

## Governance and Capitalism

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The economic order of the world is at cross roads. The law of economics which respects no one has played havoc with most countries particularly those in the western hemisphere. Nations priding over their genesis for centuries on, are witnessing an unprecedented down turn with almost all graceful exit routes blocked- on the brink of bankruptcy. The very idea of nations coming together to form politico-economic conglomerate is under serious threat. On the flipside nations which were literally written off from the global economic map for being laggard, suffering from political immaturity and more precisely for not treading the capitalist path have emerged as high trajectory growth engines-albeit with a few hiccups. What then transformed the entire ball game in a span of just two decades?

- A geographical paradigm shift?
- Cultural mismatches?
- Questionable governance?
- Poor management?
- Unchecked avarice of a few enjoying confidence of the Sovereign?
- A combination of more than one of the above?

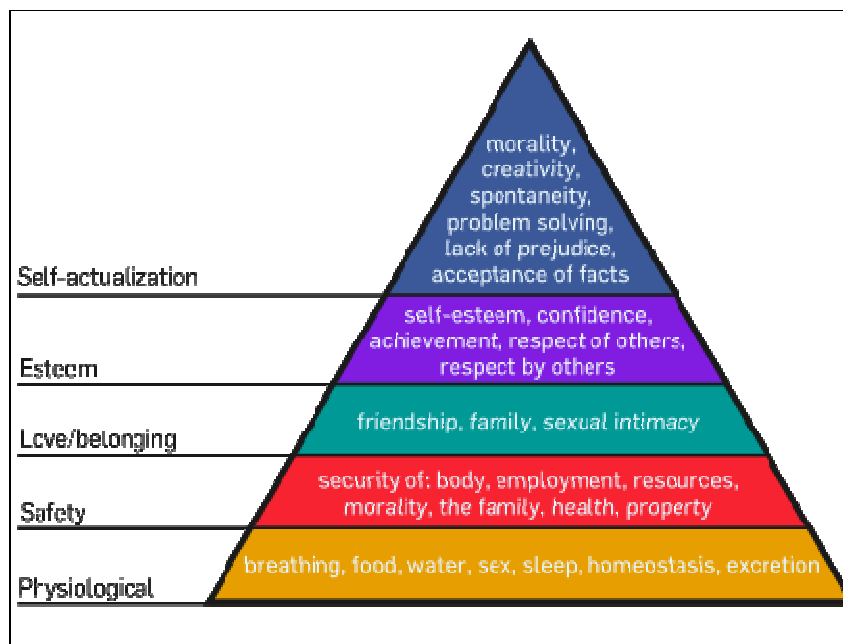
The question hinges on blending three concepts viz. Economics; Management and Governance. To enable optimal blending *there is a need to revisit the basics.*

Capitalism, by definition implies ensuring happiness by creation of wealth; encouraging free enterprise with least possible State interference at that. Wealth creation pre supposes investment. The basic tenet of an investment lies in harnessing a potential from the present. Investment is possible either through savings or by borrowing or by both. Saving is possible only by *generating surplus* out of income. Borrowing on the other hand needs to be repaid with a price tag. Therefore unless borrowing can also *ensure generating a surplus* to enable repayment, its impact on investment and therefore wealth creation, is negative. Borrowing for mere consumption without generating a surplus towards repayment is disastrous. A governing State which tacitly or otherwise encourages borrowing (how so ever well intended) for mere

spending is..... (obvious) A governing *State which cannot distinguish doing the right thing (how so ever difficult and challenging) from merely doing things right* suffers from a self inflicted misery. The guiding philosophy of any State is to be a welfare State where there is intra harmony of all its subjects. In the context of capitalism the State attempts to promote this harmony through individual excellence. True excellence is a by product of enlightenment! Enlightenment stems out of being (even for fleeting moments) in a state of Actualisation where there is oneness of subject, its object and the process.

*It is inherent in every 'Being'* to proceed towards 'Self Actualisation' regardless of one's school of thought. '*Being*' needs to be viewed and inferred holistically in a larger sense to include **Individuals, Group, Organisation and ultimately Any Governing Body**. In mundane physical terms the state of individual Self Actualisation is perhaps best described in –

### Maslow's theory of hierarchy of wants



\*\*COURTSEY: 'WIKIPEDIA'- Thankfully acknowledged

([http://en.wikipedia.org/wiki/Maslow%27s\\_hierarchy\\_of\\_needs](http://en.wikipedia.org/wiki/Maslow%27s_hierarchy_of_needs))

There have been a number of interpretations of the theory. In the end all of them hint at the basic instincts from survival to perfection viz.

- *Instinct of Survival and Continuance* (Maslow's Physical)
- *Instinct of Security* (Safety)
- *Instinct of Appreciation* ((Love....))
- *Instinct of Realisation* (Esteem)
- *Instinct of Perfection* ( Self Actualisation)

Viewed from the context of 'Instincts' - the individual pyramid of wants and eventually the state of Actualisation can be co-extensively translated into the **Group, Organisation and the State**. *Only that the content* (within the pyramid), *dimension and the plurality of the wants undergo a change*.

Maslow's theory contemplates an upward movement in the pyramid by transcending every previous plane by fulfilment. The question is, can-not transcendence be achieved by dispassion instead of fulfilment? For there is no end to fulfilment- it is a mirage, every time a want is satisfied a new one crops up even in the same plane. The only condition for dispassion is that it should not spring out of frustration but should stem out of enlightenment. Enlightenment leads to transcendence. If the hypothesis is applied, the upward movement in the hierarchy becomes simpler if one were to 'save' a small portion in the lower rung of the ladder and use it as a launching pad to move into the higher rung- which literally means, clearly distinguishing a '**want**' (synonymous with desire) from a '**need**' and a '**necessity**'. If only one were to be content with the necessity and use a portion of the need together with the excess of want (synonymous with desire) to propel into the next hierarchy, transcendence is achieved without fulfilment, nay transcendence itself becomes fulfilment. "Being thrifty enables and being a spendthrift(y) disables."

### ***Epilogue:***

Strange as it may sound, akin to the mundane-physical term, the state of 'Self Actualisation' also finds a place in the spiritual and metaphysical plane. There also it signifies perfection, a state of being in oneness with the entire manifestation.

Self Actualisation, whether at the mundane or the spiritual plane, is possible only through 'Enlightenment'. While in the case of the former, one needs to transcend every hierarchy, in the case of the latter one needs to transcend every inequality one faces in the path of enlightenment. One needs to recognise that after all:

- Education is not = Learning
- Learning is not = Knowledge
- Knowledge is not = Experience
- Experience is not = Maturity
- Maturity is not = Wisdom
- Wisdom is not = Realisation
- Realisation is not = Actualisation

***Almost all the messiahs and many of the leaders who made a mark on the sands of time were not educated in the formal sense- yet all of them were in a state of 'Self Actualisation'***

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*A well qualified and experienced professional who lives by the word simplicity. Mr. Iyer has dual Masters degree in Commerce and Law. He has pursued post graduate studies in Management Studies from Jamnalal Bajaj Institute of Management (a premier management Institute) Mumbai University and in Bank Management from the National Institute of Bank Management (NIBM). He is also an Associate of the Indian Institute of Bankers.*

*He is a self taught scholar in ancient Indian philosophies. Mr. Iyer offers a unique perspective to business governance through his scholarly and practical knowledge spiritual practices combined with hands-on experience in corporate management. He has held several discourses on the theme of applying spiritual laws and wisdom to business practices. Mr. Iyer believes that ONE NEED NOT BE UTTERLY RELIGIOUS TO BE SPIRITUAL AND SPIRITUALITY IS NOT IN CONFLICT WITH MATERIALISM IF THE LATTER IS ENLIGHTENED AND WHOLESOME.*