

Dambisa Moyo: Edge of Chaos: Why Democracy Is Failing to Deliver Economic Growth – and How to Fix It

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In this seminal work, *Edge of Chaos: Why Democracy Is Failing to Deliver Economic Growth – and How to Fix It*, Dambisa Moyo offers a daring blueprint for why democracies are failing and how to fix this problem for future generations. Moyo holds a Doctorate in Economics from Oxford and a Master's from Harvard. She is the author of three other New York Times Bestselling Books: *Winner Take All: China's Race for Resources and What It Means for the World* (2012), *How the West Was Lost: Fifty Years of Economic Folly and the Stark Choices Ahead* (2011), and *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa* (2009).

Moyo's main thesis is that the democracies of the twenty-first century, especially Western democracies, cannot deliver economic growth and prosperity to their electorates without undergoing major and substantial reforms (p. xx). Moyo also contends that without fundamental changes to the nature of democracy and its institutional attributes, democratic politicians will struggle to address the numerous headwinds the global economy faces today (p. xx). Moyo does not propose that we let democracies wither away. Instead, she suggests that nascent democracies need to prioritise creating growth over immediate devotion to some paradigm of democratic perfection.

Edge of Chaos is divided into eight chapters. Chapter 1 discusses the imperative of growth. Moyo argues that economic growth is about satisfying the most basic individual human needs. Chapter 2, "A Brief History of Growth", asks an important question: why is it that some countries have successfully grown, while others have not grown enough to become wealthy despite the fact that those countries are endowed with natural resources? Chapter 3 discusses the challenges facing many democratic societies and the urgent need to address those challenges before it is too late. Those "hurricane headwinds" include but are not limited to: high levels of debt, natural resource scarcity, misallocation of capital, declining quality of labour, and, most importantly, a disinvestment in education. Chapter 4 discusses the wrong economic policy approach of protectionism. According to Moyo, in the postwar period, globalisation and its central tenets have been a major source of economic growth, and not protectionism, as preached by some economic pundits (p. 80). Chapter 5 discusses the challenge to liberal constitutional democracies and the political recidivism taking place around the world whereby citizens are freely choosing to elect authoritarian leaders and regimes through the democratic process (p. 121). Chapter 6 discusses the perils of political myopia. As politicians continue to think in terms of reelection cycles, decisions are made without any consideration of their long term impact. In Chapter 7, Moyo provides ten suggestions to strengthen our democracy in light of the challenges it is facing in the twenty-first century. In the concluding Chapter 8 Moyo argues that *Edge of Chaos* rings the warning bell regarding the major risks and challenges that the global economy faces and how ill-prepared leaders are for the future (p. 228).

Richard Haass, the President of the Council on Foreign Relations and the author of *A World in Disarray: American Foreign Policy and the Crisis of the Old Order* (2017),

has pointed out, *“the world is not Vegas.”* In other words, what happens in the world will have a direct impact on the United States. Moyo further explains that in an interconnected world of anemic growth, other countries’ crises will become our crises, whether they take the form of terrorism, income inequality, refugees, the resurgence of infectious diseases, or illegal immigration. As a result, governments will grow ever more fragmented and weak, further undermining an already fragile international community. Moyo is unwaveringly anti-protectionist and anti-isolationist. While President Trump or Treasury Secretary Mnuchin can claim that a trade war with China has no direct impact on the U.S. economy, reality tells us another story. Protectionism results in an indirect tax for U.S. consumers. As the trade war between the U.S. and China escalates, soybean farmers in Iowa are having a difficult time selling their product. Furthermore, protectionism is usually accompanied by higher unemployment, lower economic performance, and staggering living standards in the United States and elsewhere.

With the implosion of the Soviet Union and the end of communism, the “end of history” was announced. Liberalism with its strong emphasis on deregulation and a laissez-faire economy approach was sold out as the panacea to all the world’s problems. In the post-Cold War world, democracy meant freedom, prosperity, and economic growth. As Moyo points out, growth enhances the living standards of both individuals and society. Under a democratic society driven by economic growth, governments would be able to fund and enhance public goods – education, health care, national security, and physical infrastructure. Also, a democratic and growth driven society would be a magnet for foreign direct investment and innovation that would act as a springboard for improved living standards and progress (p. 9). However, not all countries follow the path of democratisation and prosperity prescribed by Moyo. Some countries resort instead to being a liberal democracy in name only with a parasitic head of government siphoning off the state’s coffers for their own personal enrichment and that of their cronies. The state became their fiefdom. Those individuals in power represent a plutocratic insurgency. Plutocratic insurgents do not wish to destroy the state. Instead, they attempt to coopt the state and use it for their own personal gain. They use lawyers and lobbyists and corruption, rather than armed struggle, to create a shadow government in pursuit of their personal interests (Bunker – Bunker 2019).

Moyo also discusses what she calls *“the seven hurricane-strength forces bearing down in the global economy”* (p. 40). Those tectonic shifts in the world economy, if not addressed properly and early, could devastate economic gains and prospective futures. For example, Moyo discusses how disinvestment in education is slowly eroding the superpower status of the United States. Quoting from a U.S. Department of Education report entitled *A Nation at Risk*, she points out that *“[o]ur [the United States’] once unchallenged pre-eminence in commerce, industry, science and technology innovation is being overtaken by competitors throughout the world. The educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a nation and people”* (p. 57). Another major tectonic shift in the U.S. economy is the introduction of more technology to previously manual labour activities, especially within the automobile industry in the so-called Rust Belt region of the United States. Moyo contends that technology is putting workers, particularly the low-skilled ones, out of work. The consequences of this trend is that people in the lower-income ranks are exposed to the threat of technology, and this fuels another headwind that is undermining economic growth, namely, income inequality (p. 67). Income inequality is a hindrance to economic growth in any society. While the income for those at the top has increased, wages for those at the bottom have remained flat since wages are not adjusted for inflation. Thus, in the United States, the average income of the top 1 percent is fourteen times higher than the average income of the rest of the population (p. 68). Another direct consequence of income inequality is the lack of social mobility for those individuals at the bottom of the economic ladder. Those are the individuals *“tired of wishes, empty of dreams”*, to quote Carl Sandburg’s

magical phrase. They are the “*working poor*”, who are invisible in America (Carl Sandburg quoted in Shipler 2004: x).

Another important issue discussed by Moyo in her book is the relationship between poverty and democracy. It has been well established that economic growth is a prerequisite for democracy and not the other way around (p. 118). However, today most democracies around the world are not truly democratic in the sense of the *polyarchal democratic* tradition.¹ Instead, as Moyo points out, while statistically the world is more democratic today, over 70 percent of these democracies are deemed illiberal (p. 212). While we have more democracies today, most are so-called illiberal democracies. According to Fareed Zakaria (1997: 22), illiberal democracies are “*democratically elected regimes often re-elected or reinforced by referendums that ignore the constitutional limits of their power and deprive their citizens of basic rights and liberties*”. In the case of the United States, we are witnessing in the twenty-first century a sort of political recidivism among the electorate. This electorate, mostly poor and uneducated, have their political rights suppressed by those in power in order to prevent a change in the status quo of the political system. This occurs in a political system that provides those in power with a life of luxury at the expense of the masses. The political elite behave like parasites, sucking the life out of the system to continue to enrich themselves and their cronies. This illiberal political system becomes their private fiefdom. Moyo explains that “*more years of unqualified electorates and poor-quality leaders will lead to worsening poverty and conflict as society becomes more unequal and more deeply split*” (p. 227).

Given the grim picture painted thus far, are we supposed to be passive observers of our democratic decline? Should we accept the fact that greater powers, just as they have risen, will also eventually collapse? Moyo’s response is unequivocally no. She contends that we solve the problem of a lack of economic growth by overhauling our democratic political systems, rather than reforming capitalism or economic models (p. 210). Moyo’s solutions to the problem of reforming our democratic political systems fall into two categories. Some actions target politicians and political institutions while others target voters. It is important to remember that Moyo’s recommendations do not guarantee that the vicissitudes of our democratic political system will be improved. They are simply suggestions. They are necessary but not sufficient. As any student of democracy knows, there are no quick fixes for complex issues.

According to Moyo, there are ten actions that should be undertaken to improve the quality of our democratic systems. First, policymakers should bind their governments and their successors more firmly to policies (p. 170). That is, elected officials should adhere to the principle of legislative supremacy, which means that no legislature can pass a law that a future session cannot repeal (p. 176). Second, the United States must revisit its campaign finance in light of the Court’s decision in *Citizens United v. Federal Election Commission*. In that case, the Court ruled that political spending is a form of protected speech under the First Amendment, and the government may not keep corporations or unions from spending money to support or denounce individual candidates in elections. The third action, which is perhaps controversial, is that in order to improve the quality of lawmaking, officeholders should be paid salaries competitive with those of private-sector leaders, as well as performance bonuses (p. 179).

The fourth action is to alter the electoral cycles in order to give elected officials longer terms in office to discourage the short term thinking approach of policy making in which politics is a zero-sum game. Fifth, while Moyo proposes longer terms in office, she also advocates that politicians be subjected to term limits. Moyo explains that any politician granted a position of authority or power for multiple decades risks slipping into complacency and reduced accountability (p. 184). The sixth proposed reform is even more controversial than proposition number three. According to Moyo, a more discriminating approach toward who is eligible to run for office should be implemented. The idea behind

such a proposal would be to exclude those leaders who are narrowly political in their outlook because they lack real world experience. This would upgrade the quality of those who occupy political office (p. 186). The seventh proposed reform is to push for democracies to reduce the number of non-contested, or safe, seats in legislative elections. The eighth proposal is to address declining voter participation by making voting mandatory. While elections in many parts of the world are usually held either on a holiday or on a weekend, in the United States voting is not mandatory. So voters must either vote during their lunch hour or after work when they have already endured an eight-hour shift.

Voters have developed great political apathy toward politicians and voting. The recent wave of voting suppression in regard to minority voters, especially in the poorest Southern states in the United States, is illustrative of why voters are more apathetic than ever toward democracy. Thus, the ninth proposal for enhancing democracy is to find ways to educate the electorate regarding the impact of policy choices (p. 197). Finally, Moyo proposes that voting should be weighted. She proposes that voters be divided into three categories: the unqualified, the standard qualified voter, and the highly qualified voter (p. 198).

Moyo also addresses the importance of the media as an agent of social transformation in the political process. Moyo is particularly concerned with media outlets with an ideological orientation. As she states, “*an ideological media imbues and reinforces a culture of short-termism among politicians and political classes through a twenty-four-hour media cycle*” (p. 204).

The strength of Moyo’s book lies in the chapters addressing the problem of how to fix our democracy in light of the political recidivism going on around the world. Her proposals fall into two categories. Some are targeted at politicians and political institutions while others are targeted at the voters themselves. While those proposals are Weberian ideal types, their implementation is another story since in order for them to be implemented, politicians and their policies would have to take into consideration long term goals. Long term goals do not benefit politicians who are running for reelection every other year, especially in the United States. This is perhaps the greatest weakness of the book. Some of its recommendations are so far out that their implementation would not be beneficial to politicians. Therefore those recommendations would be dead on arrival to members of the legislature.

In *Edge of Chaos*, Moyo highlights the challenges and risks that must be overcome in order for democracy to prosper in the post-Cold War international system. While the challenges are many, we should not reverse our path toward democratic consolidation. I recommend Moyo’s book to any student or practitioner of world politics, and also to economists and world leaders. Moyo provides a good place from which to begin by calling our attention to, and defining clearly and succinctly, the nature of those obstacles. We fail to act on them at our own peril.

¹ According to Robert A. Dahl, a polyarchal democracy is a political system with six democratic institutions: elected officials; free, fair, and frequent elections; freedom of expression; alternative sources of information; associational autonomy; and inclusive citizenship.

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