

Big Egos Rising

Emerging-market CEOs used to play it quiet. Now some are embracing capitalist celebrity, flaunting their winnings in the public eye.



Peter Dench / Corbis

Vijay Mallya, United Breweries: The 'king of the good times' shops for helicopters aboard his own jet. Kingfisher beer and an airline have fueled his wealth.

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Oct. 8, 2007 issue - Most CEOs favor pinstripes and French cuffs. Not Yevgeny Chichvarkin. Last year, when the brash Muscovite cell-phone magnate gave a keynote address at a London conference on the Russian economy, he wore ripped jeans and a red leather biker jacket. Marketing campaigns for his Evroset chain of cell-phone and electronics stores leave little to the imagination—"When our competitors see our prices, they'll know they're screwed." But behind his swagger and expensive sports cars is a dead-serious businessman. Evroset, now the third

largest retailer in Russia, had \$4.62 billion in sales last year at 5,200 branches in a dozen countries. And unlike oligarchs who made their money slicing and dicing companies once owned by the Soviet state, Chichvarkin did it on his own—and he isn't modest about his achievements. "This country has never seen a company like ours," he boasts. "I have 37,000 employees, and I don't want to run them the way Russian companies used to manage people. I have a simple logic—make money and teach the person next to you how to make money."

Chichvarkin belongs to a select but growing club of megamoguls from emerging-market economies whose triumphs in the business world have won them a newfound celebrity status. Unlike their predecessors, who often kept a low profile for safety, or to avoid suspicion that their gains may have been ill gotten, the new celebrity CEOs aren't afraid to flaunt what they've got, or leverage their own PR for further gain, à la Donald Trump or Britain's Richard Branson. Consider Indian liquor titan Vijay Mallya, a billionaire who isn't bashful about the 25 houses, three private jets and two helicopters he owns, or the gold chains he displays by wearing his sports shirts unbuttoned to the middle of his 51-year-old chest. There are also plenty of others working their fame for more serious aims, including a number of emerging-nation Michael Bloomborgs, like Mauricio Macri, the son of the founder of Argentina's SOCMA conglomerate, who parlayed his presidency of the hugely popular Boca Juniors football club into a successful bid to be the mayor of Buenos Aires.

These rich and increasingly famous business leaders embody a number of seismic changes in their countries—the death of centrally planned economies, the rise of capitalism, the shift toward Western-style entrepreneurialism and (to some extent, anyway) meritocracy. Reflecting the changes in the politics of their native lands, some of the Younger Turks display a Trump-esque disdain for the so-called losers of the globalization era. "It's shameful to be poor," argues Chichvarkin. "If you are poor, you are stupid."

But while the new moguls may scorn the poor, they actively court the middle-class consumer. When Ricardo Salinas Pliego became CEO of his family's Elektra appliance-store chain in 1987, the business was on the verge of bankruptcy. Salinas Pliego, who cultivates an image of studied cool, with French designer eyewear and a football star's perennial two-day stubble, took the company from 59 outlets to 1,700 today, in seven countries. This was thanks in good measure to the success of Banco Azteca, which Salinas Pliego (now Mexico's third richest man; his countryman Carlos Slim recently passed Bill Gates to become No. 1) opened five years ago to give Mexico's working and lower-middle classes easier access to consumer credit. A growing middle class has also enriched Mallya (a.k.a. the "king of good times"), who is a fixture on the Bangalore socialite circuit and is often seen squiring one of the models who adorn his Kingfisher-beer swimsuit calendars. His gossip-column exposure is a calculated move in a country where millions can now aspire, if not to join Mallya's party, at least to buy one of his beers, or even a coach ticket on his Kingfisher airline. Mallya's style may be out of step with India's button-down, red-tie-and-blue-suit business traditions. But he highlights the fact that, after 15 years of reform severing the cozy ties between government and big business in India, there are more roads than one to riches. Mallya's success is due to his financial acumen and marketing savvy, rather than his ability to grease the wheels of bureaucracy.

Salinas Pliego, too, sees himself as a different kind of developing-country titan. "The businessmen of 20, 30 or 40 years ago were part of the government, and depending on favors and contracts," says Salinas Pliego, who granted a rare interview to NEWSWEEK. "Now we're focused on the Mexican middle class." Salinas Pliego is by no means squeaky-clean. The 51-year-old billionaire was accused of fraud in 2005 by the U.S. Securities and Exchange Commission in connection with the purchase and resale of debt owed by his cell-phone company, and had to pay some \$7.5 million in penalties and compensation to the Feds. He regularly uses the bully pulpit of his TV Azteca to attack enemies, including a government minister and a pop diva who left his employ. But he's still largely better than what came before him. "Maybe he's not the most scrupulous person in the world," says Jerry Haar, a Florida International University

professor who uses Banco Azteca as an example of good business practice in a graduate management course. "But he wants to stimulate a consumer class among urban, working-class Mexicans, and I salute him for that."

While the developing world has yet to spawn "don't be evil"-type corporate manifestos, the new breed of CEOs is shifting how people think about success, innovation and economic development. In China, for example, intellectual-property pirating is a leading growth industry. But Jack Ma, the founder of the Chinese e-commerce firm Alibaba.com, belongs to a generation of young innovators who want to create their own value; Ma is viewed as a kind of homegrown Sergei Brin. The elfin entrepreneur launched his Web page from his Hangzhou apartment in 1999, and in just two years it became the world's largest business-to-business e-commerce site, besting eBay in the Chinese market. "In China the mentality is, why make something new when you can make the same thing for less money and sell it for less?" notes Tsinghua University economist Jiang Yanfu. "What Jack Ma did was shift the emphasis from imitation to innovation, and that's had a profound effect on China's approach to technological R&D."

The new crop of developing-nation business leaders may also play a bigger future role in politics, like former Coca-Cola executive Vicente Fox, Mexico's former president. Ecuadoran banana king Alvaro Noboa and Chilean airline owner Sebastián Piñera mounted strong presidential campaigns before falling short in second-round runoff elections in 2006. Their performance showed that a business résumé can be a plus for voters in a region where wealth has traditionally been equated with corruption, and industrialists have rarely stood for elected office. Macri says, "Those who open factories and create jobs should participate in the debate about their country's future."

It's a laudable goal—but don't expect all the new moguls to take the high road. In a slightly xenophobic PR stunt, Russia's irrepressible Chichvarkin recently covered the floor in one of his company's headquarters with euro bank notes so that his employees "can walk on currency their boss does not respect." He's no diplomat, but the man knows how to nab those column inches.

With Owen Matthews in Moscow, Jason Overdorf in Delhi and Quindlen Krovatin in Beijing

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