

## Zambian economist Dambisa Moyo: 'For many countries the Chinese model is more interesting'

31/07/18 at 22:23 - Updated on 01/08/18 at 10:24  
fromKnackfrom 01/08/18\_(/s/r/c/1179631).

**If Europe does not get its economic engine back on track, its social model is doomed, warns Zambian economist Dambisa Moyo.**



Dambisa Moyo: 'When I was growing up in Zambia, we were really convinced that America would not accept injustice. That idea is now completely gone.' © Getty Images

You can best compare the West with a long-distance runner, "says

**Dambisa Moyo**

, just before we finish the conversation.

'An athlete who eats unhealthy, sleeps too little and does not train every day, will still be able to walk a considerable distance.

But the other athletes, who are well trained, will leave him behind.

The West must realize what the competition is doing.

In China, people are prepared to work 9-9-6: from nine in the morning to nine in the evening, six in seven days.

That is the level and dedication of the competition.

I note that Europe and North America do not have an answer for the time being.'

|| Many Western leaders do not like him, but behind closed doors they admit that Trump is right

*Dambisa Moyo*

Moyo speaks in a confident tone, as a teacher who advises a student.  
And her verdict is harsh: the western world is on the verge of chaos.

*Edge of Chaos*

, her last fruit of the penis, is a comprehensive alarm cry, in which she warns of the approaching demise of the liberal-democratic system.

Yet she pertinently refuses the label of the doom-monger or the doom-prophet.

"You will undoubtedly have noticed that I do suggest solutions in my book.

These solutions are not fantasies that I just invented: they are concepts that have already been applied. '

Moyo is not averse to any controversy.

In 2009 she published

*Dead Aid*

(translated into Dutch as "

*Dead-end aid*"

), in which she called for an immediate stop of all development aid to Africa.

Not an original idea in itself, but the call from a Zambian economist caused quite a stir in the development sector.

Also in

*The Downfall of the West*

(2011) and

*The growth hunger of China and the consequences for the rest of the world*

(2012) she warned that the fat years for the Western world are over.

Dambisa Moyo: 'Actually, the West faces an even greater challenge than the current economic problems.

The efficiency of the capitalist system itself is questioned.

Due to the growing income inequality in the Western world, mistrust is growing.

There is also doubt as to whether it is still possible to achieve economic growth without damaging nature.

As a result, more and more Westerners get the idea that the system itself is fundamentally corrupted. '

**You say that Western liberal democracy is unsuited for the 21st century.**

**What does it lack?**

**Dambisa Moyo:**

The West is faced with six fundamental problems: income inequality, the threat of unemployment by technical innovation, overpopulation, declining productivity, debt and the lack of resources.

To solve this, you need a long-term strategy, while the current politicians almost only do short-term thinking.

They serve their voters and push the bill to the next generations.

**Is that short-term thinking not inextricably linked to a democratic system?**

**Moyo:**

That does not necessarily have to be that way.

Over the past decades, the political company has changed enormously.

In the 1960s, politicians had more knowledge of the economy.

There were farmers, teachers, workers, lawyers and doctors in parliament.

They were also usually older: the average British politician was about 62. Today the average age is 40. People now step into politics without having gained much experience in the labor market.

|| America and China are similar: both countries can shut themselves off from the world and meet their own needs

*Dambisa Moyo*

**Why is that a problem?**

**Moyo:**

Many politicians hardly realize what the consequences of their decisions are because they have no contact with industry or industry.

## You want more entrepreneurs in politics?

### Moyo:

Not necessarily, but I do want fewer professional politicians.

You get a better class of directors, I think, if you ensure that politicians without work experience can not stand for election.

Another point is legitimacy: if you want to reform a system, you have to know that system well.

Under President

### Emmanuel Macron there

is an education reform in France that is mainly drawn by ex-teachers.

That seems like an interesting exercise.

## Why would liberal democracy not be able to meet these challenges?

### Moyo:

It is clear that the system is under pressure.

*(shaking his head)*

Westerners always have advice for countries that are not liberal democracy.

While it is clear that political instability is currently coming from the West.

The financial crisis was caused by the West.

My point is: our democracies no longer work as they should.

Comparing with China is unfair in many ways.

### Why?

### Moyo:

Because the individual in the Chinese system is not the most important entity.

In the Western model, everyone has one vote.

The problem with that system is that it is not able to charge the costs that are linked to the individual behavior.

For example, I can eat here as much as I want, become obese and have these costs borne by society.

In China, society is the most important core.

The Chinese model assumes that man can not be trusted because he does things that are harmful to himself: smoking, overeating or drinking.

And so it is the role of the government to correct the individual.

That keeps the social costs clear.

But it also has its disadvantages.

There is less innovation, because people are less free to undertake.

## Is the Western model intrinsically stronger?

### Moyo:

We live in interesting times, because for the first time in a long time we see two more social models.

America, the richest country in the world, has a free market economy and is rather a democracy.

China, the second richest country in the world, has state capitalism and does not consider democratization a priority.

It is an experiment that we experience live and I do not dare to predict who will make it.

America and China have about the same gini coefficient, the figure with which you measure inequality.

But in America, inequality is increasing, while in China it is getting smaller.

|| Westerners always have advice for countries that are not liberal democracy.  
While it is clear that political instability is currently coming from the West.

## Does the rise of China mean the end of democracy as a shining example?

### Moyo:

Democracy is the exception, not the natural state.

In world history we may have known democracy for one per cent of the time, and even that is an exaggeration: in a country like Switzerland women can only vote since 1971. Moreover, democracy is not nearly as ubiquitous as most Westerners think.

Barely thirty percent of the world lives under a system that can be labeled somewhat as a democracy.

In that context it is not illogical for the democratic system to be questioned.

## Do you expect the developing countries to gradually store their democratic aspirations?

### Moyo:

That is already happening now, and not only in the emerging economies.

In countries like Hungary and Poland, too, leaders seem convinced that their model of non-liberal democracy benefits their people.

### **What should be the priorities for Western countries?**

#### **Moyo:**

The West needs economic progress to safeguard its social model.

If populist sounds today stir, this has to do with the fact that Western countries have too little economic growth.

Life standards are declining in many countries.

In the US, life expectancy in the working class has declined.

Their wages fall, so that workers put themselves in debt to keep their heads above water.

Such people want their government to deal with them.

Many Americans do not understand that their country contributes to the safety of Europeans, while in their own country an opium epidemic is raging that has completely ruined certain areas.

This generation of Americans will be the first to be less well educated than that of her parents.

That has never happened before.

### **Are you afraid that the politics of US President Donald Trump will cause a new wave of isolationism?**

#### **Moyo:**

The West is more protectionist than it thinks.

The way in which it uses agricultural subsidies to shield its market is against any form of free-market thinking.

It is a pity that political leaders no longer dare to defend the merits of globalization.

Globalization has been good for the world, and especially for the West.

But the prosperity they have gained from globalization has wasted Western countries on wars in Iraq and Afghanistan.

And now the money is up and people notice that they are worse off than ten years ago.

And so they are looking for a scapegoat: the Chinese are certain, whether it is the free trade agreements, or it is NATO.

That is what Europe must solve now, and that is only possible through economic growth.

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### **Does the end of the Western order also mean the end of interventionism?**

#### **Moyo:**

I do not know, but I hope Europeans see this as a wake-up call.

Many Western leaders do not like him, but behind closed doors they admit that Trump is right: Europe needs to contribute more to NATO, the NAFTA free trade agreement from the 1980s has to be modernized.

Trump represents those Americans who are fed up with it.

Europe must understand that the harvest is what it has sown.

For 30 years, the Americans have been asking for more contributions to defense.

Apparently they

have chosen

a

*maverick*

like Trump to make it clear that the 'free ride' is over.

### **Does Europe have the most to lose with increasing isolationism?**

#### **Moyo:**

Europe could benefit from the American security

**umbrella**

for years, but it must now mature and assume its responsibility.

Europe does not want to keep running around all the time.

As long as the American system stood for social mobility, the population could deal with it.

Not anymore.

The Americans have every reason to be angry.

### **Do you see interventionist tendencies in the emerging countries?**

#### **Moyo:**

China is too poor to carry foreign wars.

At the beginning of the nineteenth century, China was the richest country in the world according to GNP standards, but it wasted all those resources on exhausting wars.

They will not make that mistake again.

Actually, America and China are very similar.

Both countries can - if they so wish - shut themselves off from the world and meet their own needs.

They have water, fertile land, raw materials and a highly educated population.

Foreign trade is good, but not necessarily.

Why would such countries need the Europeans?

China's main challenge is agriculture, and for this it has already concluded more than enough strategic deals in Africa and Latin America.

### **Is the Chinese social model more interesting for Africa?**

#### **Moyo:**

Over the past sixty years, the West has used development aid as a crowbar to spread democracy: African countries received money when they were democratically established.

That is a mistake, because the West never paid any attention to the question whether those countries were ready for it.

Democracy needs to grow organically: you need a middle class that the government sets for its responsibilities.

The main problem is that the emerging economies are not growing enough today.

A developing country should grow at seven per cent per year, but currently most African and South American countries are barely 1 to 3 per cent.

Regions that are still extremely poor are primarily looking for a model that provides economic growth, and then it is logical that the Chinese model is more attractive than the European one.

|| Europe will therefore have to work out a way for Africans to share in European prosperity

### **Why is it that the West can no longer provide for this economic growth today?**

#### **Moyo:**

Because Western countries are no longer able to manage efficiently and constantly have to compete against populist movements.

In America you also have the problem of plutocracy, where a handful of rich people determine which direction the country is going.

### **Is not populism just a way to express criticism within a liberal democracy?**

#### **Moyo:**

I admit that the term populism is not entirely accurate.

He covers many sentiments: anti-migration, anti-capitalism, anti-Muslim.

The democratic system is precisely designed to make it possible to vent grievances without undermining the functioning of the government.

But populism is an uprising against the system itself.

### **The migration problem seems to be the main priority within the European Union, not economic development.**

#### **Moyo:**

The fundamental mistake that Europe makes is to think that all those African migrants want to live in Europe.

That is not true.

They prefer to stay in Africa with their friends and family.

For the climate alone.

Westerners do not seem to understand that all these migrants are responding to the collapse of the economy in their countries of origin.

And the West is to blame for that.

#### **How?**

#### **Moyo:**

Because Western governments have closed their markets for agricultural products.

Through the European system of agricultural subsidies, the EU African and South American countries de facto deny the opportunity to export their agricultural products to the West.

That means that in all those countries there are huge numbers of farmers who have no work.

As a result, the local government can not levy taxes, which means that it can not organize good education or health care. And so many of those farmers think: we do not stay here.

**Western governments might argue that they also want their own agricultural sector for strategic reasons.**

**Moyo:***Fair enough*

, but do not say that you believe in globalization.

All those developing countries have opened their markets for European and American goods and thus destroyed their local economy. But America and Europe have not opened their markets for agricultural products from the south.

That is fundamentally unfair.

**Do you expect Europe to be flooded by African fortune hunters?**

**Moyo:**

Look, by 2070, forty percent of the world's population will live in Africa.

At its narrowest, Europe and Africa are barely twelve kilometers apart.

Migrants can not be stopped.

Europe will therefore have to work out a way for Africans to share in European prosperity.

|| As long as Europe screens off its market for agricultural products from Africa, the migrant flow will increase

*Dambisa Moyo*

**Both the French president Emmanuel Macron and the German chancellor Angela Merkel already dropped the proposal to create a kind of marshall plan for Africa.**

**A good idea?**

**Moyo:***(sigh)*

More than a thousand billion dollars in aid have gone to Africa in the past century, and yet nearly all countries in Africa are still poor.

Development aid has been a major failure for fifty years.

Moreover, I ask myself the question where Europe will get all that money.

Europe is broke.

The original Marshall Plan was one hundred billion dollars.

Africa needs a multiple of that amount.

**Europe is now trying to conclude agreements with African countries to take back asylum seekers who have exhausted all legal remedies.**

**Is that a sensible approach?**

**Moyo:**

It is not a real solution to the migration crisis.

You can only stop migrants if the economic conditions in the countries of departure improve drastically.

And that is only possible if the West gives up some economic sectors.

As long as Europe hedges its agriculture, the migrant flow will increase.

**Will the migration not just increase if the economic conditions in the countries of departure improve?**

**Moyo:***(looks surprised)*

I have never heard of that.

Where do you get that from?

**Better economic conditions in the countries of departure increase migration because a migrant needs a lot of financial resources to travel to Europe.**

**Moyo:**

I can not believe that hard.

Look at countries like Ghana, Uganda or South Africa: as soon as the economic conditions improve, the brain drain is reversed and people even return.

**Just about every migration expert will confirm that it is.**

**Moyo:**

Well, I do not believe that.

It is a crazy idea.

If you push that logic through, you must keep Africa poor to prevent more migration.

### **Does the end of the Western order also mean the end of human rights?**

#### **Moyo:**

Well, I think the West has had genuine ideological beliefs for a long time.

But it is now equally clear that Western politicians do not always follow these values.

Look at Guantanamo Bay, and the deals that European countries with Saudi Arabia and China are closing.

The West can claim that it is concerned about the major world problems, but in the end it is mainly concerned with its trading partners.



Democracy needs to grow organically: you need a middle class that the government sets for its responsibilities

### **Should the West abandon its values discourse?**

#### **Moyo:**

I'm not a European or American, so who am I to say that?

I mean only: Westerners know that Saudi Arabia does not have women's rights and that China is not a democracy.

But they choose to ignore that.

Prefer a cheap Chinese smartphone than principles.

Do you really think that the rest of the world still believes that the West is guided by its values?

Human rights: it will.

### **Does the West underestimate the extent to which it is despised in the rest of the world?**

#### **Moyo:**

The West is not despised, but there is a certain skepticism.

There are many things why people still admire the West.

But everyone also realizes that the West only acts out of self-interest.

When I was growing up in Zambia, we were really convinced that America would not accept injustice.

That idea is now completely gone.

### **How do we look back on this time in fifty years?**

#### **Moyo:**

If we do not succeed in solving our deep-rooted economic and social problems, it may turn out that there is an openness to replace the Western model of liberal democracy with something else.

China will be absolutely dominant in fifty years.

That will not happen in a straight line, but with ups and downs.

China will be able to present a report that is very attractive.

That is already the case. The Chinese system has succeeded in getting hundreds of millions of people out of the bitter poverty.

That is absolutely impressive.

I do not know if the western model can handle this.

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