Can a Business Head Make a Good Head of State?

For a second straight presidential election, American voters found themselves with a businessman on the ballot. While such candidates always emphasize their successful business careers, few people ever stop to consider the larger question: can a business head actually make a good head of state? If so, where do leadership qualities in the private sector overlap with those in public life? As the 2016 Presidential Election entered its final week, a panel of experts at The Fletcher School weighed in with their thoughts.

Professor Daniel Drezner led the discussion by giving a qualified answer to the central question. He argued that in theory a business head could make a good head of state. Both positions require rising to the top of large organizations and overseeing vast and complex bureaucracies. Presumably, a CEO would have some leadership qualities that would translate to the public sphere.

However, he argued, the danger lies in thinking that the federal government can actually be run like a business. A business executive’s fundamental goal is to maximize profit; government by its very nature is performing functions and providing services that are inherently unprofitable. There are different limits and boundaries to be learned, as well, like civil service laws. Furthermore, while private sector results are almost always quantitatively measurable in some way, public sector results are often more difficult to gauge, with public education being one example. In Professor Drezner’s mind, a business head must be keenly aware of such distinctions when assuming a role in government.

Professor Alnoor Ebrahim took an empirical approach. He cited a study done at The London School of Economics that looked at the various backgrounds of United States Presidents. While the vast majority of them came from backgrounds in law, civil service, or both, there were a handful of presidents with business backgrounds as well. Presidents Jimmy Carter, Herbert Hoover, Calvin Coolidge, Warren Harding, and George W. Bush were among the business executives, and as the study noted, they are widely considered to be less than effective presidents. Professor Ebrahim indicated that if this study is at all instructive, perhaps we should be cautious about electing businessmen.
In response to Professor Drezner’s point about the concept of the CEO bent on profit-maximization and nothing else, he argued that this idea is outdated. Professor Ebrahim, who studies chief executives in the business world, pointed to examples of leaders who are willing to go against shareholders in favor of longer term goals, rather than short term profits. Sometimes, he argued, business leaders can prioritize something besides profits, whether it be brand name, ethics, or reputation. Perhaps, in this modern democracy, business leaders and heads of state have more goals in common than we give them credit for.

**Dean Deborah Nutter** disagreed with Professor Ebrahim’s empirical analysis as her perspective was a historical one. Dean Nutter’s view is that heads of state need to be well-versed in global dynamics that go beyond just business, whether it be geography, military power, or cultural and social forces. Moreover, political leaders have larger and more diverse constituencies, and must have multiple goals in mind, as well – security, prosperity, and equality being just a few examples.

She posited that a true statesman on the world stage knows his or her allies and adversaries, and how to operate in relation to both. A business leader, by contrast, fundamentally believes that he or she can work with anyone. Her favorite example was Neville Chamberlain, a businessman by training who eventually became Prime Minister of England. He believed, tragically in the end, that Adolf Hitler was a fellow businessman whom he could cut a deal with.

**Dean Bhaskar Chakravorti** moderated the discussion and at various points prodded the panelists and highlighted areas of agreement that they had not previously realized. The political concept of Mutually Assured Destruction, he pointed out, came from the business world in the form of price wars. He also showed a human brand perception map, with various notable names placed across it according to their trustworthiness, charisma, integrity, etc. in the public eye.

After the panelists were finished, Dean Chakravorti turned it over to the students in the audience. He noted that though the panelists were the experts in their particular fields, it was the Fletcher students who would bring the true interdisciplinary approach to the question. The room was divided into quadrants and each was assigned a different case to make for how the following individuals would fare in the Oval Office: Bill Gates, Warren Buffett, Mark Zuckerberg and Elon Musk. Panelists pointed to problems with each candidate, such as ethical issues when it comes to privacy and technology, or noting their disastrous forays into politics in the past – Mark Zuckerberg’s venture into Newark’s Public School System being just one example.

The panel concluded with Dean Chakravorti’s acknowledgement that no president goes into office fully equipped for the job, as he reminded them that our very first was a general who had led men in war and then had to lead them in peace.