

A NAVEL GAZE

I AM NOT an advocate of the Chinese political system or their Modern Socialism, but we have a lot to learn from what China is able to do, and is doing, as well as the implications of those actions for Canada and western society as a whole.

Most Canadians are very proud of the system of government under which we live. It has many attributes which certainly justify that pride, but it is changing and that change will have consequences. Social media is polarizing attitudes as the algorithms underpinning Facebook and Google send newsfeeds our way which this fancy software has learned that we are likely to endorse, enjoy, and/or that will be consistent with our existing views. We don't see opposing views. This stifles debate, hardens positions and leads to extremism. Moreover, it gives credence and visibility to those groups who are anxious to advance their particular agenda. This sends politicians scurrying in every direction as they seek to respond to or placate such positions. The silent majority has almost no voice. This isn't democracy as it was intended. I believe society wanted the freedom for everyone to express their views. At the same time, we had an expectation that political leadership would listen to the whole spectrum of opinion and make decisions which were in the country's best interests, however offensive that may have been to those at either extreme.

That's not what we have. In its desire to be inclusive, to be seen as sensitive to environmental matters, to be socially correct and empathetic to all, our government has imposed huge burdens on economic activity. Ottawa's recent release of a new set of rules by which large projects will be adjudicated was immediately met with a warning from Suncor's CEO to the effect that Canada may well no longer be a jurisdiction in which his company will be investing the major part of their capital spending. Canadian businessmen are complaining quietly but bitterly to the effect the regulatory burden is increasing in Canada while becoming easier in the United States.

Compare this with China. The government there exerts tight control over the press and especially the internet. Dissension which is viewed as unsympathetic to "social harmony" is not tolerated. Objections to development activity ranging from hydro-electric dams to nuclear power plants to the routes for new roads and high speed rail lines, right up to community anger at new real estate development changing the character of neighbourhoods or displacing farmers—this is all simply ignored. The Communist Party has the sole right, indeed it is obligated under



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their system, to determine what is in China's best interests. I recently listened to a speaker who described a Chinese development project in Zambia. There could not have been a greater clash of culture between the Chinese workforce and the local population. But in the end there was grudging respect that the Chinese got things done. I think this point is really what we need to understand.

Whether it's building 5,000 ice rinks so they can become good at hockey, or educating their people (I bet you had no idea they have a 97 per cent literacy rate), or supporting new technology development or investing in innovation, China has a plan—a hugely aggressive plan. Our western society is beginning to worry that we've let the likes of Google, Amazon and Facebook get too big and powerful. Indeed the European Competition Commissioner has already made it known she intends to go after these giants. But what of Baidu and Tencent and Alibaba? These Chinese multinational technology firms are some of the biggest companies in the world for Internet-related service and products as well as entertainment and artificial intelligence. How big are they? Alibaba's online sales and profits, for example, are larger than all U.S. retailers combined (including WalMart, Amazon and eBay). And Tencent has more computing power than Alibaba.

The collaboration and support these companies enjoy from their government suggests that U.S. tech companies may rule America and Europe, but the Chinese will have the rest of the world—and that's where the most people live and economic growth is at its highest. Infrastructure? China's is the best in the world (at scale). Financial services? In 2016 China processed \$790 billion worth of mobile payments; the U.S. did \$74 billion.

In purchasing power parity, China's economy is already the largest in the world. Every year their pace of economic growth far exceeds ours. Do we want a benevolent dictatorship in Canada? That's preposterous, but we do need to understand how our democracy is changing and start a genuine, fact-based debate as to the consequences of that change.

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FEEDBACK

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