

GULF NEWS



Social justice is best done via free markets

The Pope's exhortations for a just society cannot be built any other way

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In September, Pope Francis visited the US, where he addressed the Congress. His address, while nuanced, hit on social justice themes.

The Pope's remarks were well received by left-of-centre politicians who embrace progressive policies.

When the Pope left the US, he travelled to Latin America, where he spoke in his native Spanish and was more direct. While in Bolivia, Pope Francis had this to say: "Let us not be afraid to say it: we want change, real change, structural change...", decrying a system that "has imposed the mentality of profit at any price, with no concern for social exclusion or the destruction of nature".

Pope Francis' rhetoric inspired the anti-free market forces in Bolivia, and elsewhere. They believe that the goals of social justice and poverty reduction can best be achieved by collective efforts, not by free markets.

Pope Francis raises an important question. Has the spread of free markets improved people's lives?

Interestingly, the recipient of the 2015 Nobel Prize in economics, Angus Deaton, answers that question. Indeed, Deaton's 2013 book, *The Great Escape: Health, Wealth, and the Origins of Inequality*, opens with: 'Life is better now than at almost any time in history...'.

Deaton's conclusion was echoed in an edifying essay, 'The Age of Milton Friedman', penned by Harvard economist Andrei Shleifer in 2009. In that essay, Shleifer observed that, from about 1980, the world had embraced the free markets that Nobelist Friedman had championed.

Shleifer also indicated that living standards had risen sharply, poverty had declined dramatically, while life expectancy had increased. Shleifer asked whether the spread of free markets accounted for the improvements, and he answered with a resounding, "Yes".

With a series of charts, Shleifer let the data talk. In what follows, I do the same.

The best elixir to address the concerns of Pope Francis and other progressives is more free markets, not fewer. Just look at the pictures. As the saying goes, they are worth a thousand words.

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