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Tale of The Captive Consumers

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I manufactured pens and then sold them for Rs 10 per pen.

A person from another country offered to sell the same pens but of better quality that too at a price of Rs 8 per pen.

I went to the government, played the patriotic card, got the government to put a levy of another Rs 4 per pen if that foreigner had to sell it in India. This was in the pretext of saving domestic manufacturing.

Who lost out- The largest majority. You the consumer.

Could I have matched the cost and quality of the foreigner or even done better?

Of course, I could have!

But my hands were severely tied when it came to cost of doing business. I couldn't fire people when the demands went low due to the labour laws, I couldn't import advanced technology due to import curbs. Moreover, I needed to bribe my way all through the chain.

So what did I do?

I influenced the government on creating a safe and captive market for me where consumers didn't have any choice but to buy from me.

In return I paid undisclosed sums to the government for election funding. This also got me to the favoured businessman list which enabled me to get loans from government owned banks. I knew I will not return those loans. They banks knew that too! But banks' hands were tied by their political masters.

Then this cycle of captive consumers and obedient banks continued. Sounds familiar across many countries?

In Indian context, when people wondered why aren't more people becoming business people, I knew exactly why! It was dirty money!

This cycle made every consumer suffer with no choices, bad quality, high price and still a long waiting period to buy.

This cycle created huge inflation, lowered productivity which in turn created a deep negative impact on Rupee exchange rate.

Remember even after two hundred years of colonial loot, one US dollar equaled one Indian rupee on 15th August 1947!

This cycle created acute wealth imbalance. One percent of the population owned around 60 percent of the total wealth, the bottom 30 percent of the population owned nothing as aggregate.

This cycle created horrendous work culture in workplaces.

Employees weren't considered assets. They were mere tools to be used. Contacts in corridors of political power were the real assets. Senior executives needed to stay close to the family owners to stay afloat.

This cycle prevented the true scale and efficiency of business needed to compete in the global field.

Trade deficits grew because we just couldn't export much!

This nationalistic culture created another vacuum.

The everyday economy pivoted to small time contract manufacturers, traders and brokers in a very local level doing business in unaccounted cash transactions resulting in large scale tax evasions.

This further put the vast labour force in informal employment.

As a result, just two to three percent of population paid direct income tax. Yet this vast labour force stayed without any monetary security while the owners made lots of money.

This culture of nationalism also spread to government taking over and ran all kinds of business from airlines to hotels to steel to coal through administrative services people that too on rotation.

Professionals requiring two decades of experience to gain expertise in any one of the industries went elsewhere to work. The culture of monumental inefficiency, loss of excellence, political patronage and bribes set in.

It wasn't hard to spot a government employee.

In nearly all cases across levels, you will see them carry a horn on their nose, even outside office for higher level officials.

Because they controlled the official records which could overrule any fact!

Your lives depended on them!

The results were and still visible everywhere- noisy, chaotic, inefficient and corrupt public infrastructures.

Something happened silently in between.

Cheaper internet and international telecom lines came in.

Then while the governments slept, few people started working for global parent companies or their clients in the technology services and business process services space.

With an operational excellence unmatched and unheard off previously anywhere in the world.

Slowly we started even managing global teams!

In a couple of decades, this service excellence became the single biggest reason to change the notion of the country from ridicule to deep respect across the globe.

We started getting some of our lost pride back.

Transparent investments, sustainable processes, employee diversity, positive environmental practices and client focused cultures got industrialized in this global services space.

Then we started getting more and more start-ups attracting even more investments from large private equity players.

Common citizens and employees started to participate in the wealth creation. The wealth imbalance still stayed but people at the base of the pyramid weren't poor anymore.

There was one deep inherent problem though in this meritocracy approach.

The brutally competitive musical chair system where people steadily lost out in the rat race.

Career building became a ruthless exercise and people falling off the race were looked down upon.

Cut to 2027-

We leveraged our ancient spiritual culture and even exported it across the globe. Monetary and career gains stopped being the only parameter to measure a person's worth.

The technology and process companies pivoted towards new product creation and the start ups pivoted from different e commerce businesses to new technology creation.

By the way, I now manufacture and then sell better quality pens at Rs 2 by tapping into the global market of raw material and assembling few things.

There is enough money with the government saved from running loss making businesses and earnings from a much-expanded tax base.

That money has gone to fund an equitable world class education, healthcare, security and judiciary freely accessible to all.

The inequality is near zero on quality of living.

Back to 2021-

Can this shift happen? We need a new political vision. Of a liberal right!

Will this vision though win an election?

Miracles do happen!

Bye Bye dirty money!

About The Author



Arindam Dutta is ex Global head, Finance Operations, CFO Poland lead, Credit Suisse. He is ex Global head, BPS Analytics, Asia Pac BPS Hewlett Packard. He has 20+ years in GBS/BPS/ Banking- driving change and transformation. Worked in multiple locations/countries, led senior level and large scale teams across multiple countries and worked with internal and external CXO level stakeholders.

"Award for Excellence & Leadership in Outsourcing" from World HRD Congress (2013), Selected as Asia G6 Visionary by client community votes & panel speaker in SSON week in Singapore (2013 2012)& India I6 in 2013, Selected by buyer community as a sourcing superstar in SSON (2013)

Interviewed & quoted in multiple publications like Information week, Computer World, Dataquest, Global Services (2013, 2012), ,Invited in the speaking panel in NASSCOM, New Delhi (2013), keynote speaker in Dataquest summit, Gurgaon (2013),speaker and presenter in Deloitte Annual Shared Service conference, France (2012), Joint interview with one of my client by the CFO Magazine on the Analytics success story (2012) Published multiple papers - "Making sense of big data in Finance & Accounting", "Wealth of data and shortage of resources", "From reporting the past to predicting the future: Analytics in Finance &Accounting", "Business Insights to F&A","Compliance & Risk Analytics", "3As of Business Growth" (2014, 2013, 2012), " The lost pride - A tale of our cities" in the special edition of Consultant review magazine (2018)Multiple blogs in Times Of India (2018 onwards

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