and technologies that threaten the United States' freedom to enter, maneuver within, and defend the global commons "of the air, sea, cyberspace, and space." For instance, anti-ship missiles. In response, ASB calls for greater cooperation among the Navy, Air Force, Marines, and Army for the execution of "networked, integrated attacks-in-depth to disrupt, destroy, and defeat enemy anti-access area denial capabilities."¶ Officials emphasize that ASB is not directed at any one nation. However, no country has invested nearly as much in A2/AD as China and few international environments are more contested -- than the waters of the Asia-Pacific. Hence, while in the past the U.S. could send in a couple aircraft carriers as a credible display of force, as it did in 1996 when the Chinese conducted a series of missile tests and military exercises in the Strait of Taiwan, in the not-so-distant future Chinese anti-ship missiles could deny U.S. access to the region. Thus, it is not surprising that one senior Navy official overseeing modernization efforts stated that, "Air-Sea Battle is all about convincing the Chinese that we will win this competition." Critics of Air-Sea Battle warn that it is inherently escalatory and could even precipitate a nuclear war. Not only will the U.S.'s development of ASB likely accelerate China's expansion of its nuclear, cyber, and space weapons programs, but according to Joshua Rovner of the U.S. Naval War College, the early and deep inland strikes on enemy territory envisioned by the concept could be mistakenly perceived by the Chinese as preemptive attempts to take out its nuclear weapons, thus cornering them into "a terrible use-it-or-lose-it dilemma." Hence, some call for "merely" imposing a blockade on China along the first island chain (which stretches from Japan to Taiwan and through the Philippines) in order to defeat an aggressive China without risking a nuclear war.¶ Although Air-Sea Battle is often criticized as being a plan without a strategy, it actually reflects a major strategic shift, namely, to defeat China rather than accommodate its rise as a regional power. By seeking to guarantee the United States' unfettered access to China's backyard -- by a preemptive mainland strike if necessary -- Air-Sea Battle goes way beyond the containment strategy employed against the USSR and its allies during the Cold War. It merely sought to keep the USSR from expanding any further. Not to use military might to cow and if need be defeat the other side. The Pentagon is doing its job. It identified a new threat and is preparing to face it in the ways it knows how. In doing so, it is propelled by a strong preference within the military -- after more than a decade of being bogged down in Iraq and Afghanistan -- to fight conventional battles rather than dirty 'shadow' wars against terrorists and insurgents. And, one cannot help but assume, is egged on by defense contractors that stand to gain by producing all the new hardware.¶ The rub, as demonstrated by a study just published by yours truly in the Yale Journal of International Affairs, is that it seems the White House has not approved ASB -- because it has not yet reviewed it or developed a coherent China policy. It is not at all clear that civilian officials have weighed the Pentagon's assessment of the threat posed by China against input from other sources, such as the State Department, Treasury, and the intelligence community. Such a thorough review is called for, before the U.S. slips into a major military buildup without first testing the thesis that China is much too preoccupied with major domestic challenges of its own to become a global power or to consider confronting the United States. One thing is clear though: If you are a Chinese leader and read that the U.S. military is debating whether to hit the mainland of your country or "only" deprive China of the energy and raw materials it desperately needs by imposing a blockade, you are surely going to pursue a military buildup of your own. We hence face the danger that two major powers, each best served by focusing on problems at home, will again be caught up in preparations for war that may well end up in an all out military conflagration. Surely the ASB plan deserves public debate and a careful review on the highest level.

### Long Hukuo DA

#### Hukou system collapses in the status quo

Ulrich 12 [(Jing Ulrich Managing Director, Chairman, Global Markets, China) “Urbanization, Hukou Reform and Investment Implications” HANDS-ON CHINA REPORT, March 13, 2012] AT

During China’s first three decades of economic reform, internal migration surged as poorer rural residents from the country’s interior sought better-paying jobs in China’s coastal areas. Although work in urban settings has lifted many migrant families from poverty, migrant workers’ rural household registration often limits their access to social benefits such as healthcare, pensions and free education for their children. These disadvantages are generally thought to increase the need for precautionary saving and thus limit household consumption for this large segment of the population. Several developments in recent weeks suggest that momentum toward reform of the household registration system (referred to as “hukou” in Mandarin Chinese) is accelerating: i) In late-February, the State Council released a circular on hukou reform (dated a year earlier), stating that migrant workers and their families should be entitled to apply for permanent residence permits or urban hukou in all county-and prefectural-level cities, provided that they meet basic criteria relating to employment, residence and social insurance contributions. The notice also stated that no new rules pertaining to hukou conversion should require that people relinquish their claims to rural land. ii) In his government work report at the opening of this year’s National People’s Congress (NPC), Premier Wen Jiabao emphasized that the government would “prudently carry forward the reform of the hukou system” and also deepen reforms of land, household registration and public services in the year ahead. At the National Rural Work Conference in December, the Premier indicated that regulations for implementing a national land compensation system would be issued in 2012. iii) On the sidelines of the NPC, China’s Vice Minister of Public Security said that his ministry is circulating a draft regulation for a new nationwide residence permit system for consultation, and intends to submit it to the State Council for approval within the year. A senior official of the National Development and Reform Commission (NDRC) also said that China should establish a cost-sharing mechanism to grant migrant workers equal access to social benefits and public services in cities.

#### The plan increases migration

Fu 14 [(Ben Fu, Postdoc, Beedie School of Business, Simon Fraser University; and Sophie Wang, Assistant Professor, China Center for Human Capital and Labor Market Research, Central University of Finance and Economics) “Rural-urban Migration and Minimum Wage – A Case Study in China”] AT

In this paper, we present a theoretical model with heterogeneous agents, endogenous internal migration, and endogenous labor markets, and calibrate this model to analyze the effects of China's minimum wage policy on its economic development and inequality issues within the country's urban and rural region. Because China's government adopted an urban-biased investment strategy since it was founded, the investment decisions are exogenous in the model as the source of inequality between urban and rural region. Nevertheless, as heterogeneous workers are looking for jobs in two regions (urban and rural region) and across four sectors (urban modern industry sector (UM), urban subsistence sector (US), rural modern industry sector (RM), and rural traditional agricultural sector (RA)), at equilibrium, high-ability rural workers go to the UM sector, while workers who stay in the RM sector may come from two discontinuous groups. All workers who are between the two groups have an incentive to migrate to the US sector. An enforced minimum wage may have different effects on the economy, depending on whether or not it is binding for migrant workers in the urban industrial sector. If not, the minimum wage policy replaces low-skilled urban UM workers with relatively high-skilled migrant workers, benefiting the whole economy. Otherwise it negatively affects the whole economy, while helping to slow down the inequality enhancement in cities. To achieve the second best outcome, full compensation of migrating costs should be given to the marginal migrant workers from the RM to the US sector, and the minimum wage should not be binding for migrant workers in the UM sector.

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In spite of their positive influence on living standards and social inequality, it is commonly agreed that minimum wage laws reduce output because they produce unemployment. This paper suggests that minimum wage policy may be beneficial for a transitional economy in which labor is migrating from rural region to urban region and positive migrating costs occur. With a positive migrating cost, a binding minimum wage can cause relatively low productivity urban workers to be replaced by more productive rural migrants, and therefore increase aggregate output. Moreover, minimum wage policy can be used to affect migration flows and social inequality. The simulation results suggest that minimum wage policy may benefit the whole economy if it is only binding for urban workers but not for migrant workers in the urban industrial sector. Otherwise output is negatively affected. To achieve the second best outcome, governments should fully compensate the migrating costs for the marginal migrant workers who migrate from the rural industrial sector to the urban subsistence sector and a binding minimum wage should be imposed on the urban workers but not the migrant workers in the urban industrial sector.

#### That keeps the hukuo system in place

Chao 12 [(Professor Chien-min Chao, National Chengchi University Department of Social Sciences IMAS/ Fall 2012 Political Development of Mainland China) “The Hukou System: Why China Does Not Want to Abolish It”] AT

China’s population today is divided into two classes: rural and urban. Between them there is an undistinguished “floating” population of about 200 million people who travel from their official place of residency – the village – to the big coastal cities in search of work and better opportunities. They have no civic rights, no social benefits and no access to public services. They are just conveniently cheap labour for the expanding manufacturing industries that exploit and treat them like modern coolies. They also are Chinese but, as a matter of fact, are perceived as second class citizens. This sort of “apartheid” has been institutionalized with the introduction of the household registration system which officially identifies a person as a resident of an area, rural or urban. The initial purpose of it was to limit mass migration from the countryside to the cities, and ensure some structural stability to the country on its recovery. Over the last two decades, there have been many calls for reforms of the hukou system, both from within and outside of the country; and the government itself has repeatedly announced them. In the end, nothing has really changed for the better, in some cases things have worsened for the migrants, especially since the central authorities have delegated some of these issues to the cities. The Chinese saying “The thunder is loud, but the raindrops are tiny” ( ) rightly describes what has happened in this round of tentative hukou reforms. The internal mass migration in China started over thirty years ago, when the Chinese leadership announced dramatic reforms towards market economy and the opening to foreign investors. That first generation of migrants has endured hardships and deprivations that the second generation – more educated and aware of its own rights – is not willing to bear, and it has shown so by being very vocal towards local authorities and the government.

#### Independently, migration resulting from minimum wage results in econ collapse and shores up the hukuo system

Lam 11 [(Cory, Dezan Shira & Associates’ Shanghai office as an assistant manager for operations) “Hukou System Reform Key to China’s Economic and Social Stability” China Briefing July 12, 2011] AT

The hukou system was initially set up as a means to control the potential surge of migrants from rural to urban areas, during a time when China’s economy was developing rapidly and growth was somewhat concentrated on the east coast around major business hubs like Shanghai, Beijing and Guangzhou. However, given that the new Five Year Plan places significant emphasis on addressing migrant worker issues in the country, many critics have voiced concerns that this model is no longer viable for the new direction of growth that China is pursuing. In a report published in April, the American Chamber of Commerce in China predicted that “population shifts will provide a structural impetus for wages to grow faster than real GDP in the medium term. However, the household registration (hukou) system and inequity of social welfare between urban and rural areas will continue to limit the flexibility of the labor market.” In order for China to continue their quest for a balanced development throughout the country’s vast geographical regions, retaining quality and educated workforces in the right places will be a key concern for the country’s leaders and employers alike. As the government continues to concentrate their efforts on developing the western and central regions in China, the current trends actually indicate that more rural workers are opting to stay in their hometowns due to rising living costs in large cities and to avoid the hassles of living without an urban hukou – at the same time allowing them to stay closer to their families. Ironically, the larger cities are now hoping to reverse this phenomenon by consistently raising minimum wages and offering urban hukou status to select individuals, although the idea behind this would not be new.

#### Turns case – hukuo causes structural poverty and economic instability

Qi 13 [(LIyan, author, cites conference hosted by the government’s Chinese Academy of Social Sciences) “Is Hukou Reform the Key to Reviving China’s Economy?” WSJ Aug 19 2913] AT

As China’s growth slows toward a 20-year low, leaders are searching for a way to revive the economy’s flagging fortunes. The suggestion from some of China’s top policy wonks: reform the hukou system. That was the message that came through loud and clear from a meeting of top academics and policy advisers at a conference hosted by the government’s Chinese Academy of Social Sciences on Friday. China’s hukou system — a social management system that ties benefits like health care and pensions to a person’s place of birth — prevents 200 million-plus migrant workers from fully participating in the labor market, said Cai Fang, director of the Institute of Population Studies at the Chinese Academy of Social Sciences. “Migrant workers don’t have the same benefits as the urban residents,” Mr. Cai said at the economic forum in Beijing, and “that has significantly limited their participation in the labor market.” That is because without access to health care, pensions or education for their children in their host city, migrants must return to their hometowns to settle down and raise a family. Reforms that allow migrants to tap urban benefits could boost the size of the labor force, supporting China’s growth, Mr. Cai said. If the labor participation rate — economist speak for the share of the working-age population that is actually working — rises by one percentage point each year from 2011 to 2020, it would lift China’s economic growth potential by 0.88 percentage point each year, he added. And that reform might not cost as much as some fear. The average cost for a migrant worker to become a urban resident is about 2,500 yuan ($409) each year, and the total fiscal costs over the 15 years between 2015 and 2030 are estimated 48% of the nation’s total fiscal revenue in 2012, Kam Wing Chan, a professor from the University of Washington, said at the CASS event. “Plus, at the beginning of the transition, those workers are net contributors to the economy, just like the undocumented immigrants in the U.S.,” Mr. Chan said, noting that because migrants are typically young and without children, the costs of providing them health care, pensions and education is relatively low.

#### Hukou causes Chinese aggression and state instability

Hudson 14 [(Valerie M. Hudson is professor and George H.W. Bush chair in the Bush School of Government and Public Service at Texas A&M University. Andrea den Boer is a senior lecturer in International Relations at the University of Kent in the United Kingdom) “The security risks of China’s abnormal demographics”] AT

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Fertility patterns, high birth-sex ratios and the resulting gender imbalance, when coupled with inequalities between rural and urban workers, have contributed to increases in societal instability characterized by a rise in violent crime, the numbers of secret societies and gangs, the levels of muscular nationalism, and prostitution and trafficking in women and children. These national effects, in turn, can have regional and international repercussions as they undermine national stability and security. According to China’s 2010 Census, men currently outnumber women by at least 34 million, an imbalance in large part due to China’s fertility policy (known as the one child policy) and a preference for sons. Despite government attempts to stop the use of sex-selective technologies to manipulate the sex of offspring, birth-sex ratios remain high (118-120 male babies for every 100 female babies born in 2010). The dearth of women among the young adult population is of particular concern to demographers, who estimate that the sex ratio of the marriageable population will continue to rise and will peak between 2030 and 2045, with the effect that at least 20 percent of men will be unable to marry. A surplus of 40-50 million bachelors throughout the mid- to late 21st century will have a significant effect on China’s stability and development as a nation: Male criminal behavior drops significantly upon marriage, and the presence of significant numbers of unmarriageable men is potentially destabilizing to societies. In the case of China, the fact that a sizeable percentage of young adult males will not be making that transition will have negative social repercussions, including increased crime, violent crime, crimes against women, vice, substance abuse and the formation of gangs that are involved in all of these antisocial behaviors. The high concentrations of involuntary bachelors, or bare branches, in China’s poorer provinces (there are already a significant number of “bachelor villages”) may also be exacerbated by the presence of ethnic minorities in these areas, where the gender imbalance may contribute to social tensions. Those who leave the unproductive rural areas to seek employment in urban areas are faced with problems created by China’s hukou (household registration) system, which denies access to economic and social benefits to illegal migrants in China’s “floating population.” The floating population is rapidly changing the landscape of China’s urban areas, and the Chinese government is aware of both the benefits and risks posed by internal migrants. The current floating population is young — 62 percent are under 35 and the majority of them have a junior high school level of education or less, and are only slightly more male (53 percent), although the sex composition of the floating population varies by geographic area and by employment sector. In Guangdong province alone, the male migrant population outnumbers the female population by 3.1 million. The gender imbalance of migrants in these areas may mean that these areas are at risk for higher levels of crime and greater social instability. An estimated 10 percent to 30 percent of the floating population participates in criminal secret societies known as black societies (heishehui), groups believed to account for the majority of criminal activity in China, or in “dark forces” (e’shili), the more loosely organized criminal gangs. 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Aging will have a negative effect on economic growth through higher pension and healthcare costs, fewer low-income jobs, increased wage depression, slowing economic growth and job creation, declining interest from foreign investors, lower entrepreneurship, and higher budget deficits. Labor force declines also translate into lower tax revenues for governments, and if these governments are tempted by deficit financing, global financial stability may be compromised, according to the Center for Strategic and International Studies (CSIS) Commission on Global Aging. When we look at global aging, China’s aging, and the synergy between the likely economic effects of aging and the effects of abnormal sex ratios in China, the confluence is likely to be dangerous for the Chinese government. There appears to be an inevitable economic slowdown approaching in the global economy that will last well beyond the effects of the Great Recession of 2008, primarily due to aging trends in the most advanced economies. This global slowdown is likely to amplify the economic storm clouds already looming for China. A society with a masculinized young adult population, such as China’s, is likely to respond to significant economic hardship with heightened domestic instability and crime. As a result, the Chinese regime may be hard pressed to maintain its usual control over society and to meet this internal security challenge, the regime may well become more authoritarian. The Chinese government realizes that they must maintain the respect of their bare branch populations: a government perceived as weak invites the contempt of its society’s young men who might also exploit vulnerabilities to undermine the regime’s control over the country. Governments quickly learn they must react swiftly and aggressively in the wake of perceived slights and insults from other countries. A “virile” form of nationalism begins to creep into the government’s foreign policy rhetoric, and it is stoked domestically to keep the allegiance of young adult bare branches. Faced with worsening instability at home and an unsolvable economic decline, China’s government may well be tempted to use foreign policy to “ride the tiger” of domestic instability. The government’s fanning of nationalist fervor has already been seen in the dispute over the Diaoyu/Senkaku Islands, where large and violent protests around the country were accompanied by the dramatic public destruction of Japanese goods and strong expressed anti-Japanese sentiments. The recent minor relaxation of the one child policy announced at the Third Plenum will do little to address the imbalance in China’s population in future, but there is hope that this is the first of further changes to reduce state control of fertility. Even if sex ratios were rectified today, young adult sex ratios in China will result in a significant gender imbalance in the adult population for the next 30 years. The US needs to be aware of the possibility of greater internal instability if China experiences reduced economic growth, which may disproportionately affect the bare branch population. Furthermore, the U.S. needs to consider how China’s estimated 34-50 million bare branches figure in to the strategic trajectory of its relations with Japan and Russia, as well as nearby states with sizable proportions of bare branches themselves (such as India and Vietnam). U.S. policymakers should be aware that Chinese leaders may perceive a relatively short window of time for China to leverage its rise so as to maximize power and achieve its perceived national interests in the regional and international system. China’s high sex ratios are not a matter of concern for China alone; as former secretary of state Hillary Clinton noted, “the subjugation of women is a direct threat to the security of the United States,” and in this case, she is certainly correct.

#### Extinction

Etzioni 13 [Amitai, Professor of International Relations at George Washington University. “Preparing to Go to War With China” http://www.huffingtonpost.com/amitai-etzioni/preparing-to-go-to-war-wi\_b\_3533398.html]

If you have never heard of the Air-Sea Battle (ASB) concept, you are in the good company of most Americans. Since 2009 the Pentagon has been fleshing out this operational concept, which prepares the United States, among other contingencies, for an all-out war with China. You may say, "Wait a moment; surely the military has a contingency plan for everything, even for an alien invasion" -- and you would be correct. Air-Sea Battle, however, is moving beyond the contingency phase to implementation, including force restructuring and significant budget allocations, changes that are difficult to reverse once they are set in motion.¶ The challenges that led the Pentagon to develop Air-Sea Battle are indeed formidable. Military leaders point out that potential adversaries of the U.S. have acquired increasingly sophisticated "anti-access/area-denial (A2/AD) capabilities," which is Pentagon-speak for weapons and technologies that threaten the United States' freedom to enter, maneuver within, and defend the global commons "of the air, sea, cyberspace, and space." For instance, anti-ship missiles. In response, ASB calls for greater cooperation among the Navy, Air Force, Marines, and Army for the execution of "networked, integrated attacks-in-depth to disrupt, destroy, and defeat enemy anti-access area denial capabilities."¶ Officials emphasize that ASB is not directed at any one nation. However, no country has invested nearly as much in A2/AD as China and few international environments are more contested -- than the waters of the Asia-Pacific. Hence, while in the past the U.S. could send in a couple aircraft carriers as a credible display of force, as it did in 1996 when the Chinese conducted a series of missile tests and military exercises in the Strait of Taiwan, in the not-so-distant future Chinese anti-ship missiles could deny U.S. access to the region. Thus, it is not surprising that one senior Navy official overseeing modernization efforts stated that, "Air-Sea Battle is all about convincing the Chinese that we will win this competition." Critics of Air-Sea Battle warn that it is inherently escalatory and could even precipitate a nuclear war. Not only will the U.S.'s development of ASB likely accelerate China's expansion of its nuclear, cyber, and space weapons programs, but according to Joshua Rovner of the U.S. Naval War College, the early and deep inland strikes on enemy territory envisioned by the concept could be mistakenly perceived by the Chinese as preemptive attempts to take out its nuclear weapons, thus cornering them into "a terrible use-it-or-lose-it dilemma." Hence, some call for "merely" imposing a blockade on China along the first island chain (which stretches from Japan to Taiwan and through the Philippines) in order to defeat an aggressive China without risking a nuclear war.¶ Although Air-Sea Battle is often criticized as being a plan without a strategy, it actually reflects a major strategic shift, namely, to defeat China rather than accommodate its rise as a regional power. By seeking to guarantee the United States' unfettered access to China's backyard -- by a preemptive mainland strike if necessary -- Air-Sea Battle goes way beyond the containment strategy employed against the USSR and its allies during the Cold War. It merely sought to keep the USSR from expanding any further. Not to use military might to cow and if need be defeat the other side. The Pentagon is doing its job. It identified a new threat and is preparing to face it in the ways it knows how. In doing so, it is propelled by a strong preference within the military -- after more than a decade of being bogged down in Iraq and Afghanistan -- to fight conventional battles rather than dirty 'shadow' wars against terrorists and insurgents. And, one cannot help but assume, is egged on by defense contractors that stand to gain by producing all the new hardware.¶ The rub, as demonstrated by a study just published by yours truly in the Yale Journal of International Affairs, is that it seems the White House has not approved ASB -- because it has not yet reviewed it or developed a coherent China policy. It is not at all clear that civilian officials have weighed the Pentagon's assessment of the threat posed by China against input from other sources, such as the State Department, Treasury, and the intelligence community. Such a thorough review is called for, before the U.S. slips into a major military buildup without first testing the thesis that China is much too preoccupied with major domestic challenges of its own to become a global power or to consider confronting the United States. One thing is clear though: If you are a Chinese leader and read that the U.S. military is debating whether to hit the mainland of your country or "only" deprive China of the energy and raw materials it desperately needs by imposing a blockade, you are surely going to pursue a military buildup of your own. We hence face the danger that two major powers, each best served by focusing on problems at home, will again be caught up in preparations for war that may well end up in an all out military conflagration. Surely the ASB plan deserves public debate and a careful review on the highest level.

### Ilaw Impact

#### It’s illegal under multiple treaty obligations

Lijiang 3 [(zhu, Candidate for LL.D., Peking University Law School) “The Hukou System of the People's Republic of China: A Critical Appraisal under International Standards of Internal Movement and Residence” Chinese Journal of International Law (2003) 2 (2): 519-565] AT

The freedom of internal movement and residence is a basic human right. It is no longer a domestic matter. On the contrary, it has been dealt with by the international community. International human rights law contains this freedom through treaties, custom, and other sources. It has been laid down in a variety of international human rights treaties, whether global or regional. The relevant treaties have established a set of international standards for this freedom. Though the relevant treaties recognize that State Parties have the discretion to restrict this freedom in time and place, the relationship between right and restriction shall not be reversed and used to erode the substance of the freedom of internal movement and residence. Any restriction on the freedom shall not be interpreted to substantially deprive the citizens of this freedom. It shall meet the principle of legality and be consistent with the enjoyment of other human rights stipulated in the relevant treaties. In addition, the discretion of the State Parties to make restrictions is not unfettered. Internationally recognized treaty standards on those restrictions are the principle of non-discrimination, the principle of proportionality and the principle of restrictive interpretation. These restrictions are not exhausted and emerging in other forms. All the registration requirements for the citizens to move from one place to another and reside there do not deprive them of the enjoyment of this freedom. However, some registrations or permission requirements are so severe that they violate this freedom, as the Human Rights Committee elucidated in some cases and General Comments. All the registration requirements for the citizens to move from one place to another and reside there do not deprive them of the enjoyment of this freedom. The PRC's hukou system is a comprehensive social system setting up the barrier between the rural areas and urban areas for the citizens. Though it is being reformed, the main framework of it still exists. The system requires the peasants living in the rural areas to obtain permission in order to live in the cities, and the residents living in the urban areas to obtain permission in order to live in the rural areas. The requirements for granting such permission are so severe in nature that they make it impossible for the citizens living separately in the rural and urban areas to move and reside freely. The system violates the internationally recognized treaty standards on the freedom of internal movement and residence. The treaty standards violated are the principle of legality, the principle of non- discrimination, the principle of proportionality, as well as the infringement of other rights recognized by the treaties. In addition, the hukou system does not fall into the concept of public policy, national security, public health or morals in the international treaties as the tools to restrict the freedom legally. Therefore, the PRC's hukou system violates the standards of the international human rights treaties concerning the freedom of internal movement and residence.

#### It outweighs---

#### A) spillover

Lijiang 3 [(zhu, Candidate for LL.D., Peking University Law School) “The Hukou System of the People's Republic of China: A Critical Appraisal under International Standards of Internal Movement and Residence” Chinese Journal of International Law (2003) 2 (2): 519-565] AT

Thirdly, the hukou system leads to the violation of other rights. Since it was linked with the food supply system, the employment system, the social welfare system, etc., it has been an evil system which creates a negative impact on other rights. The other rights which have been violated by this system are basically the right to education,13" children's right to registered birth,139 the right to marriage, the right to employment, the right to housing, the right to health, the right to social security, and others.

#### B) It’s signed and obligatory

Lijiang 3 [(zhu, Candidate for LL.D., Peking University Law School) “The Hukou System of the People's Republic of China: A Critical Appraisal under International Standards of Internal Movement and Residence” Chinese Journal of International Law (2003) 2 (2): 519-565] AT

The Chinese government signed the ICESCR on October 27th 1997,'" and it was ratified by the Standing Committee of the National People's Congress on February 28, 2001.148 The Chinese government also signed the ICCPR on October 5th 1998.149 Since these two Covenants are the important components of the International Bill of Rights, their signature by the Chinese government has attached much significance to the PRC and even the whole world because China is such a big part of the world. Although some scholars question the real motivations of the PRC's signing of these two international human rights conventions,150 the signature itself will give rise to important influence objectively on the international human rights situation, because the signing of international human rights conventions make the signatory bear the responsibility for not defeating the basic principles of these conventions.151

#### The ICCPR is an especially powerful international treaty – it’s legally binding, universal, not biased by the West, and controls the internal link to all other treaties

Harland 2000 [(Christopher, Chairman, Morgan Stanley Latin America and Member of the Management Committee, Morgan Stanley, 2006, Vice-Chairman, Institutional Securities) “The Status of the International Covenant on Civil and Political Rights (ICCPR) in the Domestic Law of State Parties: An Initial Global Survey Through UN Human Rights Committee Documents” Human Rights Quarterly Volume 22, Number 1, February 2000 pp. 187-260] AT

The International Covenant on Civil and Political Rights (ICCPR or Covenant) is an expanded hard-law version of the 1948 Universal Declaration of Human Rights. As Dominic McGoldrick stated, "The most signally important feature of the ICCPR is that it is a universal instrument which contains binding legal obligations for the States parties to it." Currently, 144 states are party to the ICCPR, from all "geo-political regions of the world [which] renders it less susceptible to criticism as being founded on a Western, individualistic, or alien philosophy." The ICCPR tasks the UN Human Rights Committee with working to ensure increased compliance with the provisions of the ICCPR. The UN Human Rights Committee receives "initial," "subsequent or supplementary," and "periodic" reports from state parties to the ICCPR every five years and enters into public discussion with countries' representatives concerning the human rights situation in the representatives' states. It also receives "complaints" from individuals against actions and legislation of the ninety-two state parties to the Optional Protocol to the ICCPR and issues "views" on those complaints. In addition, the Human Rights Committee issues "general comments" on articles of the ICCPR. While this international supervision of the implementation of the Covenant through the UN Human Rights Committee is important, domestic supervision is "of far greater and more enduring significance for the promotion and protection of human rights." Domestic remedies are likely to be (1) speedier, (2) perhaps less expensive, and (3) more effective, because a national court of appeals or Supreme Court can usually reverse the decision of a lower court, whereas the decision of an international organ does not have that effect. As Farrokh Jhabvala has stated, "if one had to choose between the two, 'domestic implementation' without international monitoring would be far more desirable than vice versa." The ICCPR sets a basic enforceable minimum standard for the respect of human rights around the world. However, partly because it is relatively new, not much attention has been given to the role the ICCPR plays in domestic courts of the state parties. The ICCPR covers a wide variety of rights (fair trial, movement, asylum, voting rights, freedom from arbitrary detention) in terms that are more specific than the Universal Declaration on Human Rights. Despite this specificity, however, case law is also necessary in order to better determine what effect the ICCPR will have on any given government action or legislation. While domestic courts are often called upon to determine whether actions of the government are in conformity with fundamental freedoms provisions of domestic constitutions, it is only relatively recently that courts are also being asked to determine whether government actions and legislation are consistent with international human rights obligations such as the ICCPR. Some commentators have noted that international obligations are not enforceable in most countries without domestic implementing legislation. For example, Dominic McGoldrick wrote in 1991 that "[t]he vast majority of States parties have not incorporated the ICCPR. . . ." As this survey shows, at present that assertion does not appear to be correct. In many civil law "monist" countries, international obligations, once ratified, automatically become part of the legal system of that country. Recent changes in the legal systems of countries of Eastern Europe and a slow movement toward "supreme" or constitutional-level protection for basic rights have increased the number of countries that have incorporated the ICCPR into the domestic law of the states parties to the Covenant. The primary purposes of this article are to emphasize the domestic legal potential for the use of the ICCPR and to promote the sharing of ICCPR jurisprudence among jurists of state parties to the Covenant. The ICCPR is an appropriate tool with which to increase judicial awareness of and respect for minimum international human rights standards. This survey is an initial attempt to determine the status of the ICCPR in the domestic law of its state parties. The sources used do not permit one to state the conclusions contained herein with certainty. It is hoped that future works will be able to supplement this survey with information concerning actual practice before domestic courts.

## Case Answers

### Solvency

#### Doesn’t solve inequality and causes unemployment

Gan 13 [(Li, Texas A&M University, College Station, Texas USA Southwestern University of Finance and Economics, Chengdu, China) “Income Inequality and Consumption in China” 2013] AT

The Chinese government has recognized the importance of reducing income inequality. One of the main initiatives it employs to address the problem is wage guidance. Other measures include raising minimum wages and issuing higher tax rates for rich households. However, these policies may not work effectively. Wage guidance will distort the labor market price, directly affecting market efficiency. The key factor for the success of the market economy operation is the “invisible hand” of effective price functionality. The same applies to the labor market. Artificial intervention on labor market prices will typically distort the price signals of information passing into the supply and demand sides of the labor market. A substantial increase of the minimum wage may be harmful to low-income groups, the very people the standard is intended to protect. According to related research, every 10 percent increase of the minimum wage will raise enterprise average wage by 0.4 percent but will reduce the number of employees by 0.6 percent at the same time. As Table 15 illustrates, increasing the minimum wage will, in fact, not have a significant effect on the income gap; without considering market efficiency, strict implementation of minimum wage regulations would reduce the Gini coefficient by only 0.01. Moreover, among CHFS samples, only 6 percent of workers receive wages lower than the local minimum wage standard.

### A2 Poverty Adv

#### alt causes and DA turns it

Kallie 08 [Kallie Szczepanski, “Poverty in South East Asia”. WorldIssues: 360, Every Topic, Every Angle. Hunger Disease and Poverty. April 14, 2008. AS 7/4/14]

Across Southeast Asia, more than 1 billion people live on less than $2 US per day. At first glance, it seems surprising that [countries in] Southeast Asia would suffer from so much poverty. After all, the region is blessed with a lengthy growing season, increasing manufacturing and trade as Chinese goods become more expensive, and booming tourism thanks to abundant natural beauty and outstanding cultural sites.¶ Some nations in the region, Malaysia and Singapore in particular, have healthy economies and low poverty rates. Others, such as Thailand and the Philippines, are well on their way to recovery after severe set-backs during the disastrous Asian Financial Crisis of 1998. Nations such as Cambodia, Laos, Burma, and East Timor, however, rank near the bottom of global development lists.¶ According to the World Bank, 37% of Southeast Asia's population lives in direst poverty, surviving on less than $1 a day. Southeast Asia is second only to sub-Saharan Africa in the percentage of its people who live in poverty, and, with its larger total population, the number of impoverished people is actually higher than Africa's.¶ Why are so many Southeast Asians in poverty, despite recent development gains? A number of factors are a result of this situation.¶ UNEVEN DISTRIBUTION OF WEALTH¶ As Southeast Asian economies have risen and produced unprecedented amounts of wealth, poverty rates have not declined as much as expected. In large part [there is] this is due to the uneven distribution of that wealth.¶ Much of the disparity is between rich city folk and poor country dwellers, although there are [and] poverty-stricken people in city slums and factories as well. For example, the average resident of Bangkok, Thailand makes twenty times as much money as their counterpart in the rural north-east of the country.¶ The inequality of development often has an ethnic overtone, as well. Members of disadvantaged groups, such as the "hill tribes" peoples of Thailand, Burma, and Vietnam, are far more likely to be living in poverty than ethnic Thais, Burmese, and Vietnamese are.¶ WAR AND POOR GOVERNANCE¶ Armed conflict and disastrous governmental policies are two related causes of poverty in some of the poorest countries in the region. In Burma (sometimes called "Myanmar"), the ruling junta spends 40% of its budget on the armed forces, despite the fact that more than 90% of the population lives in abject poverty. The Burmese junta uses its well-equipped army to crush protests over the high cost of food.¶ East Timor, which finally broke free from Indonesia in 2002 after a prolonged and bloody independence struggle, has one of the lowest per capita GDPs in the world, at about $800 US per year.¶ Cambodia is still struggling to recover from the rule of the murderous Khmer Rouge in the 1970s and 80s, which left as many as 3 million Cambodians dead (including nearly all of the educated people). The nation's economic, cultural, and social lives were utterly shattered by the insane policies of the Khmer Rouge. As a result, the country has a poverty rate of around 40%.

#### Enforcement fails – local governments won’t comply and wage increases worsen worker relations

Cooke 8 [Fang Lee Cooke, Professor of HRM and Chinese Studies at the University of Manchester, “Labour market regulations and informal employment in China: To what extent are workers protected?” Third China Task Force Annual Meeting, 6/9/2008 ] AZ

The implementation of minimum wage regulations is perhaps the most relevant case in point. Minimum wage regulations in principle should provide a floor to the labour market, thereby reducing differentiation among labour market groups, and aiding the reduction of wage discrimination – whether based on gender, place of origin (rural migrants versus urban workers), race, age or other factor. However, where minimum wage regulation is neither comprehensive nor fully enforced, the outcome may be also to increase competition and tensions between labour market groups (Cooke and Rubery 2002). In China, the biggest tension in the implementation of the minimum wage policy is perhaps that to do with the two largest groups of workers who may benefit from the policy – the laid-off workers and the rural migrant workers. Both are highly substitutable, although it has been argued that the latter is not competing with the former as rural migrant workers are only taking jobs that urban workers shunt (Cooke, 2005; Meng, 2000). Who are covered by the minimum wage regulation, what types of employers should pay a minimum wage, at what level should the wage be set, and how should the minimum wage be calculated remain issues of considerable controversy. Local governments have been less than enthusiastic in the implementation of the regulations. Employers’ violation of the regulation is common and often tolerated by workers for fear of job losses (Cooke, 2005). As a result, a large proportion of workers in informal employment remain unprotected by a real wage floor – and their employment outcome rendered even bleaker by the absence of social security provision.

### A2 Inflation

#### No impact and other countries are an alt cause

Roy 12 [Anannya Bhattacharjee and Ashim Roy, “Social Justice and Growth: The Role of the Minimum Wage”. International Journal of Labour Research. 2012. Volume 4 Issue 1. AS 7/4/14]

The garment industry is perhaps the most integrated international industry today. It has globalized and repeatedly restructured its production in the last two decades, moving from continent to continent in search of cheap labour and large-scale competitive advantage. The global fashion apparel industry is one of the most important sectors of the economy in terms of investment, revenue, trade and employment generation and the Asia-Pacific region is the locale of most of the production and trade in that industry. “It is estimated that there are 40 million garment workers, with a significant proportion female, globally” (Barrientos, 2007).¶ The global garment industry’s total revenue was estimated at US$1[.7 trillion],782 billion at the end of [in] 2010. Garment sales rarely suffer; in fact, re- search shows that even when prices rise, sales continue. “Apparel imports of the United States witnessed an increase of 13.5 per cent in Jan-April 2011 from the corresponding period of previous year and amounted to US$23.2 bil- lion. For the same period, US imports of apparel from India increased by [13%] 12.7 per cent to US$1,313 million against US$1,165 million in Jan.-April 2010. US imports from China saw an increase of 8.3 per cent in Jan.-April 2011 over the corresponding period of last year and all the other major sup- pliers like Viet Nam, Indonesia, Bangladesh, Mexico also witnessed increase of 16.9 per cent, 18.2 per cent, 29.7 per cent, and 8.4 per cent, respectively. Among the top six suppliers, Bangladesh registered maximum growth from the previous year of same period.”3¶ Garment production is spread across the globe, primarily in the global South in regions like Latin America, Africa, Eastern Europe, and Asia. The ILO has called it the true “one world employer”. Garment manufacturing, al- though present on all continents, remains concentrated in Asia. Indeed, that continent manufactures 60 per cent of the world’s clothing. In terms of scale of production, size of workforce, access to raw materials, technology, diversity of skills, and labour cost, Asia offers the most competitive advantage. Within Asia, garment production takes place in many countries such as China, India, Bangladesh, Sri Lanka, Pakistan, Indonesia, Cambodia, Viet Nam, and Thailand. In the global North, multi-goods retail companies and big brands set the standard for the garment global supply chain.