

Tyler Morning Telegraph

Capitalism, trade decrease poverty

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The New York Times' Nicholas Kristof is right - overall, things are pretty good for humanity. There are challenges of course, but billions have been lifted out of poverty and we all have a quality of life our ancestors couldn't have imagined.

Kristof merely forgets to give credit where credit is due.

Writing of how journalists tend to view the world, Kristof observed, "We cover planes that crash, not planes that take off. Indeed, maybe the most important thing happening in the world today is something that we almost never cover: a stunning decline in poverty, illiteracy and disease."

He's right to point out that for thousands of years of human history, famine, disease, poverty and political oppression were the norm.

"The world's best-kept secret is that we live at a historic inflection point when extreme poverty is retreating," he wrote. "The number of extremely poor people (defined as those earning less than \$1 or \$1.25 a day, depending on who's counting) rose inexorably until the middle of the 20th century, then roughly stabilized for a few decades. Since the 1990s, the number of poor has plummeted."

And historically, child mortality has been a tragic but ever-present reality.

"In 1990, more than 12 million children died before the age of 5; this toll has since dropped by more than half," Kristof pointed out.

Kristof calls on "rich nations" to support the United Nation's Global Goals for eradicating poverty and disease. He's smart enough to add that generosity isn't really the problem; if some nations remain backward and impoverished, you're sure to find a corrupt government siphoning away the aid.

What Kristof misses is the reason for such a quantum leap forward for humanity. Did it just fall out of the sky?

No - it's the result of the economic system everyone loves to disparage these days.

“The key to the improvements in the lives of ordinary people over the last 200 years were industrialization and trade, which generated historically unprecedented rates of growth,” explained the Cato Institute. “And the importance of growth cannot be overemphasized. There is not a single example of a country emerging from widespread poverty without sustained economic growth.”

In fact, capitalism is finding some unlikely defenders - such as one of the biggest rock stars in the world. Bono, lead singer of U2, defended capitalism in a recent speech at Georgetown University.

“Aid is just a stop-gap,” said the musician, who has made a second career of winning foreign aid for impoverished nations. “Commerce - entrepreneurial capitalism - takes more people out of poverty than aid. ... In dealing with poverty here and around the world, welfare and foreign aid are a Band-Aid. Free enterprise is a cure.”

How refreshing. That’s a stark contrast to those now blaming capitalism for a host of ills, from obesity and the financial crisis to Detroit’s squalid downfall.

Kristof has it right - the world is making incredible advances few could have predicted. But they’re not happening in a vacuum, or by magic. The real story is that capitalism is saving lives.