

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.

## Friend to Foe: Business person

*ELI-Essential livelihood items; TOSI-Threshold point of self-interests'; BIP-Business person; F2F-Friend to Foe transformation; CEAK-Capability, empowerment, awareness, knowledge; T2T-Ten to twenty*

We talk about progress, development and economic growth. These are the internationally acclaimed words and parameters to judge the upward going of a nation and thus the society. However, as these are the parameters related to the nation, these are proposed and maintained by the government and government would project these as the upcoming and rising of the living of citizen to show their sincerity towards them/citizen. As a principle, it is understood that the Nation's growth would affect the life of every citizen and with development and progress, their lives are getting better by such equivalent quantum and magnitude. At least government would maintain these figures and present to the world to highlight that it corresponds to the better life of citizens. There may be reasons to believe it but there are quite a few factors which are permanently visible and also working against it quite interestingly.

We have seen in the master-slave governance that the government may even behave, like a 'master', making the citizen 'slave'. And it goes unnoticed and unchecked for ages as those who would react, are in 'helpless, wretched' state.

### King's the past:

The kingdoms remained a system of 'governance' for many centuries on this earth. In this system, there was a king and there were poor citizen in the kingdom under him. What was so distinctive which made a person as king and why everyone was not a king. A king was prominently presenting itself as a person having 'powers' and he was able to use these powers to keep itself as 'King'. So he had a 'strong will' to be a king and was no way hesitant to use his 'will and powers' to keep others down and make them to believe that they are in the subordination of the King. So he was able to present itself as a 'master'. Also to present itself to be higher than the citizen, he **would possess powers in the shape of (i) 'will' to be a master (ii) will to make others slave (iii) possessing money, wealth and bigger dwelling place (iv) and ability to continuously accumulate wealth and money.** But the ordinary citizen were not having this attitude. They might not be having wealth and money but no one can stop anyone from having an urge to become a king in his mind. But the poor citizen would not have this attitude, why? The answer is very simple and straightforward because they were not the king.

Yes, .king was having that attitude and approach because it was the king. It does not matter who he is or what he is or where he is from. Anyone becoming a king would possess that attitude that he is the king and he must use the powers now to remain a 'king' and prevent anyone else to think of becoming the king. So **a stint of a 'master' prevailed in that person which made him and kept him as King. So anyone once becoming King would automatically possessed 'Masterism'.**

## Human factors

It is learnt/ explained that every creature is born and live with the basic program of surviving itself. Looking from inside to outside, from a person (creature) to the environment (the surroundings; the other people), the urge of Survival generates a feeling of insecurity in everyone. Thus this feeling of insecurity in every person, inbuilt by nature, becomes the ruling factor controlling its behaviour. The stronger the feeling of this insecurity in an individual, more abrupt its behaviour would be. The behaviour of someone 'how stable and uniform' or 'how abrupt and erratic' shows how much feeling of insecurity one has. At a road crossing, there are people who stops the vehicle, when the signal is not for them, whereas there are some, who just not care about it and finding a gap between moving vehicles in other directions, they abruptly move vehicle ignoring the rules.

Such people act in such abrupt manner because of carrying insecurity of being a loser if get late for the place they are going to. People moving fast, pushing others aside, etc just depict their behaviour driven by and insecurity within themselves. There are numerous examples that a person's behaviour primary is the reflection of quantum of the feeling of insecurity within itself.

**Business act:** We talk about progress, development and growth (PDG) of the society and the nation. All these are outcome, of an activity called 'business' practised by people. Let we call these people, the 'business person', BIP, as carrier of progress, development, and growth (PDGC). So the government decides the policies and realize progress, development and growth with the skills and labour of BIP. And the aim would be, a better life, ideally. A business person (BIP) in the form of PDGC, would be a person or a group of persons engaged in business activity primarily with the objective of 'overall progress, development and growth' including the citizen (customer). Resources come in from Government and benefits goes to the citizen ideally.

**BIP behavioral face:** It has been explained that the human behaviour is primarily driven by the feeling of insecurity. In the present world, this feeling of insecurity leads people to have urge to accumulate money/wealth and strength. A **businessperson by way of business activities, ideally, is a friend to the society since it provides livelihood to many others which would help their survival and curtail the insecurity with them. As** such it does good to society. However, a business person also carry its own feeling of insecurity which would make one to accumulate more money and strength always. Since a business generates 'flow of money' a business person amidst money flow, would try to grab and accumulate money as much as possible. The business person would generate tendency for accumulating more and more money and wealth. **The more money and wealth itself becomes a reason to cause more insecurity as there is more to lose now.** Thus the urge to accumulate more, aggravates when there is strengthened strong feeling of insecurity, **the business person would be inclined to have more and acquiring more than due, leads to its approach to acquire other's share and what is not due to it in normal course.** This is a state where business person leaves its ideal track of being 'friend to others' and 'goodness to society'. **With this mind set the business person would no more be a 'friend' and would shape into a 'Foe' rather, as taking over the share of other's.**

**Super-person mindset:** Also at a stage when the business person would have ample 'fortune and wealth' **that a normal social person becomes much smaller in its sight, it would take the business person to the domain of 'super person' and deemed to be possessing powers to overlook the 'overall interest' and the**

**'rules'**. This is the state when business person would turn into a 'foe' from its first and initial phase of being a 'friend'. One may fly high and high, but higher one would go, more is the fear of damage as higher one would fall from, worst and more severe damage would occur.

Business person would tend to earn more always, and the cost is paid by the people/citizen which eventually accrue as 'profit' to the business person and **after a 'threshold point of self-interests' TOSI, the 'objectives and aspirations of business person' clashes with the 'ability of citizen to permit easy ingress into their lives' and thus shall be at loss paying exaggerated cost** of the 'products and services' to business person.

Thus, a **businessperson is a friend to society before a level of self-interest and we term this as TOSI, the 'threshold point of self-interests'**, which changes the character of a 'friend' into 'foe'. This is an important study as it exhibits the transformation of the same person into two opposite actions and characters. As friend, business person is an entity doing good to the people and society however, for its survival, it would extract a profit necessary for its ongoing actions, which would not be a burden on the society. We call this threshold point as TOSI. **After TOSI, the business person exceeds the level of self-interests and extract more self benefits than due** and consequently, makes the society at loss. **Though, the business person would still be providing services to the society and may presume to be doing good to the society still, but looking from the society's side, they are at loss because they are paying the exaggerated cost of products and services.** This would be a state of exploitation by business person and must be minimized.

If continues, this exploitation would gradually transform business person, BIP, into a master, because it would widen the gap between these two, more the gap, more potent mindset of 'masterism' likely to occur. If there is difference of CEAK level (the citizen CEAK low), it would further enhance this 'masterism'. And once in this mode, it would join the Government people, who are owners of 'government's authority and power' for 'policy decisions'. **The motive shall be to extract undue benefits by purchasing 'government powers' and 'nation's resources' under the control of the government people, which would put the citizen at loss as they are the legitimate beneficiary of the governments authority and Nations resources.** The business person on the other side would have the reasoning that money and resources investment has been done by him/her and therefore, entitled for benefits out of the same. **The boundaries of this entitlement, therefore, need to be studied to assess the justified return to the business person.**

**Super person mindset exhibits:** The behaviour of 'business person' exhibiting 'exorbitant pomp and show', exhibition of powers, use of madiak for personal publicity especially projecting 'superman's profile', would signify the person getting to 'super person's mindset' which eventually converts to the show of 'power and luxury' in the form of 'exorbitant luxurious living', wealth, uncommon use of precious gems, metals, gold, silver, ornaments, dresses, vehicles etc. The madiak shall be exploited to 'exaggerate the pompous presentations'. The 'super-person' mindset shall come out to present these to people by making 'publicity' on media/madiak. The madiak, would not know about the personal belongings and affairs of anyone and can make presentations only when 'asked to do so by supplying details' on hand.

**The other factor signifying BIP super-person mindset would be its association with 'Government' and GPP. This shall be addressed in upcoming sections.**

Business person at this point is in 'foe mode' because now presenting itself as 'super person', it would indirectly present the 'status' of citizen 'being low'. The analysis brings out very interesting outcome that the same entity is a 'friend to the society' before a point and turns into a 'foe' once gets beyond it. Let we term this transformation as 'F2F' implying 'Friend to Foe'.

These are two just 'opposite' forms of a person (or an entity), thus need a critical evaluation that the business person does not turn into 'foe' from 'friend'.

### **Analysing TOSI:**

Thus to prevent such F2F transformation of business person, what becomes important is to restrain to cross that border. An argument would be that in business, if someone putting in time, means, money and energy, it should get whatever comes back in return. It has to be higher than what business person invested, to provide incentive to continue in business. This is the profit. The BIP would derive some share of resources and wealth. from the business activity for its own benefits, and is called 'profit'. Profit has been assumed as their rightful derivative of business activity universally. But how much?

It is brought out in 'BIP behavioral face' **that the profit would be 'justified and reasonable' upto a limit, where both business person and citizen/consumer are benefited.** The BIP gets enough to sustain its business activities and make the product/services available at an 'affordable cost' to the citizen. The increase in profit would favour the BIP but 'hurt the citizen', so a balance is necessary. **The range of profit, thus, would decide the (a)probability of 'F2F' turning point and (b) also the 'judicious burden on citizen'.** If profit is more than 'reasonable/affordable' and brings in aspirations to 'earn more' firstly because of natural inclination to earn more and secondly because of getting to the 'mind-set of being super person'. Assuming that the behaviour is not being monitored, checked and regulated, it would look to be a 'right' to ask for more from whatever means and ways, the wealth may come from. **But it is unfair. So the behaviour and action to be monitored and regulated.**

The livelihood of a common person need essentials to sustain the flow of life. These are the food items sold at town level, foodgrain items, packaged food items, cereals/beans, baby food preparations, domestic energy sources, communication, utensils, common domestic support electric items, common domestic support water supply items Agriculture/irrigation assets/machines, common/non-luxury house hold appliances and assets, common clothes and cloth based items, all medicines of common diseases, common public transport etc. The services like health services, education services, public services like sewage, drainage, electricity, water supply, essential fuel would also be included. These would include the non-luxury items used by common and average citizen who would not have financial capability to procure these items at higher cost and if the cost is higher, they would have no way but to abstain the use. **Let we classify these as 'Essentials livelihood items'- ELI. There is no reasoning that these items should not be made available to them at affordable price at minimum profit level.**

So for the BIP, the profit is a necessity. **But there are aspirations of higher and higher growth. the BIP's insecurity and then the BIP getting into 'super-person' mindset further, would encourage BIP to have 'higher and enhanced profit'. As this is the net and ultimate part of business transaction, which would stay with BIP, it would never be given away, and enhance the urge to earn more profit, especially with MS governance and relaxed/ loose ended laws and rules.** The BIP would tend to earn more profit out of the same business activity, where only resources transactions take place, the profit gets contained as the outflow quantum of resources is defined however, in case the quantum and cost is in the hands of BIP, the scope for earning more is higher. If a product is manufactured at a cost  $C_p$ , it can be sold into the market at a selling price  $S_p = C_p + P$ , where  $P$  is the profit. **The  $C_p$  is almost decided and can be assessed, so for having more profit, the BIP shall have to have higher  $S_p$ .**

There is another important thing. Though the government and citizen progress, development are not governed completely by mathematical procedures and mathematical terms, the business growth and process are. The BIP therefore, has much higher aspirations to earn more profit as the quantum and magnitude are very well visible and fetch direct wealth. **BIP would have consistent urge to earn more and more profit thus.**

**Earning profit is although, rightful but without check/control it may become the F2F turning point. Thus government, as representative of the citizen, must exercise monitoring and regulate the profit margin.** A regulatory 'monitoring and control' is therefore, warranted to prevent a business person from crossing the border which decides it's being 'friend to foe'.

For analysing TOSI, the most important aspect to be focused on, is extent of profit. Normally growth rate of a country's economy at the rate of 6to7 % is considered good with an average burden of taxation of about 20%. **a profit margin of 10% seems to be justifiable. This can be considered as TOSI point as a benchmark.**

A profit margin of 10% over investment of money would be appropriate, to have a base figure. Let we term this as 'reasonable overall profit' ROP. It would cover the business person's personal expenses and expenses for maintenance of business, including operation. In fact, in large business and industries, the reasonable personal expenses get covered along with business operations and almost all personal expenses gets charged to business because of government rules and provisions, providing tax benefits and relaxations. Government rules and provisions, almost in all countries, would cover such expenses to be charged to business as the business person is associated with business activities as a person and member of business group and it would be very difficult to differentiate between its personal and business expenses related to its own self. Therefore, major part of this profit margin (ROP) is meant for maintenance and operations of the business.

However, business activities not only relates to the business person but supports many other people and families. Therefore, expansion of business by way of new establishments would be necessary as it would extend support to many others. BIP



carries additional responsibilities to create employment for the citizen. Thus there should be 'business- expansions' which would need extra money. This is a genuine cause of welfare to the people. The BIP should also carry out 'research and development' activities to excel on the 'quality' and 'lowering of the cost of product'.

Thus 10% more can be considered to be earned by the business person provided businessperson exhibit its sincerity towards this cause and prove to have spent this 10% for

(i) research, innovations and development with recognition of outcome in the form of 'patents'/international recognition etc and research to excel the quality of product continuously and ways to reduce the cost at the same time

(ii) expansion, new units, new officers, new products engaging new and additional manpower, establishment of new manufacturing base away and separate from existing

This hypothesis is termed as 'ten to twenty'; T2T only

#### **Government's (Government people's) alignment:**

In today's world, we have the governments which are governing over the citizen of the nation. There may be different type of systems to elect the government however, the ultimate result is that a group of people is authorized and delegated powers to be the 'master of the others'. The extent of 'masterism' may differ depending upon many factors but evidently the people in government possess more powers to exercise 'masterism' on the citizen. They would have Nation's wealth, treasure, resources under their control and they also have the means of exercising 'masterism'. So they have positions of great difference compared to citizen and evidently they are 'visibly' and 'distinctly' higher than the citizen. They would always wish to remain in that position. We have seen in earlier deliberations that a king was a king because it wanted to continuously remain as 'King'. The people in government GPP, would possess great urge to remain in government, and thus, they would possess 'masterism' as the king did.

Let us look at the other aspect. What would be the king if it does not remain a 'King'. And answer is 'ordinary citizen'. So **the difference between the levels of what someone is and what it would be if it does not remain at that position, would be the a powerful factor to induce 'masterism'.**

We now get back to the working of a government which are periodically elected. So a person in government must get elected again, and again, to be in the government. There are all probabilities that someone does not succeed in getting elected again. What would be its approach?

The government is in possession of powers and the government constitutes individuals and persons, GPP. Therefore, like kings, they would tend to possess powers in the form of Government position/authority, wealth and money. Since government position is not assured indefinitely, they would have a tendency to have 'wealth'. But there is a difference now. A king would show its wealth to fascinate the citizen to remain the king. A government representative, since has to get favour from the poor citizens again and again, cannot show its accumulated wealth as the citizen would question about the source. So **in government, the government people will**

**make arrangements to hide their wealth** besides, whatever they can show to the people legitimately.

In earlier sections we have seen that the government people wants to possess wealth which is hidden. This is also elaborated in other chapter of ..... and one way of accumulating wealth is that the BIP is permitted to keep higher SP and the government people (or Political party leader) would share the access profit from BIP. The other scenario would be that government people would relax the 'laws and rules' and make the Nation's resources available to BIP at lower cost and again share the access 'wealth of profit' with BIP. But **both actions of permitting higher SP and supplying resources at lower cost are against the fundamentals of good governance as the citizen gets into an inferior life if spending more on livelihood** and also citizen owns the right on nation's resources.

Though in MS governance, this tie up between Government (Government people) and BIP is almost happening, the principles of 'good citizen oriented governance' does not permit it. The good governance would limit the extent of profit and would also act to lower SP.

**Competition:** The 'business domain' shall argue for 'liberalized business under the control of 'business domain' with freedom of decisions as regards to the SP and the profit. And GPP/Government would tend to accept, on account of political compulsions or unwanted alliance. There are essential items to sustain livelihood of a common person as mentioned above as ELI. Both BIP and government/GPP have the obligations to make ELI available to the people at affordable cost/price. Government/GPP may put up reasoning of providing freedom to the business person to decide cost/price so that it can sustain its business, but responsibility of making ELI available to common person at affordable price, must remain at higher priority for the GPP than freedom of business terms.

Till the product is unchallenged and without competition, the SP is in the hands of BIP. The **government must therefore, ensure true competition to BIP so that the citizen gets fair and justified cost of products and services.** A possible scenario would be that government permits a group of BIP to produce (thus creates competition) but relaxes laws to permit them to join hands and again decide SP which causes loss of citizen.

**A good citizen oriented governance would create a requisite competition to contain SP, must for ELI,** but a MS governance would not ensure this. Often, the MS government/GPP would be seen to be favouring selected BIP by structuring rules which would support it, also by making nation's resources and laws/regulations at their disposal out of way.

The parameters for 'good competition' must be defined. For a good competition, there should be minimum four manufacturers in non government sector, located at different locations, far away, separation of a distance of 10% or more of the national boundaries and minimum two manufacturers in government sector. The cost of product of 'government sector' must be brought out with split up and it must be lower than the cost of non-government sector, invariably. **It need to be noted that if cost of product by government unit is higher than the BIP cost, then orientation of governance would change from citizen to 'master slave'.**

Under good governance, the government with citizen orientation, should provide competition to BIP. However, the basic principles shall be that:

- (i) The cost of product to be made public splitting the cost into various constituents
- (ii) the SP of same product should be kept justified by the government agency
- (iii) Quality standards should be well defined, notified, uniformly applicable so that 'selling the quality' is not practiced

(iv) The basic boundaries of profit should be decided by the government

**Principle of minimum exploitation, POMIE:**

This analogy has been described in other chapter.

This analogy should be applied to 'Essential livelihood items;ELI' goods and services. The chances of exploitation in ELI stands very high as the people/customer is hard pressed to obtain these at any cost as these are essential for 'sustaining life'. Just to understand POMIE, two examples are brought out.

**Example 1:** We go ahead with an example of a bus (or a vehicle) put to citizen service by business person (private sector as usually called), the rate of return envisaged by business person need to be analysed.

Say M is the price cost of the bus (MAE for machine and equipment) and P are the number of passengers who can travel in one single trip from point D1 to D2. 'Co' is the operating cost and 'Cm' is the maintenance cost, defined by the manufacturer for one year. The most important parameter, which normally is totally ignored, mischievously, is Lu (usable life of equipment defined and certified by the manufacturer).

Now business person would recover the cost  $M + 10\%$  (profit) =  $1.1 \times M$ ; over a period of Lu. So the legitimate recovery of money/ investment shall be

$Pt = \text{People would travel} = (\text{Trips/day} \times 365 \times \text{Nos. of seats in bus}) \times Lu$

$E_L = (\text{Earning life time}) = Pt \times \text{fare per person}$

Thus  $1.1 \times M = E_L = Pt \times \text{fare per person}$

So Base Fare per person =  $Fb = (1.1 \times M) / Pt$

Cm and Co are defined by the manufacturer, largely, and 'Cmy' Coy" are the cost for a year. These may be added to Fb on yearly basis as the same may vary over a period of time. So any particular year the fare to be collected from passenger would be

$F_F = Fb + (Cmy + Coy) / (\text{Trips/day} \times 365 \times \text{Nos. of seats in bus})$

This is simple mathematics based analysis and, if intentions are fair, it can straightway be 'notified' by the government as the principle, if government function as 'representative of people'.

**Example2:** Taking an example of 'health services', the 'customer' is so 'badly distressed and depressed' that it would never question the 'health service provider' about the cost of services and pay whatever is demanded, 'willingly or unwillingly'. The nation, if has a base of 'non-government' health services for 'critical illnesses and major surgeries' attending to larger than 10% of people in numbers, and/or nation has 'NN, N, Z' MUBI rated 'government health services', the probability of exploitation is 'paramount'. In the chapter POMIE, the methodology has been elaborated for 'reasonable' charges/price claimed by manufacturer/service provider for its products/services. We understand the same with an example of 'health services' field.

MRI machine is deployed for public use and benefit and all parameters almost remains same. So the charges to be collected from the citizen, per citizen, can be assessed based upon POMIE.

Let we analyze the charges levied by hospital for 'MRI investigations' on the basis of POMIE

Say  $M_M$  is the price/ cost of the MRI machine with installation and without the cost of building etc. (The building infrastructure cost analysis shall be separate associated with the room/bed charges). Pnd P are the number of patients who would undergo MRI test in one single day. 'Co' is the operating cost and 'Cm' is the maintenance cost, defined by the manufacturer for one year. The most important parameter, which



normally is totally ignored, mischievously, is  $L_u$  (usable life of equipment defined and certified by the manufacturer).

Now business person would recover the cost  $M_M + 10\%$  (profit) =  $1.1 \times M_M$ ; over a period of  $L_u$ . So the legitimate recovery of money/ investment shall be

$P_t$  = Patients to undergo test = (MRI/day the machine is designed for  $\times 365$ )  $\times L_u$

$E_L$  = (Earning life time) =  $P_t \times \text{Charges per person}(R_p)$

Thus  $1.1 \times M_M = E_L = P_t \times \text{Charges per person}(R_p)$

So Base Fee/charges per person =  $F_b = (1.1 \times M_M) / P_t$

$C_m$  and  $C_o$  are defined by the manufacturer, largely, and 'Cmy' Coy" are the cost for a year. These may be added to  $F_b$  on yearly basis as the same may vary over a period of time. So any particular year the fee/charges to be collected from passenger would be

$F_F = F_b + (C_{my} + C_{oy}) / (\text{Tests/day} \times 365)$

The most important is that this POMIE assessment details are placed on the public domain of the service provider unit and concerned 'government unit' enabling citizen/common person to verify that minimum exploitation of citizen is being realized.

**Summarizing, the transformation of Business person may occur from 'friend of the society and citizen' to 'foe' and need to be monitored and regulated by 'government'. The transformation can be contained and minimized by:**

- 1) exercising check on the 'profit margin',**
- 2) encouraging research and innovations to reduce the cost and enhancing quality**
- 3) providing competition more than minimum requisite competition**
- 4) presence of 'Government companies' as 'role model' to provide competition and forming 'base line lowest cost and profit' to standardize cost and quality, for compliance by all.**

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