

DAMBISA MOYO RECEIVED A DOCTORATE IN macroeconomics from Oxford University, a Master of Public Administration from Harvard University and an MBA from American University, from which she also received a degree in chemistry.

Yet her credentials as a global economist go beyond her academic achievements. She worked for nearly a decade for Goldman Sachs, and before that for the World Bank. She has visited more than 80 countries, and her own experiences span both the developed and developing world. A resident of New York City and the United Kingdom, she's a native of Zambia, where she was born and raised.

As an author, she has published three New York Times best-sellers. The first, *Dead Aid*, is a treatise on the failure of aid to Africa. Next came *How the West was Lost*, her argument that misguided economic policies have dimmed the futures of developed countries; and a third, *Winner Take All*, examines the implications of China's purchase of natural resources around the world.

Ms. Moyo has nearly 1.2 million followers on LinkedIn, and nearly 200,000 on Twitter. Among other accolades, Time magazine once called Ms.

The best-selling author, economist and Chevron Board member speaks to Brunswick's **KEVIN HELLIKER** about the future of democracy

Moyo one of the world's 100 most influential people. She sits on the boards of Barclays, Barrick Gold and Chevron.

One late morning in March, just ahead of a lunch date with Oprah Winfrey, Ms. Moyo sat down at the New York offices of Brunswick to talk about the publication of her fourth book.

Your new book, *Edge of Chaos: Why Democracy Is Failing to Deliver Economic Growth and How to Fix It*, sounds potentially ominous. What is the worst-case scenario facing Western democracies?

The worst fear is it becomes so dysfunctional it ends up operating at the extremes. And the extremes would be either a plutocratic coterie of very wealthy people controlling not just politics but public policy, or where populism renders government dysfunctional, because it is continually pandering to the populist sentiments or zeitgeist of the moment.

We're already trending toward those extremes. We're sitting here the day after the Italian election, which appears to have produced a somewhat dysfunctional government.

With Brexit in the UK, the government is essentially grounded from having any long-term discussions about education or infrastructure or healthcare. Then there's the US, where during the 2016 elections, 158 families accounted for 50 percent of political contributions. This smells of wealth so correlated with public policy that the idea of one-man/one-vote is not really reflected in the democracy.

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PHOTOGRAPH: COURTESY OF DAMBISA MOYO

“PEOPLE AROUND THE WORLD TRUST AUTHORITARIAN GOVERNMENTS TO DELIVER, MORE THAN THEY TRUST DEMOCRATIC GOVERNMENTS. HOW CAN WE IMPROVE DEMOCRACY SO THAT PEOPLE PLACE MORE TRUST IN IT?”

Did this book begin before or after the 2016 US election?

Before. The book was borne out of frustration. I’ve worked on Wall Street and in finance all my life, and as an economist I’ve gotten increasingly frustrated by a mismatch between the lens that economists see through and the lens used by public policymakers and politicians. What economists see are long-term, intergenerational, structural problems, such as income quality, the jobless underclass, high debt levels, productivity declines and natural resource scarcity. Politicians facing election every two to four years are treating these problems as short-term.

Short-termism is also a problem in corporations, of course. But what’s most worrisome to me is the short-term focus of governments and public policymakers. Of all the headwinds democracies are facing, the overarching one is myopia.

What are your solutions?

I offer a menu of 10 proposals. One would be to extend political terms. Rather than two-year or four-year election cycles, you could do what you see in Brazil, where it’s a nine-year term for a senator, or Mexico, where it’s a six-year term for the presidency. With that, there could be a capping of terms. You get a longer term, but without the incumbent who hangs around as in an autocracy.

I’d also argue for some kind of a system that binds government to legislation, so you don’t have public policies swinging around after every election. A recent example would be around Obama’s healthcare; it went back and forth through a legislative process and was passed. The last thing you need is a new government coming in a year later and dismantling the whole thing. Obviously, you don’t want to end up in a system with bad policy, but you could take into consideration a grandfathering of public policy so that for 10 years it can’t be totally dismantled. That would stabilize markets and give business and corporations a better sense of the lay of the land.

What is your hope for *Edge of Chaos*?

That there’ll be an open debate about the ways we can improve on democracy. Studies from the World Economic Forum say people around the world trust authoritarian governments to deliver, more than they trust democratic governments. How can we improve democracy so that people place more trust in it?

I love living in the United States. I choose to be here and not elsewhere because one of the hallmarks of Americana is the ability to look at things, see

underperformance and switch directions. In much the same vein, I would hope that Americans could look at China and acknowledge that it has done well in many respects. It has come from essentially nowhere over the past 30 years to become the second-richest country in the world, moving hundreds of millions of people out of poverty.

We may not like their system, but let’s at least be objective enough to try and understand what the best parts of that system are. The Chinese are ideological about economic growth and progress. They’re not to my mind ideological about democracy or market capitalism or any system for that matter.

In fact, if we were able to convince them that democracy and market capitalism could deliver economic growth, they would adopt it tomorrow. The problem is they don’t believe that it can generate economic growth in a sustained and equitable way.

I was born, raised and spent my formative years in Zambia, Africa – one of the poorest countries in the world. All my life I have been raised to believe that democracy and market capitalism are the path to economic growth, better living standards and reducing poverty.

However, with China’s legendary economic success and democracies in advanced countries struggling, people around the world are no longer convinced. Why? Perhaps because we who believe in democracy are no longer convincing.

Do you believe in market capitalism?

I am a believer, but I also recognize its weaknesses. Income inequality has widened, whether we’ve had Republicans or Democrats in office. There’s something fundamentally, structurally wrong in the system right now that is leading to those outcomes.

China’s Gini coefficient is roughly the same as the United States. How is that possible? Two different political systems, two completely different economic systems, and yet they’ve got the same measure of income inequality. And China’s income inequality’s improved over the last 10 years. That of the United States has worsened.

Do you think it’s possible that Western dominance will turn out to have been a phase to be overshadowed in the decades ahead by China?

Obviously I can’t see the future. But through the democratic process, we are seeing a backlash against market capitalism and also against the political establishment. Those are the two pillars of Western civilization.

But I don't think we've yet been road-tested on what the outcome is. Will populism lead to a more socialist type of world view? You could argue it's happening in a sort of stealth way in the United States. Issues around gun control are now being decided by cultural norms and sentiment. Everything around the Oscars and the arts is being heavily influenced by what society's deeming important. People are demanding that companies consider broader issues than narrow returns and the cost of capital.

It's also interesting that the use of executive orders has risen not just under Trump, but under the last four presidencies. There might be a stealth reorganization under way around what society demands of its political and business leaders.

The US and China are so interesting to compare and contrast. The US is all about the individual. In China it's society.

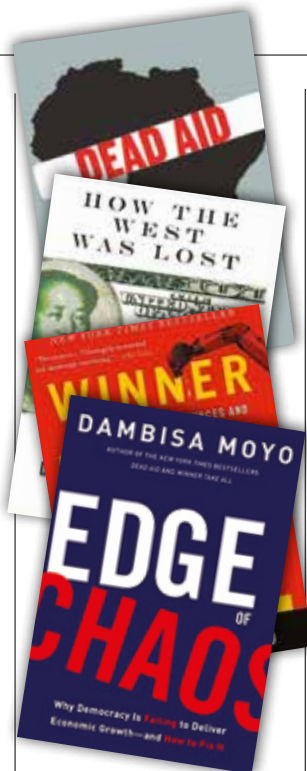
One thing they're doing in China is called Sesame Credits, where if you do things that are good for the community, you earn credits that will give you certain benefits. For example, if you coach your kid's soccer team on the weekend, you might be able to get your father the best healthcare. I asked a Harvard professor, "Have you heard about the Sesame Credits?" I thought he might be enamored of the idea. But he said, "That is completely anti-American, completely anti-individual, completely Big Brother."

As someone who sits on several boards, do you sense that corporations are sincere in saying they're looking out for all stakeholders? Is it just talk or has there been a real shift?

It's 100 percent the case. Companies that do not take onboard these fundamental shifts are not going to be around for long. The imperative is not just coming from regulators or even investors. Our customers and colleagues demand it. They expect good behavior.

The communities in which we operate expect good behavior. If you want to compete and thrive in business in the 21st century, you have to have this agenda front and center. How are you serving as a good citizen? How are you contributing to the broader function of society?

Dare I say it's sometimes a difficult shift, not because people are unwilling, but because we're asking companies that have been incredibly successful to change their approach, to innovate, to see how they can best deliver their products and goods and services in a world where the parameters have moved.



All four of Ms. Moyo's books made the New York Times Best Seller list: *Dead Aid*, *Winner Take All*, *How the West Was Lost* and *Edge of Chaos*. The last, released in 2018, addresses popular uprisings in a period of anemic economic growth and widening wealth inequality.

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Economist and author Dambisa Moyo is a Board member of Barclays, Barrick Gold, and Chevron. She holds a Doctorate in Economics from Oxford, and a Masters from Harvard.

KEVIN HELLIKER is Editor-in-Chief of the Brunswick Review and a Pulitzer Prize-winning journalist, based in New York.

Do you see any momentum toward increased female representation on boards?

I am quite optimistic about that. The intellectual argument was settled a long time ago. Our customers are diverse, our regulators are diverse, our investors are diverse. It's mad to have a board that is not diverse enough to reflect those different communities, ways of thinking, historical contexts, *et cetera*. It's critical to whatever it is we're selling.

On a very micro level, I receive the National Association of Corporate Directors daily information on board shifts, and they have a breakdown right in the top, by women and men, and those numbers show that we're moving in the right direction. Are we where we need to be? Of course we're not. But 10 years ago, I was the only woman on the boards where I was serving. Today, in some cases, nearly half of the board members are women.

There are also a lot of initiatives around bringing Latinos, Asians, blacks into the boardroom. International companies are bringing international people. If you have half of your revenue coming from outside of the US, you might want to have some board representation from those regions.

You've said that one of your frustrations is the reluctance of some managers to offer constructive criticism. How do you address that?

I have realized that the onus is largely on me. If people feel that I am aggressive or don't take feedback well or that I might get angry or I might sue them, then they're less inclined to give that feedback.

If you're an athlete, if you're Eliud Kipchoge trying to run the first marathon under two hours, you know exactly how well you're doing and how much faster you have to get. I try to lead my professional career in that vein. I try really hard to get people to give me as much critical feedback as possible.

If you make mistakes, you want people to call you out on that, in a constructive way. It is very helpful if people say, "You're not good at this, but here are three ways that I think you might get better." I'm not saying it's easy. It's why Thanksgiving and Christmas are notorious for family blowups, because nobody wants to take feedback, nobody wants to give it. Feedback can be hard and horrible, but it has to be critical if you want to get better.

Do you have an athletic goal?

I would love to run a sub-five marathon. If I could do sub-four-and-a-half, that would even be better. My best time, 5:18, was at the London Marathon.