

Pope Francis, neither a Marxist nor an economist

Blaming the free market for poverty isn't factual

By Marian L. Tupy

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Last week Pope Francis defended himself against the charges of Marxism, explaining that caring for the poor is at the heart of Christian teaching. The pope is right. Caring about the poor does not make one a Marxist. By the same logic, defense of the free market does not make one oblivious to the plight of the less fortunate.

Citing excerpts from a book by two Italian journalists entitled "This Economy Kills," the pope notes "that globalization has helped many people to lift themselves out of poverty, but it has condemned many other people to starve. It is true that in absolute terms the world's wealth has grown, but inequality and poverty have arisen . We cannot wait any longer to resolve the structural causes of poverty in order to cure our society of an illness that can only lead to new crises."

While it's true that incomes were more equal for most of human history, they were terribly low. Two thousand years ago, the gross domestic product per person in the most advanced parts of the world hovered around \$3.50 per day. About 1,800 years later, that was still the global average. The Industrial Revolution uprooted old feudal social structures and agrarian subsistence economy in Western Europe, thus setting the stage for the spread of representative government and material abundance. Poverty is not new. Prosperity is.

Writing in the mid-1800s, Karl Marx astutely observed the monumental changes around him. As he wrote in "The Communist Manifesto," "The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization . It has created enormous cities, has greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from the idiocy of rural life."

Marx thought of communism as an improvement of capitalism that would benefit yet more people. It was not and it did not. The practical application of Marxist doctrines — nationalization of industry, collectivization of farms, abandonment of competition and the profit motive, resulted in economic disaster. In 1991, when the Soviet Union collapsed, an average American lived seven years longer and earned 151 percent more (adjusted for purchasing power parity) than an average citizen of the USSR.

Unlike his Soviet counterpart, the average American could freely state his opinions, worship the deity of his choosing, associate with anyone he pleased and travel wherever he liked. He did not have to worry about arbitrary arrest and unlawful incarceration. Most importantly, he did not have to worry about becoming one of 100 million people who died at the hands of the communist governments during the course of the 20th century.

The link between central planning (as practiced by communist, socialist and fascist governments throughout history) and mass repression is near automatic. As the Austrian economist Friedrich Hayek noted, the more obvious the failings of central planning become, the more force is needed to keep the people from rebelling against central planning. That is precisely what took place in Salvador Allende's Chile and Daniel Ortega's Nicaragua, and is happening in Nicolas Maduro's Venezuela and Raul Castro's Cuba today.

One would have expected an Argentinian pope vigorously to condemn the last two socialist dictatorships in Latin America. Instead, Pope Francis keeps on firing broadsides against the free market. It is here that the pope's assertions are least comprehensible, for all available evidence points to a link between globalization (economic liberalization at home and free trade abroad) and massive reduction in global poverty.

According to the World Bank, some 1.9 billion people lived on less than \$1.25 a day in 1990. Twenty years later, only 1 billion people lived in extreme poverty. The poverty rate dropped from 36.4 percent to 14.5 percent. The Brookings Institution's Laurence Chandy estimates that if developing countries continue to grow at their current rates, the number of poor people will decline to 200 million in 2030. In his words, "poverty reduction of this magnitude is unparalleled in history: never before have so many people been lifted out of poverty over such a brief period of time."

By returning the focus of the Church to the plight of the poor, the pope has become much loved and admired. His prestige and influence is commensurate with his humanity and humility. But with great influence comes great responsibility. In the context of the global struggle against poverty, the pope ought to know and say that the free market is a friend of the poor — not their enemy.

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