



## **AOC says capitalism is an ‘irredeemable’ system, but it eradicates global poverty while socialism creates it**

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In an onstage interview at the South by Southwest Conference (SXSW) in Austin, Texas, Rep. Alexandria Ocasio-Cortez, D-N.Y., jumped back into the headlines by calling capitalism “irredeemable.”

“Capitalism is an ideology of capital – the most important thing is the concentration of capital and to seek and maximize profit,” Ocasio-Cortez said. “So to me capitalism is irredeemable.”

The line pushes the 28-year-old self-described socialist’s message, of course; it’s the same gross mischaracterization of free markets that has been floating around since Karl Marx first decided to blame all of this fallen world’s problem on people with more money than him. (For a better understanding of how the profit motive guides human activity, read the landmark 1958 essay on trade and economics “I, Pencil.”)

But to describe free markets in moral terms, why don’t we just take a look at what they’ve done for the developing world and see how “irredeemable” things are?

According to numbers from the World Bank, between 1990 and 2010, despite the increased world population during the same period, the number of people living in extreme poverty, defined as an income of less than \$1.90 per day, adjusted for inflation over time, worldwide was cut in half.

Even more remarkable, extreme poverty during the time period between 1970 and 2010 declined around 80 percent. During that time, the world certainly hasn’t grown more socialist by any measure. “It was globalization, free trade, the boom in international entrepreneurship,” said former AEI president Arthur Brooks in 2012. “In short, it was the free enterprise system, American style, which is our gift to the world.”

Looking specifically to the African continent, 2017 analysis from the Competitive Enterprise Institute found that not only have market-empowering innovations been crucial to increases in overall GDP, but that more economic freedom would be key to continued growth.

Historically, by contrast, case studies show that Ocasio-Cortez’s economic system of choice has been far more successful at creating widespread poverty than eradicating it. The most prominent currently is the ongoing man-made disaster in Venezuela.

“Economic growth has not eliminated all poverty, and it will never solve all the problems of the human heart,” explained Cato Institute executive vice president David Boaz in 2016. “But understanding the enormous increase in world standards of living over the past three centuries and the past 25 years should be a starting point for any discussion of further progress.”