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Do successful business people benefit others when making their money, when spending it, both, or neither?

Introduction

“Successful people have a social responsibility to make the world a better place and not just take from it.”
—Carrie Underwood

Successful businesses can create jobs, foster innovation, and stimulate economic growth, leading to increased economic activity, improved living standards, and enhanced social welfare. Additionally, many successful business people choose to reinvest their profits into beneficial projects and donate to charitable causes, further contributing to societal well-being. The concept of trickle-down economics suggests that the wealth created by the wealthy eventually benefits all members of society. Wealth created by successful businesses, which have a social objective, helps societies get out of poverty.

Business is society's change agent. When it comes to spending their money through philanthropy and investments in community projects, some argue that businesses should focus solely on maximizing shareholder value and that other societal concerns are the responsibility of the government and non-profit sectors. This is now changing for big enterprises because of a mandatory allocation of CSR budgets in a few countries. It has been of tremendous value that corporations participate as citizens and stakeholders in society.

Ultimately, the extent to which successful businesses benefit others depends on various factors, including their business models, personal values, and social responsibilities. While some people do make significant contributions to society, others may prioritize their financial gains. Both are justified. It is as classic a debate as socialism and capitalism.

Job Opportunities and Economic Growth

This is one of the direct benefits of businesses. Growing organizations provide employment opportunities to many individuals, fostering economic stability and reducing unemployment. The creation of jobs extends beyond immediate employees, as workers with disposable income stimulate demand for goods and services, thus promoting other sectors of the economy. This cyclical flow of money supports small enterprises and local economies, resulting in a robust economic environment that benefits society as a whole.

As one of the largest employers globally, Amazon has created millions of jobs. Its expansive supply chain employs countless people worldwide. Logistics and its support businesses have seen huge growth. Apple's extensive network of suppliers and retail stores generates numerous jobs worldwide. Its economic activities significantly contribute to local economies, worldwide. Google significantly boosts the global economy through its vast digital advertising network. Additionally, Google's investments in cloud computing, AI, and other technologies stimulate economic growth and create jobs in various sectors worldwide.

Advances in Technology and Innovation

Innovation is another area where businesses exert significant influence. Entrepreneurs and business

leaders often spearhead technological advancements and introduce new products and services to the market. Investment in research and development can substantially improve living conditions.

Bill Gates and Microsoft Corporation have brought personal computers into our homes with user-friendly software - Windows. While IBM and Mainframes brought about a change in businesses, companies like Apple, Dell, and HP have revolutionized the use of technology for lay people.

Tesla has impacted the automotive industry with its electric vehicles, promoting clean energy and greater sustainability. The company's advancements push the industry towards greener practices and have widespread environmental benefits.

Led by Elon Musk, SpaceX has made significant strides in space exploration, reducing costs and making space travel more feasible. These advancements have potential long-term benefits for science, technology, and global connectivity.

Artificial intelligence is revolutionising the way we work and live, from improving healthcare and education to making businesses more efficient.

Biotech companies invest heavily in research and development, leading to breakthroughs in medical treatments and therapies. These advancements improve healthcare outcomes and enhance the quality of life for patients.

Technological advancements have broader societal impacts. Improvements in medical technology can lead to better healthcare outcomes, while advances in communication technology can enhance connectivity and information dissemination. These innovations also increase productivity, lowering costs and making products more accessible to a wider audience. This democratization of technology ensures that the benefits of innovation are enjoyed by a larger segment of the population.

Financial Multipliers and Auxiliary Impacts

The primary contribution of a business besides job creation is wealth generation. This economic growth has tangible effects on communities and individuals.

When a new business is established or an existing one expands, it increases demand for various goods and services, leading to growth in related industries. This multiplier effect stimulates economic activity beyond the immediate business operations, spreading benefits across the economy. For example, when a company builds a new factory, it not only creates jobs within the factory but also stimulates demand for construction materials, local construction firms, and service providers who cater to the factory's employees.

Establishing tech hubs in cities boosts local economies by attracting talent, encouraging startups, and generating secondary employment opportunities in services like housing, food, hospitals, schools, and transportation. This gives opportunities for expansion for hotel chains, restaurants, educational institutes, sports coaching, and more. The rental income for local property owners increases. The need for connectivity brings about infrastructure development by the government or public-private partnerships. Airports, airlines, railways, and construction of subways are all examples of multiplier effects. Expansion of infrastructure is the biggest employment generator in a country.

Furthermore, to fund this, infrastructure bonds and other instruments issued by the government or other financial institutions encourage savings and investments. Institutes are established to train and skill the

workforce. Research and patents, and the whole ecosystem that establishes itself around the business, are examples of the multiplier effect trade and commerce have on society.

Philanthropy, Charitable Contributions, and Social Investments

Through philanthropy and social investments, successful business people can address social issues, promote education, and support cultural and scientific initiatives. Many successful business people engage in philanthropy, donating significant portions of their wealth to worthy causes. Philanthropy can address a wide range of social issues, from poverty alleviation to healthcare improvement and educational advancement. Charitable efforts can transform communities, enhancing health outcomes, educational opportunities, and overall quality of life.

Philanthropy allows business leaders to tackle issues that may not receive sufficient attention from government or market forces. Government has its own limitations and are bound to take care of the welfare of its citizens at multiple levels and have to execute this with equality. While the focus of governments is basic amenities and a wider population, Philanthropic bodies can choose and single out causes and can uplift standards to go beyond basic. By funding these projects and supporting nonprofit organisations, they can drive social change and fill critical gaps in social services.

Let's take The Bill and Melinda Gates Foundation, and their work. Their projects like Reinvent the Toilet, Gender Data Gap, Wolbachia - where they were able to almost eradicate Dengue from Indonesia, are examples of sheer brilliance. They created the Global fund to single out a disease like malaria and systematically work to control it. For a few countries in certain areas, they have done more work than their governments could. They have worked hard and nosedived into identifying problems and finding solutions. All with an open mind. This has also led to their understanding of collaboration, with the government and local bodies, which not only helps in their outreach but also with their acceptance in these countries. Though this speaks a lot about the power of intention, their ability to create a think tank to find unconventional and effective solutions of these problems can also be accredited to the fund they've been able to pour into these noble intentions.

Impact Investing and Social Entrepreneurship

Enterprises supporting social causes are formed with the intention of 'maybe', making profits but at least being able to self-sustain. This needs funding. Business owners who may not be directly involved in social or environmental causes, do fund projects like these, which may not have a huge business prospect but will have social or environmental implications. Encouragement and flow of money is needed for these impact businesses, and financing causes, like efficient and non harmful garbage disposal systems, innovation in the clean energy sector, projects which recycle and prevent things from ending up in landfills. And many others once we start exploring this field.

Creating awareness is another important need that large corporations can fulfil due to their reach, financial capability and intention. Sometimes the impact of being able to create awareness and recognition of good work done, by way of awards and praise has a farther outreach and impact on a cause.

Coca-Cola Company and its measurable ecological impact - 100 billion plastic bottles per year, to start with, has been pointed out continuously by environmentalists and activists. The company has launched an ambitious program called World Without Waste and now also has a phased out plan to reduce and ultimately disseminate their plastic use. Systematic awareness works both ways, one in raising voices and

concerns which force involved parties to follow better practices, and the other way is affecting consumer behaviour and helping them make more and more environment conscious and health conscious choices.

Income Inequality and Concentration of Wealth

One major criticism is that the success of businessmen often leads to significant income inequalities. The concentration of wealth, if it gets hand in hand with political powers, can exacerbate social and economic disparities, leading to tensions and potential social unrest. While successful business people create jobs and drive economic growth, the benefits are not always evenly distributed, and a substantial portion of the wealth generated tends to accumulate at the top. Licences and contracts may start getting awarded to a select few. It may become a case of the rich favouring the rich.

The disparity in wealth distribution can result in a lack of access to essential services like education and healthcare for lower-income populations. While some successful business people engage in philanthropy, critics argue that these efforts are often insufficient in addressing the fundamental issues caused by economic inequality. In developing countries with a lesser depth in their financial markets or in certain political systems, it may be an issue.

In the new age business world and in tech companies, employee stock options have been a great way to counter wealth concentration. This is a more inclusive system, creating new billionaires, who bring to the society a different perspective. These are the new wealth creators who break the net and broaden the money flow.

Business Ethics

Every government has strict regulations regarding treatment of labour, environmental concerns, industrial waste disposal, taxation etc. Businessmen being able to jiggle their way out of the public eye and ‘manage the system’ for personal gains, is actually a moral issue. Ethical practices are increasingly being followed by companies which are in the public eye. Access to information and increasing transparency has been instrumental in creating an atmosphere and pushing people to follow ethical practices.



Ethical concerns and corporate responsibility are vital considerations. Business leaders need to adhere to ethical practices and prioritise corporate social responsibility, ensuring that their activities contribute positively to society and do not harm the environment or exploit workers.

Mental Health

Corporate culture, competition, pressure of succeeding, advent of social media, urbanisation, has led to money taking precedence over other things. Pressures have led to stress, which is the single biggest cause of increasing lifestyle diseases and health related problems. Corporations have recognised this and have taken steps to counter this criticism. However partial blame is on successful businesses.

Conclusion :

The role of successful business people in society extends far beyond their ability to generate personal wealth. They benefit society significantly through job creation, innovation, economic growth, philanthropy, and responsible corporate practices. While there are challenges associated with income inequality and ethical concerns, the positive impacts of their activities can lead to substantial improvements in living conditions, technological progress, and overall societal well-being. They bring

about economic stability and prosperity to a society. The support they provide in research and innovation and then more importantly in the distribution of this technology and making it affordable and accessible to more and more people says a lot about their contribution. Growth is interconnected. One kind leads to another.

Citations:

1. "A rising tide lifts all boats. Successful entrepreneurs not only create wealth and opportunities for themselves but also generate jobs, drive innovation, and contribute to economic growth that benefits society as a whole" (Hisrich & Shepherd, 2017).
2. "While profit maximization is often seen as the primary objective of business, a growing body of research suggests that companies that prioritize creating shared value – generating economic value in a way that also produces value for society – tend to outperform their counterparts over the long term" (Porter & Kramer, 2011).
3. "The accumulation of personal wealth by successful entrepreneurs may exacerbate income inequality, but their business activities can also create employment opportunities and contribute to overall economic development" (Minniti & Lévesque, 2010).
4. "Philanthropic activities by wealthy business leaders can have a positive impact on social causes and communities, but the effectiveness of their giving depends on factors such as transparency, accountability, and alignment with societal needs" (Acs & Phillips, 2002).
5. "While some argue that successful business people primarily benefit themselves, others contend that their wealth creation and economic activities can have a multiplier effect, benefiting employees, suppliers, and local economies" (Baumol, 2002).

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