

# Enterprise, Geopolitics & the Asian Century: A Conversation with R. Gopalakrishnan

Interviewed by Mahima Sharma



**About the Interviewee:** R. Gopalakrishnan is a distinguished Indian corporate leader and former Director of Tata Sons Ltd. A physicist from St. Xavier's College, Kolkata and an engineer from IIT Kharagpur, he later attended the Advanced Management Program at Harvard Business School. He has held senior roles at Unilever Arabia, Hindustan Lever and Brooke Bond Lipton and served on the boards of Tata Power, Tata Technologies, AkzoNobel India and Castrol India. He is the author of twenty-one bestselling business books and a respected mentor, speaker and educator.

*Editorial Note: This interview is presented in a question-and-answer format, lightly edited for clarity and coherence while preserving the substance and intent of the interviewee's responses. The views expressed are those of the interviewee and do not represent the editorial position of the Indian Journal of Socio-Economic Studies.*

## THEME 1: Energising Indian Enterprise

### What structural barriers still prevent Indian enterprises from scaling confidently despite macro stability?

This has persisted since 2012–13. Capacity utilisation has not been high enough to trigger private capital expenditure; demand has not grown strongly enough to induce investment; and industry does not sense a stable or conducive social environment—quite the opposite of what the government perceives.

This is required because a mere 250 companies account for nearly two-thirds of total market capitalisation, reflecting extreme concentration of economic power.

Policymaking and economic strategy remain over-centralised, limiting state-level experimentation despite evidence that states such as Tamil Nadu and Kerala outperform others in growth, human capital and manufacturing depth. India also suffers from weak export orientation, with merchandise exports as a share of GDP stagnating for more than a decade. Private capital formation has remained largely unchanged, reflecting cautious enterprise expansion. Human-capital policies are centrally designed instead of tailored to state strengths. Together, these factors—centralisation, weak export ambition, uneven human capital development and limited enterprise scaling—prevent Indian businesses from matching global, especially China's industrial momentum.

### What role should large corporate groups play in building shared rather than firm-specific competitiveness?

Infrastructure is largely a public-domain issue. Private consortia face limits. The core problem is the complex web of approvals and corruption. Despite promises of ease of doing business, the needle barely moves. Every government officer

should experience, through secondment, what it takes to run an enterprise—experience is believing.

Indian corporate groups should actively engage internationally to strengthen broader economic competitiveness rather than focus only on firm-level gains. Examples cited include multinational Indian companies such as Unilever and the Tata Group, which operate multi-billion-dollar businesses in China despite geopolitical tensions. Their investments demonstrate that cross-border business engagement can generate mutual learning, market access and long-term economic benefits. Drawing from the experience of US-China relations—where the American business community led engagement—Indian enterprises should similarly promote trade, travel and intellectual exchange with China. Such initiatives can expand commercial opportunities while contributing to India's overall economic capability and global integration.

### What systemic reforms are most urgent to unlock the true productivity potential of Indian MSMEs?

India would do well to articulate an Indian Enterprise Charter—akin to our Constitution—for enterprise. The ID&R Acts are procedural and bureaucratic rather than philosophical and expansionary. Such a charter must address philosophical issues (the role and rights of enterprise, decentralisation of policy) as well as procedural ones (nurturing responsible enterprise, promoting performance excellence, shifting to export orientation). Why? Although India has millions of enterprises, relatively few develop strong capabilities or scale internationally.

India's MSME ecosystem needs structural strengthening to unlock productivity. Although the country has around 63 million registered enterprises, only about 20,000 firms deploy capital exceeding ₹10 crore, indicating weak scaling capacity. The article argues that India must develop a stronger SME base

Interviewer: Mahima Sharma is an independent journalist with extensive experience across leading media platforms.

similar to Germany's Mittelstand, where mid-sized firms drive innovation, exports and manufacturing depth. Persistent stagnation in private capital formation as a share of GDP for over a decade also signals weak enterprise expansion.

Creating an “Indian Enterprise Charter” that defines national principles for enterprise promotion, is the need of the hour. It must emphasise reforms such as faster dispute resolution, supportive government policies, stronger governance standards and a national philosophy encouraging innovation, R&D and capital investment. The goal is to nurture around 100,000 globally capable MSMEs, similar to Germany's Mittelstand or Japan's specialised manufacturing firms.

### **Are Indian companies genuinely transforming through AI or merely adopting it superficially?**

AI has been oversold by its evangelists, creating a surreal frenzy among potential users. While its transformational potential is real, the hype leaves users either scared or paralysed—the very opposite of what evangelists intended.

AI may push leaders toward excessive “mathiness”—overreliance on data-driven analysis. Historical crises like the Cuban Missile Crisis (1962) and the Stanislav Petrov incident (1983) show intuition preventing catastrophe. Therefore, AI should complement—not replace—human judgment and experience in complex strategic decisions.

## **THEME 2: Can Enterprise Bring India and China Closer?**

### **Should Indian enterprises adopt a 'China + 1' strategy and what concrete steps can rebalance this equation?**

India businesses should rethink its relationship with China beyond the China + 1 dimension. When the US and China were adversaries, Kissinger and Nixon acted dramatically in 1971–72—China modernised rapidly and bilateral trade surged over thirty years. India needs a “Mindset Change,” starting by making itself genuinely fit to engage with China.

India should avoid viewing China purely as a competitor and instead pursue pragmatic economic engagement. China's lead in technology, industrialisation and per-capita income remains significant, yet collaboration could help both countries shape the Asian Century. Indian enterprises must strengthen their competitiveness while partnering with Chinese firms in sectors such as electronics, electric vehicles, clean technology and pharmaceuticals. The example of Apache Footwear near Nellore producing millions of Adidas shoes for global markets illustrates how global manufacturing partnerships can scale exports. India should strengthen domestic enterprise capabilities while engaging economically with China rather than pursuing economic isolation.

### **Does supply chain diversification away from China strengthen India, or pose a risk to long-term Asian economic fragmentation?**

It helps as a starting point, but it is no endgame.

## **THEME 3: Weathering a Turbulent Environment**

### **What mindset shift must Indian corporate boards adopt to move from risk avoidance to strategic resilience?**

Leaders must combine data-driven analysis with intuition. Boards must balance rigorous data analysis (“mathiness”) with informed intuition (“truthiness”). Leadership decisions often occur after data limits are reached.

Indian corporate boards must move from cautious preservation toward disciplined, long-term strategic resilience while maintaining institutional values. Corporate leadership should prioritise innovation, research and development, capital investment and long-term adaptability rather than focusing on political connections or short-term advantages. Strong governance, ethical standards and societal responsibility should guide corporate decisions.

The Tata leadership transitions illustrate this shift. JRD Tata led through India's socialist regulatory era by reinforcing ethical values and institutional purpose rather than reacting defensively. Ratan Tata strengthened group cohesion, pursued innovation and unified companies strategically without undermining past leadership. N. Chandrasekharan now emphasises bold execution through “simplify, synergise, scale,” encouraging calculated risk-taking in turbulent global conditions. Together, these transitions show that resilient leadership balances continuity of values with adaptive strategy, disciplined execution and the courage to make long-term bets in emerging sectors.

So, aligning enterprise strategy with national economic goals can strengthen long-term resilience.

### **Should Indian companies prioritise domestic consolidation or global expansion during global uncertainty?**

Domestic consolidation comes naturally to the Indian industry. Global expansion requires a fundamental torque-twist in effort, sustained through decades of continuous cost-effectiveness programmes (CEPs). A key question worth examining: why does productivity improvement contribute less to India's GDP growth than it does to China's?

How can leadership teams balance short-term earnings pressure with long-term nation-building responsibility?

Capital markets must be reformed. Driven disproportionately by foreign portfolio investors, short-termism is inevitable. Channelling domestic savings more forcefully into capital markets is essential to rebalance this dynamic.

### **What three disciplines must the next generation of Indian enterprise leaders master to thrive through volatility?**

Observation. Experimentation. Adaptability.

# About Interviewer



## **Mahima Sharma**

Mahima Sharma is an accomplished independent journalist with over two decades of experience across leading media platforms. Transitioning from a PR professional to journalism in 2006, she has built a strong presence across print, television and digital media.

Email: [sharmamahimaa@gmail.com](mailto:sharmamahimaa@gmail.com)