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Virtue Signaling Does Not Help the Poor

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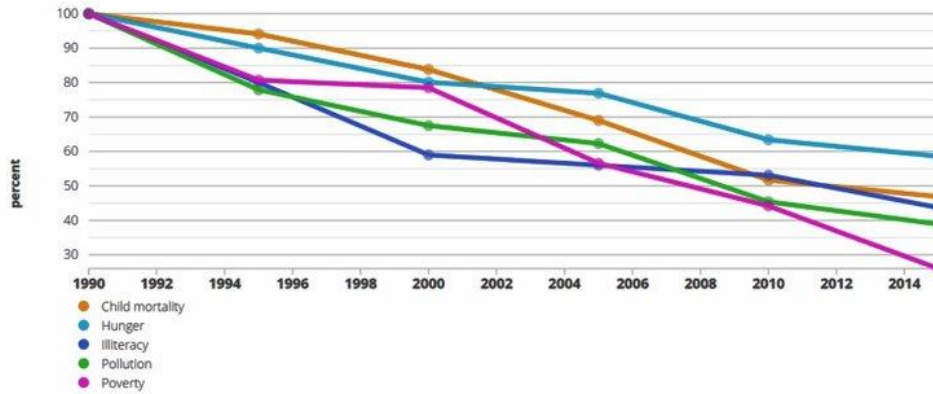
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Eleven years ago people were wearing wristbands that said, "Make Poverty History." It was a popular virtue-signalling slogan partly because it did not involve actually doing anything.

The Adam Smith Institute produced its own wristbands for the first and only time. They said, "I buy goods from poorer countries," expressing something people can actually do about relieving poverty. Of course the wristbands were made in poorer countries, and we sent a free one to anyone who gave us a mailing address. We had thousands made and they went all over the world. A second batch was made, then a third. Having made our point, we stopped.

Our point was that poor countries don't become rich because of pious sentiments, or even by receiving development aid. They grow richer through trade, through selling their goods on world markets. Globalization, free trade and neoliberalism have done more in a generation to relieve poverty and uplift the human condition than has ever been done before in human history.

All of the major indicators of deprivation, including child mortality, hunger, illiteracy, and poverty, have taken a steep downward path. Poverty, for example, has halved worldwide in the past 20 years. Some critics try to depict neoliberalism as an approach designed to increase the wealth of rich countries at the expense of the poor ones, and claim the gap is widening. The reverse is true; it is people in poor countries who have benefitted most from it.



This graph features in a [CapX article by Chelsea Follett](#)

Yet the free trade that has lifted so many from subsistence and starvation is currently under attack by a devil's band of anti-capitalists, protectionists, populists and environmentalists. They would deny poorer people the chance to gain wealth by selling us what they produce, and they would deny us the chance to gain wealth by buying it. Maybe in the fanciful world of their ideologies the slogans they bandy about might resonate, but in the real world they have no traction. Globalization, free trade and neoliberalism can stand on the record of what they have achieved in practice.

The arguments we made when we produced those wristbands are just as valid today, and are supported by even more years of practical achievement. Poverty is well on its way to becoming history, but it is not virtue-signalling that is working toward that goal, nor is it protectionism. It has been capitalism and free trade.