Who wants to be a businessperson? [1]

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Who in their right mind would want to be a businessperson these days? It?s always been tough creating and growing a business - failure is more common than success but the potential for reward and the thrill of the chase still appeal to the energetic, the imaginative and the diligent.

These days, though, the historically successful ?western? liberal business model is under attack from the bottom and the top. From below on the home front, frustrated socialists have variously re-branded themselves, most recently with appeals to corporate social responsibility (CSR) as part of a broader ?fairness? agenda. From above on the foreign front, failed communist and other statist societies are now re-born as champions of state capitalism, merging the twin evils of big money and big government. It?s a brave soul who?s willing to take on both forces.

Here in the UK, liberal capitalism is most under threat from the CSR crowd. Our Deputy Prime Minister pines for a cuddly ?John Lewis economy?. Perfectly legally tax avoidance is fast becoming a crime. Profits are inherently bad, especially if they increase. A business is ?good? only if it does things other than deliver a product that people want.

Before CSR types get too carried away, they should consider the most successful yet least CSR company of this new millennium ? Apple. It just reported quarterly profits of $13 billion, more than double a year ago for a profit margin of 44.7%. It?s sitting on a cash hoard of $100 billion, it makes nothing at home but assembles everything in China from components made in other emerging markets. It?s CEO Tom Cook will get total compensation of $378 million for 2011, including nearly $1 million in cash and the rest in shares (whose dividends will attract a lower tax rate).

This emphatically non-CSR profile is the result of one simple focus for Apple ? delivering exciting new products, quickly and cheaply, to as many customers as possible. Apple?s employees are happy, its suppliers are happy and its customers are happy. I?ll have more of these non-CSR apples in my basket, please.

A growing long-term threat to entrepreneurial business, though, looms from surging state capitalism in the emerging markets, most notably China and Russia. The Jan. 21-27 edition of The Economist featured one of its always informative surveys on ?The Rise Of State Capitalism [3]? and is well worth checking out.

These enterprises are becoming bigger and more dominant. For example, four of the world?s top 10 publicly-listed companies by revenue are now state-controlled. State enterprises represent some 65% of global energy companies, 55% of utilities and 35% of both telecoms and financial services. The sovereign wealth fund of China is worth nearly $1.2 trillion while the UAE?s is approaching $1 trillion. As The

Economist put it, ?across much of the world the state is trumping the market and autocracy is triumphing over democracy?The invisible hand of the market is giving way to the visible, and often authoritarian, hand of state capitalism.?

To some market sceptics, this is a welcome development in the naïve belief that state capitalism can be more CSR. State capitalism, though, usually has a broader agenda than customer satisfaction and can be very hard to tame. National anti-trust laws are meaningless, WTO sanctions are ponderous to implement and competitive threats are simply crushed by the state?s iron fist.

So pity the poor business folk who just want to make a lot money selling customers things they want. There?s a lot of people out there intent on making them do otherwise.

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