



ALIBABA AFTER JACK MA

Can the Alibaba Group thrive without its longtime chairman, founder Jack Ma? The world's largest e-commerce company will find out later this year, when Mr. Ma hands the reins over to Daniel Zhang, who has been CEO since 2015. Mr. Ma will remain on Alibaba's board of directors through 2020—but he has vowed to never again run the company after his departure as chairman in September.

"I don't want to die in an office," Mr. Ma said last September, soon after announcing his retirement plans. The former English teacher, who plans to focus on philanthropy and education, said the transition "demonstrates that Alibaba has stepped up to the next level of corporate governance, from a company that relies on individuals to one built on systems of organizational excellence and a culture of talent development."

The departure will be a signal moment not only for Mr. Ma, 54, who as the richest man in China is an icon of the country's private sector. (A literal icon, to some extent: Some Chinese have a portrait of Mr. Ma in their home to worship as they do the god of wealth.) For Mr. Zhang and other leaders left at Alibaba, the transition will put a big

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—Jack Ma to Bloomberg TV

magnifying glass on their actions and the company's performance as investors wonder and worry about what will come next.

Much of that worry centers not around Mr. Zhang but the future of China's economy. Alibaba is China's greatest globalization success—but in China today, "globalization is under assault," Massachusetts Institute of Technology professor Yasheng Huang wrote in *The New York Times*. That is bad news for Alibaba and the country's broader private sector. The Chinese government seems to be reversing course on four decades of economic liberalization, tightening financial and regulatory pressures on private businesses, Mr. Huang notes. "China's private sector today arguably is facing the most challenging environment since the early 1990s." Senior Chinese officials have made public comments about the importance of enterprises with mixed (private and state) ownership, spooking business leaders. Capital is drying up in the private sector as China's government-backed banking system focuses resources on state-owned enterprises.

And then there is the U.S.-China trade war. Mr. Ma said in early 2017 that he planned to create 1 million jobs in the U.S. but then walked that promise back last September as tit-for-tat tariffs took off. "The promise was made on the premise of friendly U.S.-China partnership and rational trade relations," he told Xinhua. "That premise no longer exists today, so our promise cannot be fulfilled." The promise, made after a meeting with President Donald Trump, may have been political theatrics. But his belief that companies should plan for 20 years of trade tensions between the world's two superpowers seems sincere. Such tensions do spell trouble for Alibaba's global growth plans—but now Mr. Ma can look forward to a future involving more than just the company he grew into a retail behemoth.

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