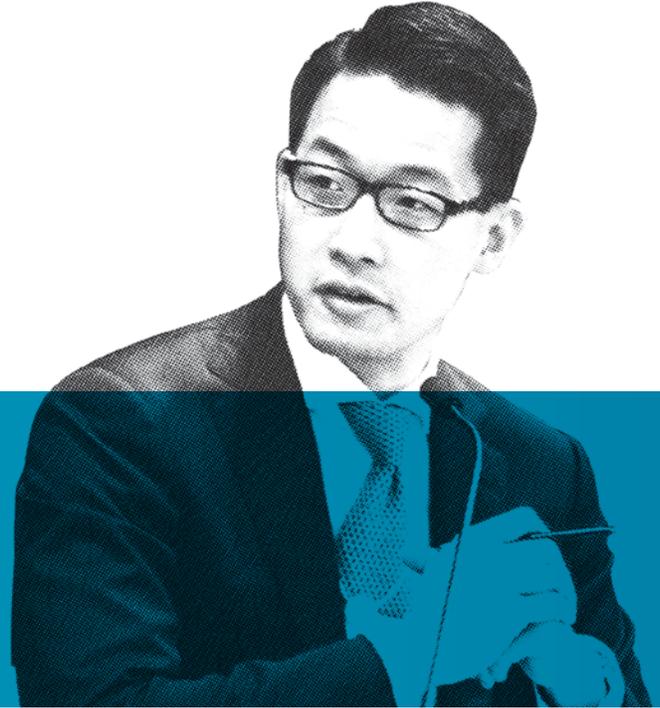


Embracing Stewardship and Renewing Trust



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What is true leadership? Managing assets and resources for the benefit of those around us and future generations.

Two important global gatherings took place this year in Indonesia, a place I am very blessed to call home. Both provided the opportunity to reflect on how we ought to address the deficiency of trust that confronts our institutions today.

The first gathering was the East Asia meeting of the World Economic Forum (WEF). The second was the Asian-African Conference, which celebrated the 60th anniversary of Indonesia's extraordinary role in the pivotal 1955 conference in Bandung. The Bandung conference brought together the world's emerging nations in the wake of colonialism and gave them a collective voice in shaping policies that had hitherto been dominated by Western powers.

Since then, our world has seen unprecedented change. Asia and Africa are no longer colonized peoples fighting for a voice, but rather among the fastest-growing and most dynamic regions of the world. Today they comprise more than half of global output. Existing in an increasingly multipolar world and recognizing our inevitably interdependent and shared futures, we must work together in spite of our differences.

Divisive issues such as the conflicts in the South China Sea and Ukraine will always exist and cause tension, but they should not be allowed to outweigh the commitment to our common future.

Moreover, governments no longer hold a monopoly on power. Technology has empowered the individual and democratized power across and within countries. A complete and legitimate forum must include non-state actors and individuals. This new equilibrium requires a new approach.

Our institutions, whether it be government, religion, business or the market, are at risk of paralysis. This is because many do not adequately mirror today's reality and over the years have depleted the trust they once enjoyed. As a result, our institutions no longer command the credibility and trust required to lead, particularly during these changing times.

To be effective, today's institutions must be recalibrated to reflect this democratization of power and promote a more inclusive view of collaboration across countries and among varied stakeholders in our societies. Organizations like the Milken Institute and WEF provide a platform for governments, businesses, civil society and academia to dialogue and commit to finding shared solutions.

But even as we work toward improving our institutions, it is imperative to recognize that we face the deeper problem of trust. Moises Naim, formerly of Foreign Policy magazine and the World Bank, writes in "The End of Power" that "those in power today are more constrained in what they can do with [power] and more at risk of losing it than ever before." We live in an era of great change and volatility across economics, politics, faith, society and the environment. These changes are testing the efficacy and strength of our institutions to continue to lead.

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In too many countries citizens are questioning their forms of government, whether democratic or otherwise, and many no longer believe that their leaders are able to carry out their mandates. Societies find it difficult to trust business and markets to fairly create and allocate wealth and opportunities. Religion faces an existential crisis as more people than ever claim they do not participate in organized religion in its many shades. Universities, too, have come under scrutiny for not producing graduates with the right skills.

The springtime WEF meeting on East Asia, which focused on the topic of anchoring trust, was critical. I believe the key to a solution is a renewed commitment to stewardship. In other words, recognizing that what we have—whether as an individual, a society, a country or a civilization—is not ours to use as we desire, but rather to cultivate for the benefit of those around us and to grow for generations to come.

This is acutely true for business, which has attracted widespread cynicism since the 2008 subprime

mortgage crisis. While one may have ownership over assets and resources, this is perhaps merely a legal construct. More crucial is the moral imperative that we should strive to be better stewards of what has been entrusted to us by growing, innovating and enabling our businesses to elevate the lives of others.

For many of us doing business in the world's emerging markets, where societies' needs are greater, we have an unparalleled opportunity to greatly impact our surroundings and through stewardship provide a deeper meaning to business.

Businessman and author Paul Laudicina inspires us when he writes: "Society and business need to move away from a system in which people do good by doing well — that is benefit others and the planet only as a byproduct of focusing on personal profit — to a system in which one does well by doing good — when providing true leadership and service is the central priority and financial returns and personal enrichment are merely the corollaries."