

Looking at: 'The rich are getting richer, and the poor are... also getting richer' by Daniel Hannan

A 5 Minute video on PragerU.

As the Rich Get Richer, the Poor are.. also Getting Richer

By Daniel Hannan

Looking at the Facts & Sources

The rich are getting richer, and the poor are... also getting richer. What's driving this wealth creation process? In this video, Daniel Hannan explains why it is capitalism — and capitalism alone — that has led to the unprecedented enrichment that is the central fact of Western life.

What is this about?



On the Eight of October 2018, **PragerU** published one of their 5-minute videos. The video was called **As the Rich Get Richer, the Poor Get Richer**¹ and was presented by Daniel Hannan. The subject of the video is summarized above.

The purpose of this paper is to go through the list of **facts & sources** and examine each of them and see if they support his claims.



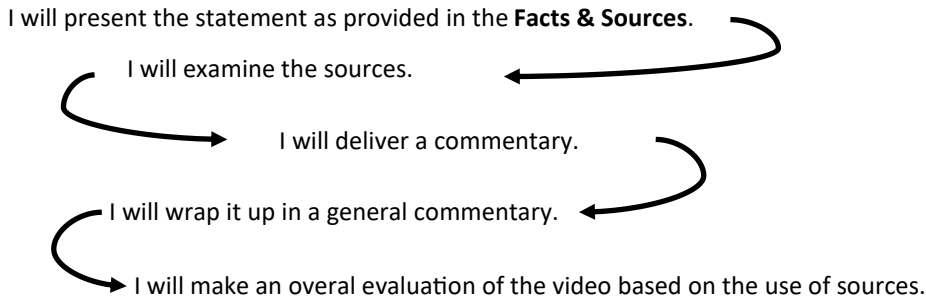
Daniel Hannan is an author and columnist. He succeeded in abolishing his position as an MEP after 21 years. He is President of the Initiative for Free Trade, a Visiting Professor at the University of Francisco Marroquín and a Visiting Lecturer at the University of Winchester. He is the author of nine books, including New York Times bestseller 'Inventing Freedom: How the English-Speaking Peoples Made the Modern World', and Sunday Times bestseller 'Vote Leave'. His latest book is 'What Next: How to get the best from Brexit'.³

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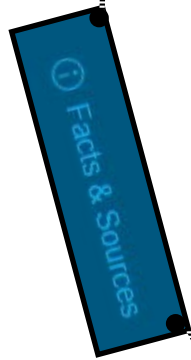
The purpose of this post is to go through the list of facts and sources and examine each of them. The structure I will follow will consist of the following steps:



I will also make use of online sources that can be examined by you. I will make use of the sources Hannan refers to, if online, or I will make use of other online sources.

Before we get into the thick of things I would like to spend a minute on a few rules I hold myself to.

- 1 This post is not meant to judge PragerU. My aim is at the subject at hand and even more limited: the **Facts & Sources** as presented on the website of PragerU in regard to this subject.
- 2 I will not address the credentials of Daniel Hannan. This post is about the content of his five minute video not about him.
- 3 My aim is to examine **Fact & Sources** by using sources that are available for you on the internet. Notably, this will be *Wikipedia*. This is done on purpose so that you can read what I have found. I am perfectly aware that these might not be scholarly resources, but I prefer the sources you can read.
- 4 This post is not meant to present a counter argument. This is why I stick to examining the sources and facts as presented in the video.
- 5 All information in this document is in the state that I found it in July 2020. This information might have changed since then.



In the **Facts & Sources** that are listed below. Each statement supported by Hannan presents forty-five sources. ²

companies the video, there are twelve primary claims. They are presented by smaller claims and each of these supported by sources. In all sources. The statements are taken from PragerU's **Facts & Sources** section.

Claims	
1	<i>As free market capitalism has grown, global inequality has fallen. Yes, the rich are getting richer, but the poor are getting richer faster. This is supported by five sources.</i>
2	<i>The most rapid declines in poverty are happening in countries that are adopting free trade policies. This is supported by four sources.</i>
3	<i>The expansion of the free market has helped slash the percentage of those living in extreme poverty from 35% to 10% in 25 years. This is supported by four sources.</i>
4	<i>Since it adopted more capitalistic policies starting in 1979, China's economy has enjoyed an average of 9.5% growth annually. This is supported by three sources.</i>
5	<i>Capitalism is not about greed. It's about incentivizing people to match their skills to their goals and create earned success. This is supported by four sources.</i>
6	<i>While free trade-embracing Colombia's capitalistic economy has grown, protectionist Venezuela's socialist economy has collapsed. This is supported by three sources.</i>
7	<i>Capitalism caters more to the masses than the economic elite, making things increasingly more affordable for more people. This is supported by three sources.</i>
8	<i>As Vietnam has embraced free trade, its economy has pulled ahead of protectionist Laos. This is supported by three sources.</i>
9	<i>Opposing capitalism isn't standing up for poor people, it's standing in the way of the best way to attain a better lifestyle. This is supported by four sources.</i>
10	<i>The expansion of free trade, property rights, and entrepreneurship around the world helped millions pull themselves out of poverty. This is supported by four sources.</i>
11	<i>A desire for wealth is a part of the human condition. In capitalism, the way to succeed and grow wealth is to offer a service to others. This is supported by four sources.</i>
12	<i>Myth: Capitalism is plundering developing countries. Reality: Countries that embrace capitalism see dramatic economic improvement. This is supported by four sources.</i>

1 As free market capitalism has grown, global inequality has fallen. Yes, the rich are getting richer, but the poor are getting richer faster. This is supported by five sources.

1.1 *The expansion of the free market has led to dramatic improvement in the lives of people all over the world. In 1990, 35% of the world's population lived in extreme poverty; in 2013, that number dropped to 10.7%.⁴*

1.2 *The worldwide infant mortality rate per 1000 births fell from 64 to 31 from 1990 to 2015.⁵*

1.3 *The average life expectancy has risen from 52 to 71 since 1960.⁶*

1.4 *From 1976 to 2016, the world literacy rate has risen from 68% to 86%.⁷*

1.5 *Capitalism lowers inequality, but even when people advance ahead of us financially, their productivity helps society.⁸*

Observations about the sources

The first four sources give figures that support the four claims. However, the source for 1.1 doesn't support the first part of the claim in that "The expansion of the free market has led to dramatic improvement in the lives of people all over the world." It only supports the second part of the claim.

The last source is an opinion article written by Hannan for the **Washington Examiner** published on the 18th December 2017. This opinion article lacks any sources. Hannan even gives figures but does not tell where he gets numbers from for a statement like "Every year, an extraordinary 13 percent of jobs are made redundant by advances in IT."

**2 The most rapid declines in poverty are happening in countries that are adopting free trade policies.
This is supported by four sources.**

2.1 *Compare growth rates in free-trading Colombia, which has averaged 4% annual economic growth since 2010, and protectionist Venezuela, which has suffered years of economic contraction and high run-away inflation.*⁹

This is a news article from **CNNMoney**. It doesn't mention that cause of the problems for Venezuela or that the economic upturn for Columbia is based on it having a free trade policy. However, there is a video linked to the article, called Venezuela's on the brink of collapse that states that the collapse is caused by falling oilprices combined with fixing the prices and the wages by the government.

2.2 *Free-trading Vietnam has pulled ahead of protectionist Laos, seeing annual real GDP growth of over 6% since 2015, with only 11% of its population living in poverty, compared to 22% in Laos.*¹⁰

The source here is IndexMundi and gives a comparison between the two mentioned countries. Both countries are one-party communist states that released (some) control of the economy.⁴⁶ The countries are different in many ways with Laos being dependent on natural resources and Vietnam having a young population with a strong manufacturing sector. The source itself does not indicate that Laos is more protective than Vietnam.

2.3 *After economic liberalization in 1979, China has experienced tremendous growth, averaging 9.5% annual growth over the last two decades.*¹¹

This source is an article from the Organisation for Economic Co-operation and Development and it indeed gives the figures mentioned and affirms this "has been driven by changes in government economic policy that have progressively given greater rein to market forces." It can be assumed that the information is from the OECD.

2.4 *Countries that have embraced socialist policies, like North Korea, Zimbabwe, and Cuba have remained stagnant.*¹²

This sources is an opinion piece by Hannan in CapX named How capitalists can win the argument . CapX is een site that brings you the best writing on politics, economics, technology and ideas. And "CapX was founded to make the case for popular capitalism[]"⁴⁷

The article does not source its claims.

Observations about the sources

Of the four sources used, one supports the claim made(2.3). Two do not support their claims(2.1/2,2), the last one has no sources and is an opion piece by Hannan self.

3 *The expansion of the free market has helped slash the percentage of those living in extreme poverty from 35% to 10% in 25 years. This is supported by four sources.*

3.1 *In 1990, 35% of the world's population lived in extreme poverty; in 2013, that number dropped to 10.7%. During that time the free market expanded significantly.*⁴

This source is used before (see 1.1). The source is the World Bank Group. "The World Bank Group is committed to fighting poverty in all its dimensions. We use the latest evidence and analysis to help governments develop sound policies that can help the poorest in every country, and focus our investments in areas that are critical to improving lives." While the source supports the figures given it doesn't say anything about this being linked to the free market.

3.2 *Capitalism lowers inequality. While the rich do get richer in capitalism, the poor get richer too — and they've been doing so at a higher rate.*⁸

This source has been used before (see 1.5). It is an opinion piece written by Hannan that goes unsourced.

3.3 *Related video: "If You Hate Poverty, You Should Love Capitalism" — Arthur Brooks.*¹³

This is mentioned as being related.

3.4 *Related reading: "Free to Choose" — Milton Friedman and Rose Friedman.*¹⁴

This is mentioned as being related.

Observations about the sources

Of the four sources offered none support the claims.

4 *Since it adopted more capitalistic policies starting in 1979, China's economy has enjoyed an average of 9.5% growth annually. This is supported by three sources.*

4.1 *After economic liberalization in 1979, at which point it began to embrace more capitalistic policies, China has experienced tremendous growth, averaging 9.5% annual growth over the last two decades.*¹¹

This is a repeat of point 2.3.

4.2 *Related video: "Myths, Lies and Capitalism" – Arthur Brooks.*¹⁵

This is a related video.

4.3 *Related reading: "How Capitalists Can Win The Argument" – Daniel Hannan.*¹²

This is the same as 2.4 but now given as related.

Observations about the sources

The three sources here are two related videos and one source that repeats an earlier made statement.

5 *Capitalism is not about greed. It's about incentivizing people to match their skills to their goals and create earned success. This is supported by four sources.*

5.1 *Capitalism is not about greed. It's about creating an environment in which people match their skills to their goals and use their skills to create earned success.*¹⁶

This is a blog post that probably had a video with AEI President Arthur Brooks. The post itself is still there, but the video is no longer available. However, the video can be found on YouTube.¹⁷ It seems to be a promotional video for a book.

5.2 *The unique quality of capitalism is that it structures incentives so that the way to succeed is to offer a service to the people around you.*¹⁸

This is an article by Arthur C. Brooks on AEI.org that has as subject: Can money buy happiness? and concludes “The fact that money doesn’t buy happiness is no indictment of capitalism. On the contrary, capitalism is the best system to allow people to succeed on their merits in the economy—and we know that it is success that truly does bring happiness. Capitalism, moored in proper values of honesty and fairness, is a key to our gross national happiness, and we should defend it vigorously.”³²

The article goes unsourced.

5.3 *Under every other system, you get ahead by sucking up to those in power: commissars, kings, or dictators.*¹²

This is the article mentioned under 2.4. An opinion article which doesn’t support the claim made here.

5.4 *Related video: "Is Capitalism Moral?" – Walter Williams.*¹⁹

This is a related video.

Observations about the sources

The four sources consist of opinion pieces that go unsourced and one video that is mentioned as related. Two sources do not support the claims.

6 *While free trade-embracing Colombia's capitalistic economy has grown, protectionist Venezuela's socialist economy has collapsed. This is supported by three sources.*

6.1 *Compare growth rates in free-trading Colombia, which has averaged 4% annual economic growth since 2010, and protectionist Venezuela, which has suffered years of economic contraction and high run-away inflation.*⁹

This is a repeat of 2.1.

6.2 *WATCH: Brazilian journalist Felipe Moura Brasil discuss "how socialism ruined my country."*²⁰

This is about Brazil.

6.3 *Related Reading: "Basic Economics" – Thomas Sowell.*²¹

This is Thomas Sowell's book, which can be bought on Amazon. It is related reading.

Observations about the sources

Three sources. One source is a repeat. The other two sources are related or watch.

7 *Capitalism caters more to the masses than the economic elite, making things increasingly more affordable for more people. This is supported by three sources.*

7.1 *Economist Joseph Schumpeter on how capitalism caters to the masses, not the wealthy: "The capitalist engine is first and last an engine of mass production which unavoidably also means production for the masses. ... It is the cheap cloth, the cheap cotton and rayon fabric, boots, motorcars and so on that are the typical achievements of capitalist production, and not as a rule improvements that would mean much to the rich man. Queen Elizabeth owned silk stockings. The capitalist achievement does not typically consist in providing more silk stockings for queens but in bringing them within reach of factory girls in return for steadily decreasing amounts of effort."²²*

This is a quote from a Blog Post on **AEI** by Mark j. Perry who quotes the above from **Quoteland.com**.

The question here is whether the quote from Schumpeter supports the claim made by Hannan. His claim at 7.1 is that "[c]apitalism caters to the masses, not the wealthy[]" But this is not exactly what the quote is saying.

If one follows Schumpeter's reasoning then one can say that if Queen Elizabeth does not benefit from more silk stockings, then neither does the factory girl. In other words; the consequence of the quote is that once the capitalist engine has done its work it does not benefit the one over the other. In this respect this quote only partly supports his claim.

It is interesting to read a little more of Schumpeter's book itself and see what Schumpeter is saying on the pages where the quote is from.

Excerpt:

"I have stated above that, broadly speaking, relative shares in national income have remained substantially constant over the last hundred years. This, however, is true only if we measure them in money. Measured in real terms, relative shares have substantially changed in favor of the lower income groups. This follows from the fact that the capitalist engine is first and last an engine of mass production which unavoidably means also production for the masses, whereas, climbing upward in the scale of individual incomes, we find that an increasing proportion is being spent on personal services and on handmade commodities, the prices of which are largely a function of wage rates."²⁴

What Schumpeter therefore says is that the masses do not get richer in terms of money but because goods become affordable because the capitalistic engine makes them cheaper. However, he also notes that the richer one gets, the more is spent on personal services and handmade commodities which are determined by wages.

All in all while the quote partly supports Hannan's claim even a cursory reading of the book points out that it is far more complex than Hannan is claiming.

This claim gets even more shaky when Schumpeter discusses economic waves, in which economic disruption leads to all kinds of woe before an economic upturn brings benefits.

7.2 *Related video: "Myths, Lies and Capitalism" – Arthur Brooks*

This is a related video.

7.3 *Related reading: "The New Road to Serfdom: A Letter of Warning to America" – Daniel Hannan*

This is a related video.

Observations about the sources

Three sources of which two are related. The other is a quote from an blog post who quotes from **Quoteland.com**. The quote comes from a book which also observes that capitalism works in waves: it benefit works more over time and therefore can at times cause unemployment and hardships. So it is a little more complex. However, in itself the quote can be taken to support the claim.

8 *As Vietnam has embraced free trade, its economy has pulled ahead of protectionist Laos . This is supported by three sources.*

8.1 *Free-trading Vietnam has pulled ahead of protectionist Laos, seeing annual real GDP growth of over 6% since 2015 and with only 11% of its population living in poverty, compared to 22% in Laos.*¹⁰

This is the same as 2.2. The same argument and the same source.

8.2 *Related video: "Why Capitalism Works" – George Gilder.*²⁵

This is related and does not support the claim.

8.3 *Related reading: "The Road to Serfdom" – F.A. Hayek.*²⁶

This is related and does not support the claim.

Observations about the sources

Three sources. Two related video's that do not support the claim. The first is a repeat of a point made earlier and that does not support the claim. The whole claim is a repeat of a previous claim.

9 *Opposing capitalism isn't standing up for poor people, it's standing in the way of the best way to attain a better life-style. This is supported by four sources.*

9.1 *Opposing capitalism and market liberalization doesn't help poor people in the long run, it hurts them. Capitalism creates better goods for cheaper prices. According to economist Milton Friedman: "The great achievements of Western capitalism have redounded primarily to the benefit of the ordinary person."*²²

This is the blog post from Mark J. Perry on AEI.org that has been quoted from before. It quotes from another blog post by him.²⁷ That quote goes unsourced so we have to find where it is from.

Observations.

Is a poor person an ordinary person?

The fact that capitalism benefits the ordinary person might not mean it benefits a poor person and it might well be that a poor person benefits (more) by opposing capitalism. As it is, the quote doesn't support the claim.

Upon resource the quote can be found in Milton Friedman and Rose Friedman's book *Free to Choose: A Personal Statement*.²⁹

The interesting part is that far better quotes would be:

"In the past century a myth has grown up that free market capitalism—equality of opportunity as we have interpreted that term—increases such inequalities, that it is a system under which the rich exploit the poor.

Nothing could be further from the truth. Wherever the free market has been permitted to operate, wherever anything approaching equality of opportunity has existed, the ordinary man has been able to attain levels of living never dreamed of before."

*"These achievements have made available to the masses conveniences and amenities that were previously the exclusive prerogative of the rich and powerful."*³⁰

9.2 *Socialism is dogmatic, capitalism is pragmatic.*¹²

This is an opinion piece by Hannan that goes unsourced. See 2.4.

9.3 *The Left often focuses on the loss of traditional jobs while ignoring the productivity and prosperity gained through innovation.*⁸

This is an opinion piece by Hannan. See 1.5.

9.4 *Related videos: "Why Socialism Never Works" – PragerU.*²⁸

This source no longer exists.

Observations about the sources

Four sources. Two are opinion pieces and repeats. One is related. What is left is one quote from a book that does not directly support the claim made, although one might say that it does in spirit. However, it is the one who makes the claim that should supply the supporting sources and not for the reader to find out is unquoted parts of the same source does so.

10 *The expansion of free trade, property rights, and entrepreneurship around the world helped millions pull themselves out of poverty. This is supported by four sources.*

10.1 *The expansion of free trade, property rights, and entrepreneurship around the world has helped millions pull themselves out of poverty. Even jobs that have changed very little over the years, such as a barmaid, are enriched by increases in technology.⁸*

This is a repeat of 1.5 and again an opinion based on an unsourced opinion.

10.2 *Achievements like GPS and Uber have helped the average American the most.²²*

This is a repeat of 7.1. An opinion based on an unsourced opinion.

10.3 *Meanwhile, socialist states like North Korea, Zimbabwe, and Cuba have remained stagnant.¹²*

This is a repeat of 2.4 and an opinion based on an unsourced opinion.

10.4 *Related video: "Why You Love Capitalism" – Jared Meyer.³¹*

This is a related video. As it is related it isn't mean to support the claim. In fact the subject is about capitalism vs big government:

"In sum, almost everything you enjoy using is a product of capitalism; almost everything you can't stand is a product of big government. So, do you love capitalism? Of course you do. You practice it every day. It's time to preach it. "

Observations about the sources

Three sources that are based on opinion pieces. One is a related video.

11 *A desire for wealth is a part of the human condition. In capitalism, the way to succeed and grow wealth is to offer a service to others. This is supported by four sources.*

11.1 *The unique quality of capitalism is that it structures incentives so that the way to succeed is to offer a service to the people around you.¹⁸*

This is a repeat of 5.2. And an opinion based on an unsourced opinion.

11.2 *Socialism is dogmatic, capitalism is pragmatic.¹²*

This is taken from the same post as 2.4. It is an unsourced opinion piece by Hannan.

11.3 *Capitalism is not about greed. It's about creating an environment in which people match their skills to their goals and use their skills to create earned success.¹⁶*

This is a repeat of 5.1. An opinion based on an opinion without sources.

11.4 *Related video: "Socialism Makes People Selfish" – Dennis Prager.²⁵*

This is a related video. It is an opinion piece by Dennis Prager that goes unsourced.

Observations about the sources

Two sources are opinion pieces that go unsourced. 11.2 has nothing to do with 11 and it is an opinion piece. 11.4 is a related video that is an opinion by Prager.

12 *Myth: Capitalism is plundering developing countries. Reality: Countries that embrace capitalism see dramatic economic improvement. This is supported by four sources.*

12.1 *Embrace of free market principles results in improved economies. For example, free-trading Colombia has averaged 4% annual economic growth since 2010, while protectionist Venezuela has suffered years of economic contraction and high run-away inflation.⁹*

This is a repeat of 2.1.

12.2 *Another example: Free-trading Vietnam has pulled ahead of protectionist Laos, seeing annual real GDP growth of over 6% since 2015, with only 11% of its population living in poverty, compared to 22% in Laos.¹⁰*

This is a repeat of 2.2.

12.3 *Related video: "How Socialism Ruined My Country." – Felipe Moura Brasil²⁰*

This is a related video. It has no bearing on 12, since the fact that socialism ruins a country does not say a thing about capitalism.

12.4 *Related reading: "The New Road to Serfdom: A Letter of Warning to America" – Daniel Hannan²⁶*

This is a related book by Daniel Hannan. Since it is related and not accessible it has no relevance to the claim.

Observations about the sources

Two related video's and two sources that do not support the claims made and are a repeat of earlier points.

Overall commentary on the sources

Hannan’s central claims are supported by twelve subordinate claims referencing forty-five sources. However, these forty-five references point often to the same source thus the total sources actually come down to twenty-two unique sources.

Of these twenty-two sources, ten are offered as related reading, meaning they are not directly used to support the claims. Seven of these are PragerU videos. Three are books on amazon. This is 45.5% of his sources.

Five are unsourced opinion pieces. Two are by Hannan himself, one by Mark j. Perry and two by Arthur C. Brooks This is 22.7% of his sources.

Six offer hard figures. Four from the World Bank Group, one from the OECD and one from Index Mundi. This is 27.3% of his sources.

One is a news article with an accompanying video from CNN(Moneycnn).This is 4.5%.

Now this gives a 67 percent for sources that can be considered as not direct relevant or unsourced opinions. However, if one considers the amount of references, then the picture is different. See below.

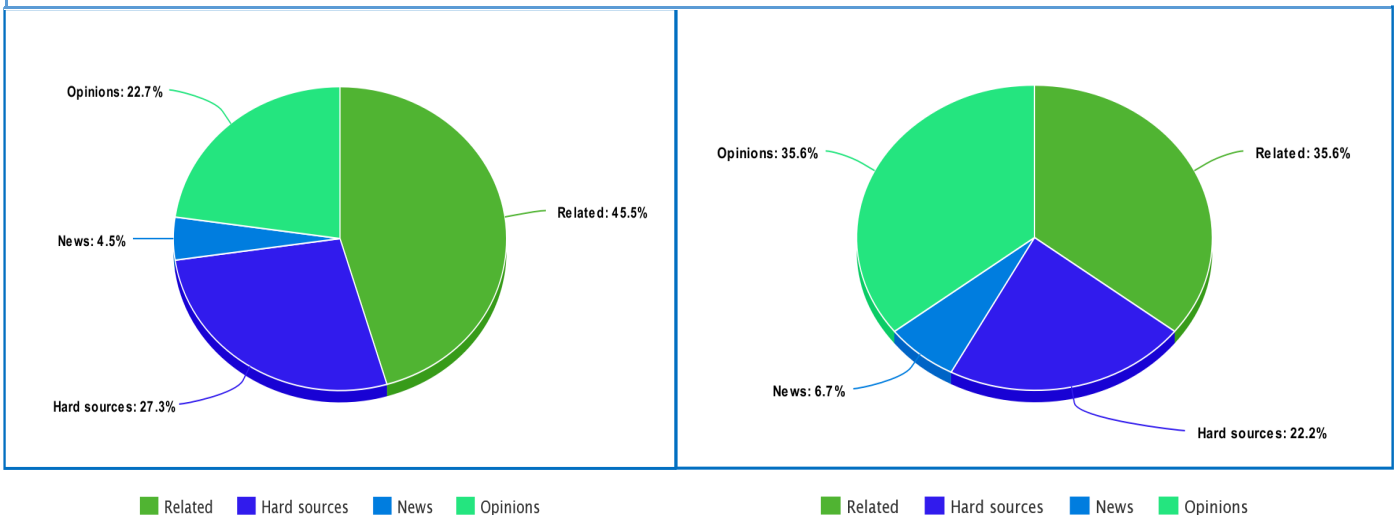
The ten related videos and books are referenced sixteen times. That is 35.6% of all references.

The five opinion pieces are referenced sixteen times.That is 35.6% of all references.

The six sources with hard figures are referenced ten times. This is 22.2% of all references.

The news article by CNN is referenced three times. This is 6.7%.

This means that 71 percent of the referenced sources are of no direct relevance or unsourced opinions.



Conclusions about the sources

An impressive list of forty –five references are used for the video. Whether one looks at the unique sources used, twenty-two, or the total amount of references, forty-five, at least two thirds of the sources are opinion pieces or related videos. This leaves one third for other sources. This doesn’t mean that the sources are always of the best quality or used in a proper manner. Overall it is surprising that on examination two thirds of the sources do nothing to support his narrative. This leaves one third that probably might. But that is for the next part.

Do Hannan's sources actually support his claims?

To wrap it all up, one should back up a bit and look at the central statements made.

- As the richer get richer, the poor get richer too.
- Capitalism has led to the unprecedented enrichment that is the central fact of Western life.
- Capitalism alone has done that.
- Why has Capitalism done that?

Now there are twelve claims that should support the above statements which have been examined earlier and below we evaluate them.

Claims evaluated

1	<i>As free market capitalism has grown, global inequality has fallen. Yes, the rich are getting richer, but the poor are getting richer faster.</i>
	<p>If capitalism grows and other things happen at the same time this does not mean that they are related. Poor getting richer, infant mortality declines, life gets extended and literacy is on the rise. It all needs to be linked. Hannan does not do that linking. He just says because things happen at the same time therefore they must be related. Just like a myriad other things that happened at the same time.</p> <p>This claim is therefore not supported.</p>
2	<i>The most rapid declines in poverty are happening in countries that are adopting free trade policies.</i>
	<p>Hannan makes a claim that puts a burden on him to prove that the declines in poverty happen in those countries that adopt free trade policies. Hannan doesn't offer sources that do this. Hannan shows figures regarding growth of GDP or the 'economy'. Which might have bearing on the claims, but they by themselves do not prove that poverty declined or grew in any of the examples given. You need to show figures related to poverty and then show that they relate to GDP and show that the GDP growth or decline was related to free trade policies. Even in the case of China Hannan does only show that China had a remarkable GDP growth and not that this had any bearing on the poverty figures for that country.</p> <p>Because of this he did not prove his claim.</p>
3	<i>The expansion of the free market has helped slash the percentage of those living in extreme poverty from 35% to 10% in 25 years.</i>
	<p>This point has been brought up before and is thus repeating something that he has not proven. The rest is opinion or related sources.</p> <p>Point has not been proven.</p>
4	<i>Since it adopted more capitalistic policies starting in 1979, China's economy has enjoyed an average of 9.5% growth annually.</i>
	<p>This point is proven by one source. However, it doesn't prove any of his central statements. For one, Hannan doesn't show if this has led to the unprecedented enrichment that is the central fact of Western life, as he claims.</p>
5	<i>Capitalism is not about greed. It's about incentivizing people to match their skills to their goals and create earned success.</i>
	<p>This is unsourced opinions. It does not prove anything. It is also irrelevant to the central statements.</p>

Claims evaluated

6 *While free trade-embracing Colombia's capitalistic economy has grown, protectionist Venezuela's socialist economy has collapsed.*

This is a repeat of an earlier point and this part does not add anything new. This point has not been proven.

7 *Capitalism caters more to the masses than the economic elite, making things increasingly more affordable for more people.*

While much can be said about the quote of Schumpeter, superficially it can be used to support the claim made. However, note that in this context we are speaking about the masses and not the poor. As Schumpeter elaborates (see point in detail above.) he notes two other things: that this is about goods and that economic development comes with up and downs.

I grant the point as such. However, it doesn't support any of the central claims.

8 *As Vietnam has embraced free trade, its economy has pulled ahead of protectionist Laos.*

This point has been discussed before. This part doesn't add anything new. Not proven.

9 *Opposing capitalism isn't standing up for poor people, it's standing in the way of the best way to attain a better lifestyle.*

This is all opinion and does not have any bearing on the central claims. Unproven.

10 *The expansion of free trade, property rights, and entrepreneurship around the world helped millions pull themselves out of poverty.*

This is all opinion. Unproven.

11 *A desire for wealth is a part of the human condition. In capitalism, the way to succeed and grow wealth is to offer a service to others.*

More opinions. Unproven.

12 *Myth: Capitalism is plundering developing countries. Reality: Countries that embrace capitalism see dramatic economic improvement.*

This is again a repeat of earlier claims. Again unproven.

During my examination I ran into a post that Hannan indirectly refers to that that listed quotes by Milton Friedman. One of them heads this section.

Hannan's comes over as sloppy. He makes various claims that by themselves are worthy of many many books and these cannot possibly be addressed in a five minute video. But even the marginal claims he tries to support, he supports with opinions, videos that are just related and statistical sources that have no relevance.

The sloppiness goes even deeper. Hannan mixes terms that are unrelated. He swaps the free market for capitalism as if they are the same thing, while these are not nor are they unbreakable linked. Capitalism refers to an economic system based on private ownership.³⁴ The free market refers to a system where supply and demand are determined by consumers and producers.³⁵ One can exist without the other. And when both exist they can exist in many forms.

He is also sloppy in the sense that he assumes things. Like he assumes that "an improvement of the economy" means it has a positive influence for everyone, including the poor. However, a country might experience an economic upturn, but this does not mean the poor benefit, let alone benefit more. In fact, we don't know who benefits unless that is researched.

Hannan biggest claim, as taken from the title, is that **as the rich get richer, the poor get richer too**. In all irony this not supported by the most important source he uses to proof this statement: the **World Bank**. In the 2018 report of the **World Bank**³⁶, which is freely available, this subject is addressed. In the chapter **Shared Prosperity: Mixed Progress**. Shared prosperity examines if the bottom 40 percent share in prosperity. In the chapter is is mentioned that "To conclude, although most countries have made progress in shared prosperity, the results are mixed."³⁷ On page 51 a table is given for 91 countries that shows how the bottom 40 percent of the populace does as compared to the whole populace.

Now we compare this with the **Index of Economic Freedom**³⁸ that is maintained by the **Heritage foundation**.³⁹ The index has five classifications: free, mostly free, moderately free, mostly unfree and repressed.

Of the nations Hannan mentions China and Vietnam are mostly unfree yet in those countries the bottom 40% have benefited more than the overall populace. Colombia is moderately free and also the bottom 40% benefited more. Venezuela and Laos are repressive states but not mentioned in the World Bank report.

Let us see what the **World Bank** report says about the top three and bottom three states we can find in the **Index**.

Top three:

Switzerland(free): No difference.

Ireland(free): Bottom benefited more than whole.

United Kingdom(mostly free): No difference.

Bottom three

Mozambique(mostly unfree): Bottom benefited less than whole.

Bolivia(repressed): Bottom benefited more than whole.

Iran(repressed): Bottom benefited more than whole.

All of the above are just some figures which I show just to show that nothing much can be said about it without more information. Capitalism might very much be more beneficial to the poor than the rich, but saying so doesn't make it so. And it is this what Hannan does.

It reminds me of a discussion that was cut short with the words: but I think it is so. To use the words of Christopher Hitchens: what you assert without evidence can be dismissed without evidence.

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