

THE  
ECONOMIC  
CLUB OF  
CHICAGO

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The Club welcomed Dr. Dambisa Moyo for a Special Luncheon Meeting on Monday, May 21 at The Chicago Club. Dr. Moyo discussed the ideas explored in her recently published New York Times bestselling book, *Edge of Chaos: Why Democracy is Failing to Deliver Economic Growth – And How to Fix It*, and then participated in a Q&A session moderated by Chair Melody Hobson. Dr. Moyo opened her remarks with observing the growing skepticism she sees around the world in regards to liberal democracy and market capitalism and the role they play in economic advancement and human progress. She cites three reasons for the growing skepticism:

- Voter participation rates are down to 50 percent from 65 percent in the 1960s.
- Money has seeped into the political process, with lobbying dollars doubling from \$1.5 billion to \$3 billion in the last decade. Additionally, after the Supreme Court’s Citizens United decision, just 158 families in this country to be responsible for over 50 percent of the political contributions made in the 2016 presidential election.
- People have lost faith in the political system and the government’s ability to function. As one Pew think-tank cites 80 percent of Americans do not trust the federal government to do what is right on a regular basis.

Additionally, Dr. Moyo mentioned the results of a World Economic Forum survey that showed the majority of citizens around the world have more faith in authoritarian governments, such as the Chinese government, to deliver economic progress than they do in democracies.

“I’ve had the privilege of traveling to over 80 countries around the world – rich and poor, democratic and non-democratic. One thing has become absolutely clear: we who believe in democracy and market capitalism are no longer convincing,” she said.

Dr. Moyo emphasized the need to rejuvenate democracy in order to face six key headwinds that threaten the global economy. These headwinds are:

- Technology and automation leading to greater unemployment
- Rapid growth of the world’s population
- Income inequality
- Natural resource scarcity and associated environmental concerns
- Amount of debt the global economy carries
- Decreased productivity

After explaining these threats and the potential damage they could create to the global economy, Dr. Moyo presented the proposals discussed in her book for fixing democracy. Those ideas included paying politicians more money, mandatory voting and weighted voting, all of which have precedence in other countries in the world. Six of the ten proposals target politicians in an attempt to break the cycle of short-sighted policy making dictated by re-election. To stress this point, Dr. Moyo quoted President of the European Commission Jean-Claude Juncker, who said “[Politicians] all know what to do, we just don’t know how to get re-elected after we’ve done it.”

After her remarks, Chair Mellody Hobson opened the Q&A portion of the program by asking Dr. Moyo more about her background growing up in Zambia and the path that led her to a doctorate in economics from Oxford University. Maintaining an open and inquisitive mind is something she credits for her success.

“I fear that we are so doggedly ideological – whether it’s Republican or Democrat, or I’m black or white, etcetera – and it’s to a great disadvantage,” she said. “I’m just more interested in ideas, and particularly in the evolution of ideas and innovation.”

When asked if she was optimistic or pessimistic for the United States, Dr. Moyo didn’t hesitate in saying optimistic due to the country’s legacy of re-evaluating and re-orienting itself when it may be headed down a flawed path.

“I think there comes a point where Americans say, ‘that may be legal, but it just does not comport with us in a moral and ethical sense,’” she said. “Bono says ‘America isn’t a country, it’s an idea.’ It’s an idea that’s very important to the world.”