

Government is not the same thing as a business, and should never be run like it is one

Adam Tugwell | 3 March 2013



The word 'business' conjures up different meanings for different people, depending on their background and of course what exposure they may have had to its use or application.

Most will agree that its use as a term suggests enterprise and methods of working which would sit snugly within a commercial environment. But should this word actually be

applied to the *modus operandi* of any form of Government when the two terms are completely incongruous?

Much is made of the idea that the best people to run Government at any level are those who have a business background. One of the current arguments against the demographic makeup of our MP's today is the substantial lack of solid business experience possessed by those who lead the Country from Westminster, with the accompanying notion that MP's who have run or owned businesses of their own would somehow automatically have an almost esoteric level of understanding and midas touch which would solve just about any problem. They wouldn't; they don't and they never have.

With years of Local Government experience as both an Elected Member, an Officer and from working within 3rd Sector Organisations alongside, I have also often heard the term 'business case', 'business plan' and the idea often suggested that Councils are now run 'like a business' in meetings.

The problem with this is of course that the political leadership and members of Councils rarely have 'hands on' experience of running any kind of business you could draw reasonable parallels with themselves, and when they do, it is often the case that it has been so long since they did so, that any lack of an appreciation that time moves on or that things continually change will soon erode any tangible benefit.

Perhaps worse is the ability that Officers and Civil Servants have been gifted by political demographics and the opportunity to use such terms in plans, which are then taken as read by those who simply don't know any better as being a true 'business case', when such 'business' cases could never be any such thing.

Recognising the differences between running a business in its purest sense, and running Government under the delusion that it can be run as business has never been more essential for today's politicians, because neither Central or Local Government are businesses, and the people running them have to stop believing and behaving like they are.

A business is of course run for the profit of an individual or shareholders. All decisions will normally be made with the form of pay-off that they will receive firmly in mind. It can be expanded or changed to meet the demands of customers as it sees fit, and a business can choose which customers it may wish to target and how much profit it will seek from delivering any particular product or service. Its revenues are never guaranteed.

On the other hand, Government does not run to make profit, but to provide services and support for all those which it has been elected to serve.

Run properly, Government would not actively target any particular group of customers to provide a different quality of service depending on the feedback or profit that it gets from that group, and would work to meet demand for services as best and prudently as it can, well knowing that it has a duty to do so without seeking payment from one customer to pay for the benefits of another, or to irresponsibly borrow money from lenders that it knows it doesn't have the appropriate levels of revenue to comfortably repay.

However, Government revenues – as long as they remain sensible – will always be guaranteed, and it is with this significant difference that come the even greater levels of responsibility than no one business should ever realistically be able to have.

One of the greatest dangers facing us as a society comes from the fact that politicians at all levels of Government have either failed to recognise these basic differences and therefore maintain them, or have willingly abused their ability to raise revenues to cover badly managed services or implement policies without any due regard to striking the balance for every member of this society or in applying fairness to all, while they have given every thought to political expedience and electability.

The British political system is broken, because it has adopted those very same values of a profit-making business, which are to further the interests of that business. For politicians, this comes in the form of power, whilst they have ignored the basic rule of business as they have done so; the rule which states they must deliver profit to every single one of the shareholders rather than to themselves. Profit in this sense should always be seen as the delivery of the same results for all.

So if our politicians really feel that they have to treat Government like a business, they then must also realise that if they continue to keep raising the fees on the same old products time and again without offering new products and value for money, they will soon price their offerings way beyond the purse of the people who normally pay, and the cash will soon start ceasing to flow.

Government is not run for a financial profit, any more than it should ever be so for the bottom-line benefit of just the 'staff'.

Whatever their backgrounds, experience and level, politicians must remember that they are the managers; the facilitators; the decision makers; not the beneficiaries themselves – and especially so where the end profit is not even perceptively the same as what it would be for a business.

The time has long since passed when the electorate could continue to live decent lives, whilst those within Government continue to focus on the end result for themselves. Government is not the same thing as a business, and should never be run like it is one.

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