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# The New Hispanic-Latin Argonauts

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## ***The New Hispanic-Latin Argonauts***

For years now we have analyzed the so-called Hispanic (or Latin) demographic wave.<sup>2</sup> We have debated the future political potential of this group in the United States, while Spaniards and Latin Americans alike have speculated on strategies for harnessing the growing but still latent power which Hispanics might wield in the United States in particular and in the Atlantic Basin in general. During the past decade we have also witnessed the rise of the so-called *multilatinas*, multinational corporations from Mexico, Brazil and, indeed, much of Latin America which have embarked on paths of international expansion and acquisitions, much like their Spanish and Portuguese counterparts had already been doing for years.<sup>3</sup> Some of these *multilatinas* have even undertaken large scale operations in wealthy OECD countries, extending their reach beyond the “ibero-hispano-latino” sphere, strictly speaking – that is to say, the Hispanic-Latin triangle encompassing Spain, Latin America and the US.

Less well-known, however, is another closely related phenomenon: the rise of a new class of Hispanic-Latin business executives now at the helm of global multinational companies around the world. These new Hispanic-Latin argonauts are part of a larger trend of corporate executives at major multinationals coming from countries of the world’s emerging. The Indian case is one of the more well known, along with that of the Chinese and some other Asian cases, but this phenomenon is also present now in Hispanic-Latin world.<sup>4</sup>

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<sup>2</sup> We use the terms Hispanic and Latin loosely. By “Hispanic-Latin” we mean anyone or anything hailing from the Spanish and Portuguese-speaking peoples and countries, that is to say, Spain, Portugal (or Iberia), Latin America and the Hispanics of the US (the “ibero-hispano-latino” sphere).

<sup>3</sup> See Casanova, Lourdes. “Los Nuevos Protagonistas del Sur: Las multinacionales emergentes Latinoamericanas”. *Foreign Affairs* en español. Vol. 10. Number 1, January-March, 2010.

<sup>4</sup> See on the Asian cases Anna Lee Saxenian, *The new argonauts. Regional advantage in a global economy*, Boston, Mass., Harvard University Press, 2007.

We are now witnessing the encroachment of Hispanic-Latin corporate leaders into the top executive boardrooms across the United States and Europe. It appears that the long mentioned Hispanic-Latin potential is not just something to be forever pushed off into the future: it is materializing in the here and now.

### ***Hispanic-Latin Executives in Europe***

In Europe, the careers of certain Latin American managers in Spanish multinationals stand out. This would be the case of the Argentine, Guillermo Ansaldo, who took over the reins at Telefónica Spain at the end of 2007 to become the highest ranking Latin American at an IBEX 35 multinational. There are obviously many other Latin American presidents at the Latin American subsidiaries of these firms, but the Ansaldo case deserves special mention given that he now sits on the executive board at Telefonica's global corporate headquarters in Madrid.

In France, the French-Brazilian, Carlos Ghosn, now heads up the Renault Group. The French chemical company, Rhodia, has a Brazilian, José Matías, as its Global Vice President for Global Purchasing, as well as an Italo-Brazilian, Marcos de Marchi, the group's President for Latin America. In Paris we find both Eugenio Minvielle, the Mexican running the French operations of the Swiss multinational, Nestlé, and Eduardo Malone, the Argentine CEO at the helm of the Chargeurs group.

But examples of the impressive consolidation of Hispanic-Latin corporate leadership do not stop there. At the Anglo-Australian mining multinational, BHP Billiton (with headquarters in Britain and Australia), the Colombian, Alberto Calderón, has made a mark. This PhD in economics and former executive of Ecopetrol now sits on this exclusive board with only six other executives.

Another noteworthy OECD case would be the virtual colonization by Brazilian executives at the world's largest beer company, AB-Imbev, with its headquarters in Belgium. Half of the top executives at this multinational are Brazilians, including the CEO, Carlos Brito, and the CFO, Felipe Dutra. At

Nokia, the Venezuelan, Alberto Torres, is a member of the executive board, while the Hispanic, Angel Ruiz, is the President of Ericsson in North America. Meanwhile, two Brazilians, Enderson Guimarães and Ruy Hirschheimer, are on the executive board at the Swedish multinational, Electrolux, along with the Hispanic, Alberto Zanata.

### ***Hispanic-Latin Corporate Leadership in the United States***

Among US multinationals, the case of Microsoft stands out. Yet another Colombian, Orlando Ayala, is the tech giant's President for Emerging Markets, while the Venezuelan, Horacio Gutiérrez heads up the Legal and License Protection division, and the Mexican, Enrique Rodriguez, runs Microsoft's TV, Video and Music Business. At the agro-industrial conglomerate, Bunge, the Brazilian, Alberto Weisser, is at the helm.

In 2010 the prestigious law firm, Baker and McKenzie, named the Brazilian, Eduardo Leite, as its new global president. At the technology firm, HP, the Chilean Marcela Pérez de Alonso, sits on the executive board as the chief executive for human resources. Ecuatorian Fernando Ruiz is the VP for Treasury at Dow Chemical, and the Argentine, Juan Luciano, is also on the board. At Kodak, another Argentine, Gustavo Oviedo, is the Head of Global Sales as well as a member of the board.

Hispanics born or raised in the United States have also become a key source of raw material for corporate leadership among multinationals. As of this year, the destiny of Symantec, one of the largest technology firms in the US, is now in the hands of Enrique Salem, a US-trained, hispanic engineer who has become the President of the group. Both Gloria Santona and José Armario are members of the board of directors at McDonalds, in charge of legal affairs and Latin America/Canada, respectively. Perhaps the hispanic executive with the most impressive trajectory has been Eduardo Castro-Wright, the Vice President of WalMart, one of the largest companies in the world measured by the top line. From Miami, the Cuban-American, Juan Cento, also runs Latin America for Fedex.

## ***Regional Hispanic-Latin Managers***

Less surprising, but impressive nonetheless, is the dominance of Latin American executives within the top ranks at global multinationals' regional subsidiaries within the region. The list here is too long to include in its entirety, but a few illustrative examples suffice.

Among the most noteworthy examples are the Mexicans, José Octavio Reyes and Raúl Anaya, at Coca Cola and Citigroup, respectively. The latter also enjoys the leadership of another Mexican, Manuel Medina Mora, who sits on the global board, as well as that of the Peruvian, Alberto Verme, Citigroup's CEO for Europe, Middle East and Africa.

The Brazilians, Sergio Rial, Sergio Gomes, Emilson Alonso, José Drummond, Rogerio Patrus, Cledorvino Belini, and Marcos Grasso are all Latin America presidents for Cargill, ABB, HSBC, Whirlpool, General Electric, Fiat and Cadbury, respectively.

The Peruvians, Carlos Santa Cruz and Luis Montoya head up the Latin American operations of the mining company, Newmont, and the multinational, Pepsico. The Colombians, Hernán Rincón, Jaime Ardila and Jorge Uribe are also, respectively, the Latin America presidents for Microsoft, General Motors and Procter & Gamble. The Venezuelan Luis Villalba runs regional operations for Novartis, while the Argentine, Nicolás Aguzin, does the same for JP Morgan. Other cases abound.

## ***Homo latinus***

The examples mentioned above illustrate the successful trajectory of Hispanic-Latin executives at the helms of global multinationals, both in the US and in Europe. Each one of them reveals an increasingly Hispanic-Latin flavor within the boardrooms of the global business world. This growing Hispanic-Latin business influence is also visibly expressed in the activities of new civil society groups, like the New America Alliance, a collective initiative undertaken by

Hispanic business leaders and entrepreneurs in the US. It is not only that Hispanic-Latin multinationals have expanded their presence and influence during recent years; so too have spread the footprints of Hispanic-Latin business managers of all types.

What is behind this notable new presence? First, the recent new high profile of the Hispanic-Latin entrepreneur or manager is in large part a consequence of the economic take-off, first, of Spain and Portugal, and then, more recently, of Latin America. In the last 20 years, the economies of what one could call Iberoamerica (Iberia plus Latin America) have been transformed, leaving the distinction between OECD and the Hispanic-Latin world increasingly less relevant.

Is there a specific profile – an identifiable asset or human capital characteristic in particular – that lends these new directors from the emerging world of tapas, tacos and feijao special access, or some kind of special leverage or advantage in the sacred centers of the corporate world? Does a Hispanic-Latin style of, or potential for, corporate management exist? These questions lead us directly to another query related to the Hispanic-Latin world's most recent economic boom: the growing cosmopolitanism of the emerging and globalizing world of the Hispanic-Latin business leader.

In an increasingly globalized and competitive world economy, the Hispanic-Latin world is like a *cultural BRIC* within the world's private sector, particularly in the terrain of human resources. Hispanic-Latin business leaders have penetrated to the core of the central nervous system of the multinational industrial economy of the West. Neither the Chinese, nor the Russians, nor the Indians have achieved such a feat.

The reason for this is clear. Spanish has become the most extensively spoken language in the Western World. In the 21<sup>st</sup> century Spanish has increasingly become another necessary (nearly obligatory) and *de facto* language of the West, along with, and just behind, English, in terms of political, economic and social influence. If Portuguese, the language of the West's only true BRIC (eg,

Brazil), is added to Spanish, then it is clear that Hispanic-Latin languages dominate the West.

With each passing day the capacity to work in Spanish (and/or Portuguese) is becoming an increasingly vital – even required -- working skill in Europe and North America. Even beyond their ability to take leverage professionally upon their own native Spanish or Portuguese, Hispanic-Latin business leaders are, in fact, more multilingual – due to their history, geography and culture – than their Anglo-Saxon (or speaking more broadly, English-speaking) counterparts, and they are nearly as multilingual as their continental European cousins, in general. In an increasingly globalized world, the value of multilingual executives will continue to grow; in an integrated and increasingly Hispanic or Latin Western world, those who dominate both the English-language and the Spanish (and/or Portuguese) -speaking worlds will – *ceteris paribus* – exert increasing economic influence. We are now witnessing the first preliminary results, in this regard. To illustrate with an anecdote: the richest men in the world are no longer those who only speak English (like Gates or Buffett); now they might also speak Spanish (like Slim).

The Hispanic-Latin world extends across three continents – the three pillars of what we call the West – and reaches more deeply into the systems and societies of Europe and the Americas than any other political or cultural group. No other cultural-economic-political amalgam has the reach and influence within the Atlantic Basin, or the West, that boasts the Hispanic-Latin world. Any future West in any future world order will be, in any case, more Hispanic and more Latin. More and more CEOs of multinational companies will be native speakers of Spanish or Portuguese; more and more non-Spanish speakers – both inside and beyond the West – will have to learn Spanish, or Portuguese, as well. For better or for worse, increasingly fewer people will be obliged to learn or speak another language which is not English, Spanish/Portuguese or Chinese in any place in the world beyond the frontiers of their own native languages.

But the key to the Atlantic puzzle of the Hispanic-Latin world lies in the growing presence and deepening influence of Hispanics of all types – *iberos* and *latinos*

included – in the US (and not only in the border states of California, Arizona, New Mexico, Texas, Colorado and Nevada). Broadly defined, Hispanic-Latins are able to leverage upon their shared language, culture and history to shape their human capital in social, economic and political directions capable of converting their growing presence in the world's multinational corporate boardrooms into real influence – much more substantial than in the past – over any possible political future of West.

### ***Conclusion: How to wield this growing Hispanic influence?***

The commercial role of immigrant diasporas has proved crucial to the economic development of many countries. Some nations have known how to engage their global diasporas so as to stimulate economic and business development at home. The most striking cases in this regard include India, China (or Taiwan) and Israel. The deepening links between the Indian, Israeli and Taiwanese diasporas with the Silicon Valley have been essential to the development of technological industries and service sectors in their respective countries of origin. Today one finds some of the densest technological clusters on the planet precisely in Mumbai, Tel Aviv or Taipei.<sup>5</sup> In each of these cases, an active policy was designed and undertaken to mobilize – directly or indirectly – the talent and energies of the diaspora in question, accelerating the circulation -- and expanding the reach -- of its individuals, ideas and capital. Does the Hispanic-Latin world possess a similar potential that might be mobilized to foment further Hispanic-Latin innovation and wealth creation?

The body of Hispanic-Latin entrepreneurs and corporate executives at the top of global business, both in the US and in Europe is indeed growing. Some occupy leadership positions within multinationals; others have been the creators and

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<sup>5</sup> See AnnaLee Saxenian *The new argonauts: regional advantage in a global economy*. Cambridge, MA: Harvard University Press, 2006; and on China in particular, Khanna, Trun, *Billions of Entrepreneurs: How China and India are Reshaping Their Futures and Yours*. Cambridge, Mass.: Harvard Business School Press, 2008; and on the Indian diasporas in tech industries Nanda, Ramana y Tarun Khanna.. “Diasporas and domestic entrepreneurs: Evidence from the Indian software industry”, *Harvard Business School Working Paper*, 3, 2008. Available at <http://www.hbs.edu/research/pdf/08-003.pdf>

developers of numerous start ups in a range of technological sectors. These new post-modern Hispanic-Latin argonauts could still be mobilized by their respective countries of origin. Some countries may even wish to create formal advisory groups at the highest State level to analyze potential policy interventions in this realm. Israel, for example, already has an advisory committee which links the Prime Minister to the economic potentials of the Israeli diaspora.

However, to date the Hispanic-Latin diaspora have evolved on their own, independent of any real State direction or intervention. This has been due, more likely than not, to the reality that the Hispanic-Latin diaspora is not, strictly speaking, national – like those of India or China, for example – but rather transnational, fragmenting the potential space for active policy intervention. Furthermore, the Hispanic-Latin diaspora spans across the old colonial divide. While the Spanish government has tried to develop a State strategy to reap the economic and diplomatic benefits of the expanding potential of Hispanics in the US, it should be obvious to anyone familiar with Latin America that the old colonial power is unlikely to make any progress in such terrain on its own, without the engagement of a number of important partners from within the region (like Brazil, Mexico, Chile and Colombia).

Perhaps an appropriate transnational platform for the design of such a regional economic strategy for Hispanic-Latin diaspora could be provided by the Iberoamerican Community. This transnational organization (whose secretariat, the SEGIB, has its headquarters in Madrid) could host such a special Task Force (whose members would come from experienced thinkers and practitioners from across the Hispanic-Latin world). This group could analyze the dynamics of global economy's historic diasporas and envision the policies that might augment our capacities to maximize the economic potential of Hispanic-Latin business and technological leaders in the West. The SEGIB should consider the creation of such a Task Force, along with the possibility of including on the Community's agenda, such issues of concern to the Hispanic-Latin diaspora, its growing influence in the developed world, and its potential to

serve as a catalyst in the areas of innovation and productivity, two areas of national economic weakness found all across the Hispanic-Latin world.

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