

Note: This is a modelling, done based upon analysis of existing facts and evolving reasoning, as to how the 'Government' and 'Constituents of Governance' are likely to behave and function 'influenced by normal human attributes' under different 'probable conditions' and does not imply projection or criticism of 'any particular government system in the world'. Any explanation in this 'coinciding with any working Government system' shall be an unintentional coincidence only.

## **Principle of Minimum Exploitation- POMIE**

- 1. The government has obligations to provide public services like health services, hospitals, education-schools, institutions, roads, infrastructure, energy, sewage, drainage, water supply etc to the citizen at affordable cost by average citizen**
- 2. COG must define and assign accountability of providing public services to the citizen to sustain their meaningful existence and maintain good standards of livelihood.**
- 3. The government would normally create necessary infrastructure, tools and plants and manpower using its resources necessary for meeting these obligations.**
- 4. If the government/GPP is not able to efficiently manage and get the needful accomplished, it may choose to fix up outside agency for providing public services its behalf. This outside agency will normally be a 'business domain'**
- 5. Business domain works for profit.**
- 6. Business person may depreciate the quality of 'services/works' in order to enhance the profit.**
- 7. Also the GPP turns into a 'master' from the role of 'service provider'.**
- 8. First thing which would result is low quality. A punishment to citizen because of 'inability of the government to perform'. Either citizen shall accept it or Low quality, sooner or later, shall be protested, by the citizen. And then the 'business domain' shall come up in forefront, specify its conditions 'which obviously would be higher cost' for providing the good quality services**
- 9. Government, therefore, must specify standards of works/services/products and regulate the cost of each and every item provided by 'business domain' and notify to the public considering 'affordability by citizen' as the fundamental condition**
- 10. Government must regulate the cost of each and every item provided by business domain and notify to the public considering 'affordability by citizen' as the fundamental condition.**
- 11. The government must standardize and notify to public, the recovery charges with assessment methodology**
- 12. This chapter brings out Methodology based upon 'principle of minimum exploitation' POMIE, for assessing maximum recovery charges by non-government entity against their services and products.**

The COG must define and assign accountability of providing public services to the citizen, by government, to sustain their meaningful existence and maintain good standards of livelihood. As explained in the government responsibilities, the government must feel responsible to provide public services such as public service but not less than including

sewage, drainage, drinking water supply, roads, garbage disposal, electricity supply, energy, flood management, government education system, , government health services, irrigation canals(for farming area), cost of living vis-a-vis earning of average citizen. It has also been elaborated in other chapters that **requisite standards of public services must be maintained by the government as these relates to hygiene, physical and mental fitness and infrastructure to provide development opportunities to the people.** The government has obligations to provide these services which normally be provided directly. However, often, governments may decide to fix up non-government entity for this purpose.

**Non-Government Entity contracts:** The government has obligations to provide public services like health services, hospitals, education-schools, institutions, roads, infrastructure, energy, sewage, drainage, water supply etc. The commitment of providing these services to the people is mandatory on part of the government and should have been assigned under government's responsibilities in COG. The government would normally create necessary infrastructure, tools and plants and manpower necessary for meeting these obligations. However, **this would assign responsibilities on GPP to keep all infrastructure in perfectly working conditions and also to possess managerial skills required to handle a very large work force.** If the GPP is capable of doing this, it would work. However, if the GPP is not able to efficiently manage and get the needful accomplished, **Government/GPP may choose to fix up outside agency for providing public services on behalf of the government.** This outside agency will normally be a 'business domain' which would be fixed up by government, normally against contracts.

And this makes the major difference. Firstly the business domain is working for 'self-benefits' that is 'profit' which was non-existent when the services were being provided by the government directly. And **business person may depreciate the quality of 'services/works' in order to enhance the profit.** Secondly, **the GPP turns into a 'master' from the role of 'service provider'.** The GPP is not the service provider now and now governing over the 'business domain' and is a 'master'. And the GPP is also now 'free of vigil and checks' of various government bodies. **Being master GPP has the power to accept 'sub-standard' works, and as above, it would also be the aim of 'business person'.** So there are two actors in the play and if both 'coincides' for an action, surely it would happen. However, the GPP, now, if desire to join 'business domain', would bargain for the 'togetherness' which would result MUD.

It may be rightly argued that citizen needs services and there is nothing wrong if government opt to provide using 'business domain'. **There does not seem to be a problem, if the services are rendered at the same cost** as in case of citizen receiving it from the government. Normally the governments charge tax and provide services 'free' or at 'nominal cost'. Would the business domain render services at same cost. Certainly not. 'Business domain' cannot survive with such approach. So, **first thing which would result is low quality.** A punishment to citizen because of 'inability of the government to perform'. **Either citizen shall accept it (which would become a 'culture' subsequently) or Low quality shall be protested, sooner or later**

**by the citizen.** And then the **'business domain' shall come up in forefront, specify its conditions 'which obviously would be higher cost' for providing the services.** The government, already suffering with the 'incapability' to provide the services of its own, would become 'mute spectator', therefore. And this would completely defy the purpose 'what government was instituted for'.

For example, the comparison of number of government vs non-government hospitals and indoor treatment units in case of hospitals and number of students in case of 'schools' and 'colleges', government vs non-government, **would reveal the extent of 'helplessness of government' and 'powerfulness of business domain'.** These two services are most vital for the 'survival' and 'meaningfulness of survival', thus becoming out of reach of a 'common citizen', shall make the 'generations' of mankind 'crippled' both physically and mentally. This can be applied to compare other fields.

The **government 'Responsibility and Accountability' must define in COG that the 'affordability' must be ascertained by the government. Government, therefore, must regulate the cost of each and every item provided by business domain and notify to the public considering 'affordability by citizen' as the fundamental condition.** If the government does not do so, it would be looked to have 'merged with the business domain'. And if happens, the GPP shall be the 'partner in business domain' and this arrangement shall yield 'MUD' to GPP.

The **government carries responsibility to establish appropriate norms to compel the non-government entity to charge reasonable price of services and products from the citizen.** It has been elaborated in the chapter of 'Government company' that the 'government company' shall be constituted with the aim of 'providing enough competition' to the 'non-government entities', producers, suppliers by providing a 'base line reasonable cost' to become bench mark for establishing a 'reasonable cost to the citizen/customer'. The **reasonable completion shall be if at least 20% of the quantities in the market are supplied by the 'government companies' and the 'cost of product by government company is lowest'.**

The government must, in case they don't go for such action, would be accountable to verify that the cost at which services are being provided by non-government entity is 'justified'. **The government thus, should notify the methodology wide which the non-government entity would decide the cost of product/services chargeable from citizen. The basic theme for government should be the 'minimum exploitation of citizen' by non-government entity.** The methodology brought out in this is the 'principle of minimum exploitation' and brings out transparent validation of the cost by the government based upon the basic investments and permitting reasonable, only reasonable profit over it.

#### **Sample Methodology for assessing POMIE recovery**

Total cost of equipment as paid=Cq

Total cost of transportation, installation/commissioning as paid= $C_i$   
Total cost of maintenance per year  $C_m=5\%$  for stationary,  $7\%$  for moving  
equipment= $0.05 \cdot C_q$  or  $0.07 \cdot C_q$  per year  
Total running cost per day= $C_r$   
Life of equipment in years= $Y=Y \cdot 365$  days

Daily clientage based upon maximum possible stipulated utilization/number of users= $N$   
Say cost recovered per person= $P$   
 $P \cdot Y \cdot 365 \cdot N = (C_q + C_i) / N + 0.05 \cdot C_q / 365 \cdot 1.1$  for 10% profit  
So  $P_p = (C_q + C_i + 0.05 \cdot C_q) \cdot 1.1$  divided by  $Y \cdot N \cdot 365$

OR

Total Capital cost per person= $C_1 = (C_q + C_i) / N \cdot 365 \cdot Y$

Total Maintenance cost per day per person =  $C_{m1} = 0.05 \cdot C_q / Y \cdot 365 \cdot N$   
Running cost per day per person  $C_{r1} = C_r / N$   
Charges to be claimed per person  $P_p = (C_1 + C_{m1} + C_{r1}) \cdot 1.1$  -

It should be noted that the running cost should not include electricity, sustenance charges which should be met within 10% profit as being done by the 'common citizen', and to include mainly the salary component of workmen.

It has also been brought out in model 'Friend bhi Foe bhi' that a business domain remains friend of the consumer/citizen, upto a stage and moving beyond it, the business entity turns into a 'Foe'. The government must exercise its wisdom and vigil to prevent that the business domain turns into a 'Foe'.

If continues, this shall become true for other spheres where 'business domain' assigned an activity on behalf of government consuming 'government money and resources'