CEOs must begin to think like statesmen

Parag Khanna directs the Global Governance Initiative in the American Strategy Program of the New America Foundation. Author of the previous international bestseller The Second World - Empires and Influence in the New Global Order. His new book is 'How to Run the World - Charting a Course to the Next Renaissance (2011). In 2009, Parag was honored as a Young Global Leader of the World Economic Forum. He is a member of the Council on Foreign Relations and Explorers Club. In 2002, he was awarded the OECD Future Leaders Prize.

Born in India, Parag grew up in the United Arab Emirates, New York, and Germany. He is an accomplished adventurer. Some of his lengthy journeys include driving from the Baltic Sea through the Balkans and across Turkey and the Caucasus to the Caspian Sea, across the rugg1ed terrain of Tibet and Xingjian provinces in western China, and eight thousand miles from London to Ulaanbaatar in the Mongolia Charity Rally. He has climbed numerous 20,000-foot plus peaks, and trekked in the Alps, Himalayas, and Tien Shan mountain ranges.

In an interview with ***Benedict Paramanand,*** Parag focuses on India's new status but peppers it with realities the country needs to address if it is to be respected. An excerpt:

Where does India fit in the scheme of things to come in your book 'How to Run the World'?
India was a prominent actor in previous eras of world politics such as the Middle Ages, when the Chola Dynasty was India's dominant power. Indeed, India today again is reasserting its naval position in the Indian Ocean and is a crucial arbiter over the world's most important sea lanes connecting the Persian Gulf and the Straits of Malacca.

India also fits in as a very important development model for developing countries,

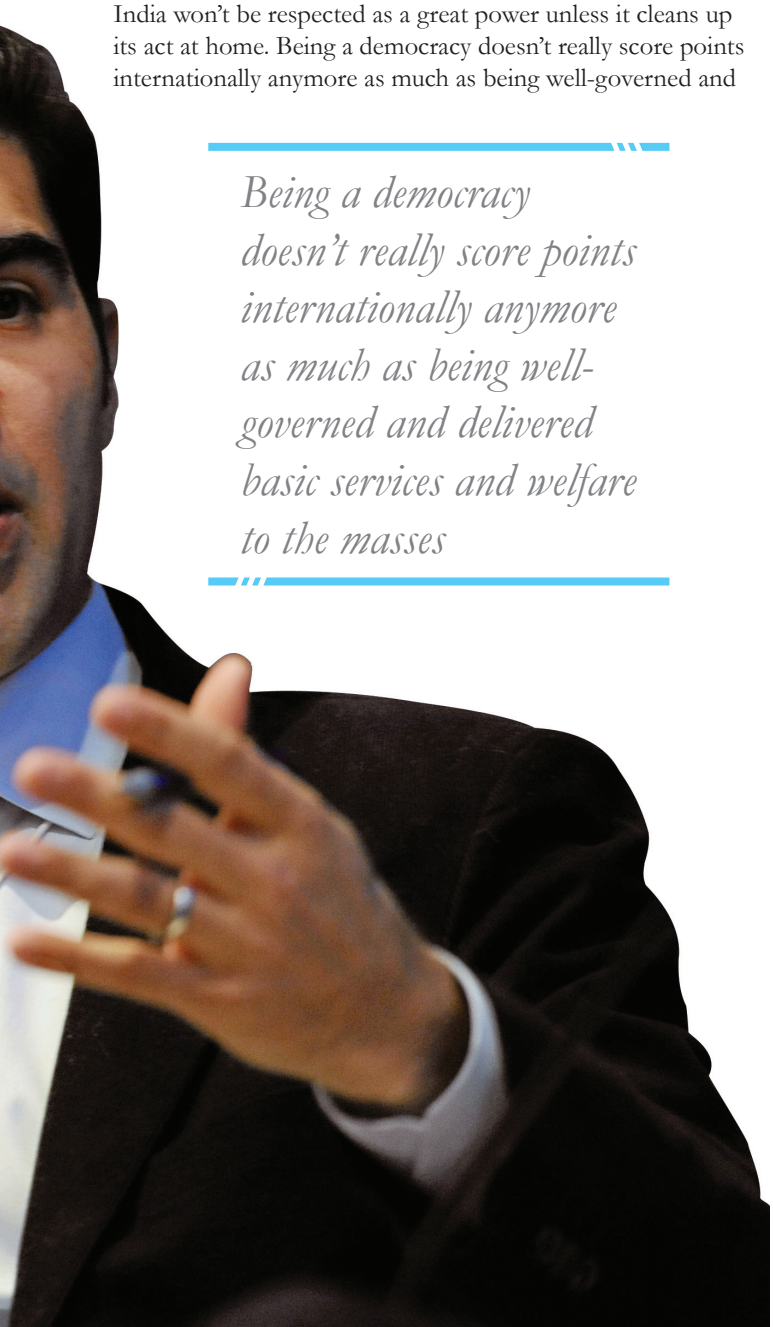


especially other post-colonial societies. Instead of so many nations touting the so-called "China Model" which they talk about but don't have the discipline to implement, they would be better served learning from India's more open and inclusive approach which involves diasporas, FDI, local entrepreneurship, wealthy industrialists, public-private partnerships, and other eclectic approaches.

You rightly said India should focus on its domestic issues than worry about China. Do you think India is doing enough on issues like Naxalites and corruption?
Unfortunately not. India still ranks very low in ease of doing business and very high in corruption. The recent government scandals only underscore this. I am shocked at what a negative turn the situation in Kashmir and the eastern tribal states has taken; it reveals a tremendous amount of incompetence on the part of the government.

India won't be respected as a great power unless it cleans up its act at home. Being a democracy doesn't really score points internationally anymore as much as being well-governed and delivered basic services and welfare to the masses. India still lags far behind China in doing this.

How important is this book for business leaders? How is the role of businesses emerging in the new world that you envision?
My work underscores the centrality of "corporate diplomacy" for global stability and economic growth. Business is a structural actor: it sets rules for international trade and investment and it delivers job creation and services all over the world. So many multinational firms take on functions which we often think of as "public". As a result, CEOs must begin to think of themselves as statesmen. Indeed, some of the business leaders we respect the most - Bill Gates, Richard Branson, Warren Buffet, Ratan Tata, etc. - are figures who effortlessly cross the public vs. private divide and realize that they have social obligations given the vast resources they control. Ever more executives will learn to become "CEO Statesmen". My book provides a many examples of how to do it.



Being a democracy doesn't really score points internationally anymore as much as being well-governed and delivered basic services and welfare to the masses