


racism

## "I'm afraid the police will kick my door"

The US economist Dambisa Moyo on the advantages of the "America first" strategy, the power of the state and the role of central banks in the fight against racism

Interview: **Götz Hamann** and **John F. Jungclaussen**

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*Dambisa Moyo in her London office © Dan Wilton for DIE ZEIT*

**DIE ZEIT:** US President Trump issued four controversial decrees over the weekend, one of which extended a crisis grant for unemployment benefits. Do you think that makes sense?

**Dambisa Moyo:** There is only one possible response to the pandemic: the government must protect the lives and livelihoods of its citizens as much as possible. This applies to left governments as much as it does to right-wing governments.

**ZEIT:** At first it was 600 dollars a week, now it's 400 dollars. We're seeing a lot of leftist politics from conservative governments, don't you think?

**Moyo:** At the moment, every means is right, whether a government is issuing government bonds, putting together aid packages or setting negative key interest rates.

**ZEIT:** Perhaps reality will also force a structural change. Even the American central bank now has a left-wing social policy agenda. In the racism debate [<https://www.zeit.de/thema/polizeigewalt-in-den-usa>] that has been going on for months, the monetary authorities have turned to the Black Lives Matter movement and promised to do their part in future with their interest rate policy in order to fight everyday racism. What do you think about it?

**Moyo:** Finally! Minorities are exposed to an institutional racism that not only has political consequences, but also disadvantages people economically.

**ZEIT:** What can a central bank do about it?

**Moyo:** During the upswing, it usually raises interest rates to keep the economy from overheating. But that would also slow down the creation of new jobs, and especially many African-Americans get back to work rather late in the upswing. The Fed has now announced that it will keep interest rates low for longer than usual after a recession. It gives African Americans more chances of getting a job, which in turn is a prerequisite for buying a house, getting health insurance, and sending the children to a good school.

**ZEIT:** Where do you see the institutional racism you mentioned in America?

**Moyo:** Where do I start? Compared to other industrialized nations, social mobility in the USA has decreased extremely over the past ten years. Those who are born poor hardly have a chance to work their way up economically. Minorities are particularly affected. They have less access than before to education, medical care and public infrastructure.

**ZEIT:** What did you personally experience?

**Moyo:** I've experienced racism everywhere. When I was working on Wall Street, I regularly received racist emails. There were insults in it that are not used even in the ghetto. My friends who are not black are always shocked when I tell them this. I am still afraid that the police will kick my door and shoot me. I also fear for the rest of my family. In short, our liberal market economy is not color-blind - and our society is certainly not.

**ZEIT:** Ms. Moyo, politically you sound more left-wing - but as an economist you are known for conservative and market-liberal positions: You stand for



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unrestrained growth and free entrepreneurship, i.e. positions that have long been leading in the Anglo-Saxon world. Has it never occurred to you that your economic ideas are headed in the wrong direction?

**Moyo:** First of all: I don't see myself as a conservative economist, but as a pragmatist. Economic policy has to be adapted to the challenges. That's why I now think that rich countries should help developing countries with billions because of the Corona crisis

[<https://www.zeit.de/thema/coronavirus>] - something I

strictly reject in normal times. That being said, I believe that the free market economy has never really been tried. The state has always been extremely powerful. Even in the US. Take the trade. It was and is hampered by tariffs, subsidies and other government interventions.

**ZEIT:** These restrictions are not the cause of the immense inequality of wealth and opportunities in the USA.

**Moyo:** That's right. I just wanted to make it clear where I stand ideologically. To make a long story short, the profits of globalization have been distributed incorrectly. They went primarily to the owners of capital and not to those who use their labor. And this is where social and economic policy should have intervened.

## "Growth that benefits everyone would help"

**ZEIT:** What difference will it make for the economy whether Joe Biden or Donald Trump [<https://www.zeit.de/thema/us-wahl>] wins the election in November?

**Moyo:** The economy in many regions of the USA barely grew even before Corona, and the American Court of Auditors says that in a few years the USA will no longer be able to afford the existing social programs. There are now people who believe that we can solve the problems simply by redistributing wealth and introducing an unconditional basic income. I do not think that we can meet our economic, social and climate policy challenges in this way. Growth that benefits everyone would help.

**ZEIT:** So Trump or Biden [<https://www.zeit.de/politik/ausland/2020-08/kamala-harris-joe-biden-us-wahlkampf-donald-trump>] ?

**Moyo:** It's irrelevant in some ways. There are a few fundamental trends that neither can be avoided, and they don't just apply to the US. As a result of the

pandemic, governments have generally spent huge sums. So for the foreseeable future we will have to live with growing debts and government deficits. In other words: the state is simply getting bigger.

**ZEIT:** So will the USA, will the whole world be like Sweden and Norway?

**Moyo:** That wouldn't be the worst result. After all, there are still a few innovations coming from these countries. But seriously: the state will act as the financier of private companies more often. It will interfere more through regulation and taxes, while the private sector shrinks.

**ZEIT:** You don't sound like you like it.

**Moyo:** It will help in the short term, but not in the long term. The state will not solve our structural challenges: demographics, technology, climate change, lack of raw materials, yes, and also poverty. This requires innovations, and companies can do that much, much better. That's what they exist for. For this they get capital.

**ZEIT:** But in the pandemic, quite a few entrepreneurs and managers called for the state.

**Moyo:** I am not saying that the state does not or should not play a role in crises and innovations. We know that he made a significant contribution to the development of Silicon Valley.

**ZEIT:** ... and that the currently most promising drug against Covid-19 is based on joint research between the University of Oxford and a pharmaceutical company.

**Moyo:** Exactly. My concern, however, is that the state will override itself if it tries to plan and largely determine what happens in the economy.

**DAMBISA MOYO**

After studying at the elite Harvard University, Moyo worked at the World Bank and the investment bank Goldman Sachs. She is currently active on several boards, including the oil company Chevron and the technology conglomerate 3M.

Moyo became internationally known with her bestseller *Dead Aid* [<https://www.zeit.de/2009/23/P-Moyo-Dambisa>] from 2009. In it, she called for the end of conventional development *aid* [<https://www.zeit.de/2009/23/P-Moyo-Dambisa>] for Africa. Since then she has written about the role of China and the crisis in the West.

**ZEIT:** That seems contradictory now. Where should the state withdraw?

**Moyo:** The current crisis programs are necessary, but I am convinced that we have to protect private companies from the state. After all, a considerable part of the problems we are talking about were caused by inadequate economic and social policy on the part of the state.

**ZEIT:** If you summarize your worries, what kind of economic order is emerging in front of your eyes?

**Moyo:** It reminds me of earlier times when a monarch - i.e. the state - and a manageable number of people and institutions with a lot of capital determine economic activity and politics. I have a deep dislike for that.

**ZEIT:** Is your neoliberal heart bleeding?

**Moyo:** Of course. When I picture this, I'm afraid the first people to be silenced are people like me. A black woman from Africa.

**"I share the criticism of the international institutions"**

**ZEIT:** You see a way out in growth. Where else can the economy grow without people destroying the planet in this way?

**Moyo:** The need is obvious. One and a half billion people alone still have no access to reliable, cheap energy. The effects are enormous: Those who live like this generally have no access to higher education or medical care, and companies

cannot thrive. Of course, this energy demand must not be met from fossil fuels - and neither must ours. All major energy companies work day and night to find an inexpensive, sustainable source of energy that is big enough.

**ZEIT:** And do you trust the traditional oil and electricity companies to do that?

**Moyo:** Absolutely. The Germans in particular should hope for it because they so vehemently reject an existing, reliable and non-fossil energy source: nuclear power. If the energy companies don't develop other technology and Africans have no prospect of prosperity and security in their own country, where do you think these people are going?

**ZEIT:** Such an energy source is a good prerequisite for growth in developing and emerging countries. Where do you see growth potential in the industrialized countries?

**Moyo:** I like the question. Because growth is often portrayed as something bad. But if the economy does not grow, the individual's chances of advancing socially and economically are limited. It could only be achieved if someone else dismounts. That almost inevitably leads to social unrest.

**ZEIT:** So where should new growth come from?

**Moyo:** There are still so many things that people don't want to do themselves. To take a simple example: cleaning toilets. Nobody likes that - if a machine were to take over ... Also elsewhere in everyday life, in food, in health care, in education - everywhere there are many opportunities to improve something.

**ZEIT:** You showed sympathy for Trump's trade policy and his criticism of the World Bank, the United Nations and the World Trade Organization. Are you a secret supporter of the President?

**Moyo:** No, and for obvious reasons. I am a black woman and liberal on immigration, women's rights and social policy issues. I would never work for him. At the same time, I share the criticism of the international institutions and see good reasons for changing the burdens in favor of the USA.

**ZEIT:** Has Trump achieved anything?

**Moyo:** The conflicts with China and in NATO have been simmering for more than ten years. But no previous US administration seriously touched it. I disapprove of Trump's methods, but: China is seriously moving on trade issues, and NATO members recognize that they need to do more to contribute to the defense alliance. The same applies to international development aid. And if Trump should rule for another four years, then we should be prepared for more shocks.

**ZEIT:** Do you see new international cooperation emerging somewhere?

**Moyo:** We are seeing new institutions emerge that are dominated by China - like the Chinese Development Bank as an alternative to the World Bank. The West has not yet countered this, although in the past hundred years it has always created a new international institution in major crises as a reaction to precisely these existential events: after the First World War the League of Nations, after the Second World War the United Nations, the European Union, international trade agreements and, and, and.

**ZEIT:** But isn't the world climate agreement the first global agreement for the 21st century?

**Moyo:** It did not adequately take into account the interests of the emerging markets. The USA got out [<https://www.zeit.de/politik/ausland/2019-11/vereinte-nationen-pariser-klimaabkommen-usa-ausstieg>] . So far, there has been little interest in international agreements for this century. That is why I think the development will continue: We live in a *world of disorder*, a world of growing disorder and sharper conflicts.