



INTERVIEW

## BOARDROOM ECONOMIST

► Dambisa Moyo worries about the fragile recovery

**THE SUNDAY TIMES**

# My year of blockbuster bids, board coups and plunging prices

Dambisa Moyo was at the centre of some of the big boardroom battles — but the economist is more worried about the struggling economy

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*James Ashton* Published: 3 January 2016

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Dambisa Moyo feels it is 'too optimistic' to say Britain's economy is out of the woods (Tom Stockill)

DAMBISA MOYO must be hoping that this year will be less eventful than last. Her three non-executive board seats meant she was in the thick of three of the biggest business stories of 2015: at Barclays, the ousting of chief executive Antony Jenkins; at brewer SAB Miller, a blockbuster £71bn takeover; and at Barrick Gold, the collapse in commodity prices.

Together with giant fines and restructurings, she has seen more in the boardroom than most.



“The only thing I haven’t experienced, and I hope I never have to, is the insolvency of a company,” she says over the hubbub of the Caramel Room in London’s Berkeley hotel, where Christmas visitors are demolishing dainty afternoon teas.

But Moyo is in demand for her ability to look forward, not back. Ever since the publication of *Dead Aid*, her treatise on all that is wrong with pouring charity billions into Africa, the Zambian economist and author has been a fixture on the conference circuit, opining on geopolitics and growth — on which she has a book coming out.

She views 2016 with foreboding. “I think the mood right now is pretty nervous,” she says. “There is deterioration in growth in the very large emerging economies — China, India, South Africa — but also in the developed world. There is really no clear path that

suggests there is going to be significant economic growth.”

That could mean more policy intervention in the short term, such as interest-rate cuts or stimulus programmes, but it will not solve the long-term structural problems of high sovereign debt, ageing populations or weak productivity, Moyo says.

“Productivity continues to be this really weird thing. For economists it is about 60% of why one country grows and another one doesn’t and yet we continue to see an erosion in productivity around the world.”

What of America, surely a bright spot after the Federal Reserve began pushing up interest rates? “We live in a globalised world. It’s hard to see a situation where the US can just continue to charge along.”

Britain’s year will be similarly dominated by the interest-rate question, but she suspects the first rise is more likely to come in 2017. “It has huge implications for the mortgage market and credit cards. Given that the UK’s large neighbours in Europe are continuing to struggle, it suggests to me it is probably too optimistic to think that Britain is out of the woods.”

Moyo, 46, is a confident talker, and laughs a lot. The recent convert to marathon running is trim and understated, hair carefully teased into place. The only thing that jars with her stylish demeanour is the bling-encrusted cover for her smartphone — a Christmas present.

“I already got slammed for it,” she confesses. “Someone said, ‘I just want to let you know you are not 13 anymore.’ It is so silly, but I thought it was so cute.”

Moyo is always on the move. Last month, she spoke at the international conference of the Red Cross and Red Crescent and recorded a talk for the TED ideas forum. This month sees her in the Cayman Islands for a Fidelity Bank event and then on to the World Economic Forum in Davos.

She began travelling early. Born in the Zambian capital Lusaka, the oldest of four children, Moyo spent the first eight years of her life in America while her father studied for his doctorate. She returned home for her formative years but went back to the US to finish her chemistry degree at the American University in Washington after a failed coup in 1990 resulted in her university being shut down.

Moyo pays tribute to her mother, who chairs Indo Zambia Bank, and father, an academic who once ran the national broadcaster. “They are the real pioneers. They left Africa without any guidance or advice about where they were going.”

Talking about Zambia, she sounds momentarily homesick. “So much has happened in my country while I was not there: the Aids epidemic, the move towards multiparty democracy. I was there for parts of it but not really to experience the whole thing. You show up and realise you are a bit rudderless. I still very

much view it as home, but I recognise I wanted to have an international career.”

That career took her to the World Bank at the age of 23, where she was advised to carry on learning. Moyo enrolled at Harvard, where she met the economist Paul Collier, who lured her to Oxford to pursue a doctorate in economics.

Moyo insists there was no grand career plan. Even when she applied to join Goldman Sachs, she didn't really know what Goldman did. As an economist in the bank's capital markets division, she helped countries such as Israel and Turkey to issue bonds, moving into hedge fund coverage and macroeconomics.

Sat at a bank of screens, she hit on the “massive blind-spot” in global capitalism — the lack of understanding of, say, how a consumer filling his car with diesel is connected to an oil trader, or how the collapse in the price of iron ore results in mine closures and unemployment. This kind of insight has informed much of her work.

“Dambisa's writings and research insights consistently display a unique and unparalleled perspective on opportunities in global investment,” says Manny Roman, chief executive of alternative investment manager Man Group, who worked with Moyo at Goldman.

Of the late Labour pollster Lord (Philip) Gould, who spurred her on to write *Dead Aid*, Moyo says: “I owe him a lot, I really do. He said he thought I had a really important argument and he supported that.” Gould's friendship gives another clue to her encyclopaedic contacts book.

*Dead Aid* announced Moyo's arrival on the world stage and hastened her exit from Goldman. But it ruffled feathers, with Bill Gates saying books such as hers were “promoting evil”. It also propelled her into the boardroom: the book came out early in 2009 and by July she had joined the board of beer giant SAB Miller. “The company, in many ways, took a flyer,” she says. “I didn't come through the traditional route.” Further board seats followed.

Has tokenism played a part? Moyo sighs. “Look, I know certain people might take that view. My view is that there is a job to be done. This is how I approach the recruitment process now I am on the other side. There is no scope for window dressing.”

Moyo admits she has been on a steep learning curve, but she is not pausing for breath — she joined the board of Silicon Valley data storage firm Seagate in October. She ponders the complexity of global companies: “They are making incredibly big bets without having perfect visibility.”

She thinks that China may surprise everyone this year by unleashing a stimulus to boost its slowing growth at home, pulling the same levers of interest-rate cuts and money printing on which the West has relied. “You could come up with a bullish story based on their intervention.”

Similarly, she believes some emerging markets will soon start to look cheap for investors after the “absolute carnage” of the past two years.

Moyo is cautious on natural resources, more bullish on the technology sector despite some rich valuations, and sees opportunities to invest in banks, food and logistics, especially in emerging markets.

Another of her books, *Winner Take All*, focused on China's race to gobble up the world's natural resources. It won her an audience with Xi Jinping, the Chinese president. “It was a real opportunity to reflect on those views with somebody who was clearly able and clearly smart and who, in essence, needed more convincing from us that freedom and market capitalism was the best system.”

Where growth will come from is a debate that will dominate this year. When Moyo is not in the boardroom, the issue will keep her speaking calendar full.

## Vital statistics



Dan Aykroyd and Eddie Murphy in Trading Places (PARAMOUNT/THE KOBAL COLLECTION)

**Born:**  
February 2,  
1969  
**Family  
status:**  
single  
**School:**  
Lusaka  
Girls,  
Zambia

**Universities:** American University, Harvard, St Antony's College, Oxford

**First job:** analyst at the Development Bank of Zambia

**Pay:** undisclosed

**Homes:** London and New York

**Car:** none

**Favourite book:** The Great Gatsby

**Favourite music:** eclectic — from opera to big band, rap and rock'n'roll

**Favourite film:** Trading Places

**Favourite gadget:** iPad

**Last holiday:** Caribbean

**Charity:** Ark

## Working day

The economist and author wakes at 5.45am and takes some exercise — either Pilates or a run in the park. If Dambisa Moyo is not travelling, she will be at her apartment in Manhattan or London, although at the moment she is staying at the Berkeley while the latter is treated for subsidence.

Every day is different. "I will definitely do some writing. I will do a lot of reading and have a lot of conversations. But I don't go to a specific office every day."

She will go through board papers or write articles, making an effort to meet contacts for breakfast, lunch or dinner. At most, Moyo will be on a plane four times a week, which she views as a chance to reflect.

## Downtime

Moyo relaxes by watching tennis tournaments and confesses to being a "bit of a groupie for Roger Federer". She prefers running to playing racket sports, however. She does a half-marathon most months and has registered for the London Marathon this April. Moyo is also a big fan of whodunnits. "I love mysteries — so crime novels plus crime shows like Columbo."

0 comments



Dambisa Moyo ▾

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