



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

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Windows, Apple, Amazon, Meta, Nestle, The Ambani Group, The Ford Group are just some of the famous businesses that come to mind immediately when one reads the essay prompt. The impact of these is evident in terms of the benefits, industry-wise and consumer wise. But assessing the benefits requires a more nuanced approach.

I am going to assume that a business is successful only when it is earning profits, cash is retained in the business after deducting all costs and its successful in providing a good or a service.

In this essay I will put forward the argument that whenever businesspeople do spend or earn their money, it is going to be a situation of pareto optimality, that is when it is impossible to make someone better off without making someone else worse off. In addition, when referring to businesspeople, I mean to include the owners or the shareholders (in the case of a limited company) or any worker who works at an elevated level in a business.

For Locke individual enterprise and investment can be said to be the drivers of not only societal improvement but economic progress.ⁱ When businesses are successful, jobs are created, productivity increases and in turn accessibility too increases. There are ripple effects - standard of living of some people improves (even though this improvement is not uniform), technological developments and ancillary developments. Society benefits, not just the economy. This can certainly be attested real business examples.

Azim Premji, the chairperson of Wipro, drew inspiration from Gandhi's idea "that the wealthy must be trustees of their wealth for the good of the people and the community" even before he became wealthy. He was a man, who at the age of 21 took over Wipro (then a manufacturer of refined oil) and grew the company, turning it into a million-dollar conglomerate, and expanded into a software business when he had no information about IT. He continues to be low-key and doesn't boast in grand gestures. Even with his wealth, there was no change in fooding habits, his hotel accommodations and other personal expenses because he never felt as if the wealth belonged to him. He gave away most of his wealth to charity and donations, and improved education and living standards in India. He created a lot of jobs in the IT sector from Wipro, skincare, mechanical engineering and healthcare.ⁱⁱ

Ratan Tata is another example of successful businesspeople benefiting people while making money and 'spending' it in more judicious manner. Upon takeover of Tata Sons in 1991, under his guidance, TCC came in and it is a proof of how wrong practices done knowingly are punished.ⁱⁱⁱ Under him, the company has grown significantly in finance and telecommunications, and by the end of his leadership in 2012, sales had increased by 43 times. He helped create many jobs in science and finance, which led to Tata Steel also becoming the lowest cost manufacturing firm of steel in the world.^{iv} In 2022, R.N Tata had a net worth of more than \$450 million, most of it arising from his earnings in Tata Sons, and stood at number 421 of the richest Indians. And yet he has travelled from economy class and sits next to his driver, unlike most people, despite the income difference.^v

Tata and Premji are known for their simple lifestyles despite being billionaires. Their businesses have generated wealth and have benefited millions either through wealth creation or through gleaning benefits from the products manufactured by their business. Their basic understanding that they live to invest in the development and add to the global strengthening of their own country- India, and through funding the weaker sections of the nation reflects a clear design in their economic planning. These two examples clearly make it evidence that it is indeed possible for successful businesses to help others with the money they make. Their philanthropy includes Ratan Tata giving a scholarship of \$28 million to Cornell University for Indian students' undergraduate education and giving almost \$60 million dollars to fight Covid.^{vi} Even Azim Premji has pledged 66% of Wipro ownership to philanthropic organisations.^{vii} Their *spending* is focused on upliftment of others.

However, can this attitude of service and benefit be applicable to all? Locke's idea that societies and governments to protect their natural rights, including property, are to be seen by the government. People have entrusted to their government to lead them and give them a stable life, but do the governments do that?^{viii}

Consider the examples of some Indian businesses and their connection with the BJP government in the recent years. One of the businesses that has skyrocketed is of the Anil Dhirubhai's Ambani Group, who is the world's 11th richest man in 2024. The rise of the group's domination of India's internet at the cost of competitors is an example of how businesses can also both benefit and harm others. Ambani's strategy for free internet, with their product Jio, was backed by the political party, BJP, with advertisements containing photos of Narendra Modi in 2016. The rules were changed every time in favour of Reliance. And while this helped bring out more jobs in the Indian economy, with the growth of Reliance, the company was benefiting at the cost of companies such as Airtel, Idea and others, by taking up most of the market share. The Modi government might have helped Reliance, but equal help should have been given to all the companies. Other companies were making losses due to their unfair schemes.

Recently Ambani's have been in the news for another reason - the extravagance on display by the doting father on his son's. Akash Ambani's wedding, when they spent more than a million dollars just on pre-wedding events, inviting stars such as Diljit Dosanjh and Rihanna to sing and have a concert in 2024. While this money is being used to have such a lavish wedding and several pre-weddings, the people of their own country are suffering from heat strokes, increasing unemployment and underemployment, lack of access to education, healthcare and more. The carbon footprint of the second pre-

wedding is alone 7000 times the normal industry's carbon footprint, and clearly one can imagine the future negative consequences of these events and the way they will add to global warming.^{ix}

Another example is of the brand Patanjali, started by the famous yoga *sadhu (priest)* Baba Ramdev. He was famous for popularising yoga globally; and in 2014 he was used by BJP in its election campaign. In turn, when Narendra Modi of BJP came to power, Baba Ramdev's company received much favour and promotion and was promoted as a 'swadeshi' (national) product. In fact, for many thinkers and business strategists, banning several brands of noodles like Maggi in India in 2015 is often seen as coinciding with the time when Patanjali was launching its own brand of noodles.^x While it is undeniable that there were quality issues with Maggi but one continues to question the timings. While Nestle under whom Maggi is produced suffered losses, Patanjali experienced success and expansion. It grew exponentially and had a turnover of 2,007 crore in 2014-15 in sales.^{xi} It even diversified into ayurvedic medicines, claiming to have cure for cancer, covid etc. It generated jobs in Haridwar, known for being a site of pilgrimage. It priced its 'atta noodles' of 70 gram pack at ₹ 15, claiming it to be cheaper from competitors. However, the nutritional value of Patanjali has equally been questionable. In fact, in 2024, Baba Ramdev was slapped with a contempt case for false advertising and 14 products have been banned.^{xii} To reiterate successful business people benefit others (creation of jobs in a region which generally faced shortage of jobs, opening of stores across India and more jobs creation, many people took to ayurvedic or Indian traditional medicines and yoga) when making their money, when spending it, they can also result in heavy losses for other businesses and consumers.

Clearly, such companies feel that to make themselves better and at a higher position regarding market share, they felt the need to lie to their own consumers about their products and even the government fooled the very people who voted for them by favouring such companies till the time they got support and then left them as soon as the scandal got out.

One can also argue that CSR is a very important part of businesses and is a law in many countries. Even Bill Gates, who is a big philanthropist, does spend a lot of money on charity and donations, but many have accused him of aiding in issues that he may feel as important but may not necessarily be important for the community invested in.^{xiii}

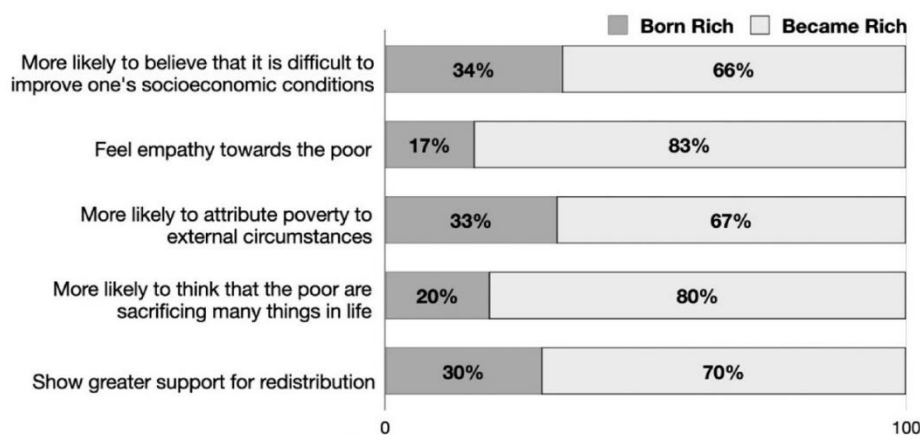
And following the ideas of a trickle-down economy, when the rich spend money, the benefits 'trickle' into the economy which helps the poor. Many CSR activities can be seen against this background even though they are meant to co-shoulder the societal upliftment along with the government. The idea behind the model is that by offering incentives like tax breaks, deregulation, subsidies, etc to the corporates and the wealthy, businesses will benefit. Subsequently in the long term these benefits will trickle down to society at large by creation of jobs, increased spending etc.^{xiv}

However, the critics of the trickle-down model assert that while the immediate benefits of the rich are immense, their potential benefits, access to wealth accumulation, better education etc are likely to widen the income and wealth gap^{xv}. This is already evident in the title of the Oxfam Report "Richest 1% bag nearly twice as much wealth as the rest of the world put-together over the past two years".^{xvi}

While it is good for successful people to give back to society, especially since they have the means to do so, is it really necessary?^{xvii}

Well of course people cannot be forced to donate everything because every person cannot be a philanthropist. It also depends a lot on the beliefs that they have, how their parenting was done, what challenges they have faced and how much money they come from. Usually, the people who have inherited wealth are not likely to incline towards helping the poor as studies have proved already and can be seen in the chart below.^{xviii}

Perceptions of the rich who have and have not experienced upward mobility



It is absolutely alright if people choose not to help the less privileged section of society because at the end of the day, it is their money and they should be the ones to decide if they want to use the money for charity or for themselves, regardless of the negative externalities that the action might possess, as John Locke states '[E]very man has a property in his own person: this nobody has any right to but himself.'^{xix}

Furthermore, following the stakeholder theory, the most important stakeholder of a business are the shareholders. But other stakeholders are equally important, which includes third parties. Even when a business is trying to constantly increase its value, perhaps by making new products from scarce resources, they might be increasing the value for the shareholders but since this is a situation of pareto optimality, the society suffers. To solve this problem the business must do some CSR activities for their growing wealth to recover for all the loss.^{xx} However, they may not be able to cover up the loss that they have made to the society, simply by offering them funds or other help.

So, to answer this question, 'Do successful businesspeople benefit others when making their money, when spending it, both, or neither?' Successful businesspeople will benefit people in spending or making money because they don't have an option. But in many scenarios, the disadvantages from the

business' previous actions to the third party might be more than the benefits given to them which ultimately is a loss for them. So, when they do spend their money or make it, it may not help the society gain more than what they have lose; and hence successful businesspeople many not always necessarily benefit others.

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