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Richard Branson

Founder at Virgin Group

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State of Government: Can Developing Democracy Change Business For Good?

March 24, 2014

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This post is part of a series in which LinkedIn Influencers analyze the state and future of their industry. [Read all the posts here.](#)


When LinkedIn asked me to write about the State Of My Industry, it was a difficult choice. After all, entrepreneurs shouldn't always limit themselves to just one sector – we certainly haven't at Virgin! So rather than discussing space, finance, travel, technology, communications, entertainment or health and wellness, I started pondering one of the things affects all of those industries and unites millions of people around the world: democracy.

Alongside Jochen Zeitz, Kathy Calvin, Arianna Huffington, Paul Polman and many other business leaders, I am part of [The B Team](#). We are a not-for-profit working to find better ways of doing business for the wellbeing of people and the planet. One of the key themes we have been debating is how democracy can be improved, and how this could impact upon businesses.

The Economist put together [a fascinating feature about what has gone wrong with democracy](#), and how it can be revived. It pointed out why democracy is so loved by those of us who have it, and desired by many who don't:

“Democracies are on average richer than non-democracies, are less likely to go to war and have a better record of fighting corruption. More fundamentally, democracy lets people speak their minds and shape their own and their

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for this idea is testimony to its enduring appeal."

More people than ever before (40%) now live in countries that hold free and fair elections. However, 2013 was the eighth consecutive year in which global freedom declined. Is the way people think about democracy, and the way it affects business, in flux?

There has been lots of debate recently about the Chinese system, and the benefits to business that it can bring. Places like China are certainly experiencing speedy economic growth. They can move quickly, and are less likely to get gridlocked. On the other hand, their system is rightly criticised for human rights abuses and blocking free speech. Is there a way to get the efficiency and growth of the Chinese system, but combine it with the freedom democracy brings?

One change could be to pay politicians as well as leading businesspersons better – but have far fewer of them so it doesn't cost the country more. Research has shown paying politicians more improves quality, and a talented, diverse new generation of people would be attracted to positions where they could make a difference. This model is working well for Singapore's economy, where the Prime Minister earns around four times more than President Barack Obama. Having people with entrepreneurial skills running departments could have a marked impact upon changing business for good.

THE STATE OF MY INDUSTRY
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Politicians should be given more power to get on and do the job right. Entrepreneurs, surrounded by great teams of people, can achieve so much more because they have the freedom to try things, are not afraid of failure, and have the desire to take calculated risks.

Democratic countries should find the time to sit back and debate what lessons they can take from how successful businesses run, which could make for more efficient, more productive, more effective countries, whilst protecting all the wonderful benefits that go with democracy.

In what ways do you feel that democratic countries could be run more effectively?

Want more insight? Follow our Law & Government channel.

Photo: Courtesy of Virgin.

Featured on: Economy

Posted by: **Richard Branson**
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
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
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
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
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I heartily disagree with the statement, 'Politicians should be given more power.' They already have too much power, and most of the problems cited spring from political disfunction and abuse.

Like(16) Reply 11 hours ago

 Gary Douglas, Mihai Mustea, Neil Longhurst, +13



Julius von Brunk
Professional Graphic Artist / LEGO Master Craftsman

Our leaders' salaries mean absolutely nothing when all of their expenses are covered under the taxpayer bill. Whatever salary the current U.S. president earns is completely irrelevant when he takes multimillion dollar vacations and parties with celebrities whilst preaching of income inequality and minimum "slave wages". Your argument is invalid.

Like(15) Reply 12 hours ago

 Gary Douglas, Wolfgang Shih, Open Networker +28,225, Tatiana Bugrova, +12



Ling Jony
Senior Sales Engineer at Emerson Process Management

I have to say Mr Branson is wrong on saying paying politicians better would induce better performance from them. I'm from Singapore, and I would stake my name in saying that the current batch of million-dollar(s) ministers in Singapore is the worst in our short history. Not only do they lack a sense of duty to the electorate, they vote to pay themselves gargantuan salaries that put them out of touch with the common man on the street. The solution is elsewhere. Singapore has been a country in experiment for more than 50 years and the world can take many lessons from the successes and failures of this experiment.

Like(10) Reply(1) 10 hours ago

 Gary Douglas, Mike Edmunds, Sasha King, +7

 1 Reply



Gilberto Velasquez
Experienced and Award-Winning Marketing, Brand, and Advertising Professional

I think a lot of that has to do more with corruption as opposed to what Branson is referring to in his article. The same could be said of Malaysia, and it has nothing to do with the salaries themselves so much as the nepotism run amok.

Like(3) 9 hours ago

 Jim Roberts, Victor Khong, and Robert Terry



John Wiley
Stay Tuned

I think The Economist article is great but I think Mr Branson should have stuck to the topic of his industry. Just a point of clarity, the USA is a Republic and some would argue that it is such because Democracies fail. With regard to paying politicians more has some validity yet as other have pointed out they get enough benefits it far exceeds their value. In California as a state employee you receive 80% of your last years income FOR LIFE, would take a cut in pay for that guarantee. As noted in The Economist the disapproval rating of Congress is nearing 95% and if you look at the separation of house there are only 2 votes that have crossed party lines while the other 48 remain on the further opposite spectrums of the room. Again from CA, a recent 3 year study showed that Los Angeles has the fastest growing gape between the wealthy and the lower "working class" of ANY major city in the country. What I do think that if you paid the president more you would attract better candidates and those would be from the business world and would probably run the business of our country better. Also shrinking government is an awesome idea. Also would be passing laws that required no pork belly spending and single item agendas would make a more productive and efficient government. Politician power is not relevant because they are being lobbied and controlled by special interest. Eliminate special interest and you can allow our "elected" officials the power to do their jobs shorten terms and let them be re-elected based solely on their performance. Or from a true democracy where EVERY vote counts and roll the dice and see how long capitalism works.

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ESTER SASSER

Assistant Director: Mentoring, University of the Free State, South Africa

Democracy is simply a tool by which people can be lead by the nose. There is not much difference between democracy and socialism- the leaders take it all. Republic of Georgi is most likely the only country in the world that applies democracy in the right way. The Sultanate of Oman a perfect example of a non democratic country where one ruler rules the country effectively. Both countries and their leaders get little or no recognition for their successful leadership. The difference between the two countries is that the one has rich oil reserves and the other not. As for the rest of the world, democracy and non- democracy does not work due to self enrichment of their leaders.

Like(8) Reply 7 hours ago

Gary Douglas, David Barr, Ph.D., José Fernandes, +5



Lorenz Fischer

PhD Student, Research Assistant at University of Zurich

While I admire Richard Branson for what he has achieved, I am not sure I fully agree with his arguments in this case.


I understand the reasoning of an entrepreneur, who needs the sole decision power in his company, to argue for more power for politicians. However, this reasoning makes the assumption that a leader is always interested in the well-being of his enterprise. If you look at the damage that was caused by the recent financial crisis, I think we witnessed that people who are primarily attracted by monetary incentives are not always interested in the well-being of the company they're ruling. I don't see why this should be different if such people would be ruling a country.

As I see it, one problem that the American political system has is that too much power is concentrated in too few places. This makes it lucrative to try and influence politicians using large amounts of (campaign) money. Decreasing the number of politicians would potentially increase the concentration of power in the hands of a few, making politics even more attractive to individuals who are greedy for power and money.

One solution that I believe would decrease the concentration of power and thus the effect that money has on American politics, could be to strive towards a more direct form of democracy in which people vote on subject matters. Maybe Mr. Branson's ideas could be employed in such a 'disarmed' political system.

Like(4) Reply 3 hours ago

Motlokwe Thobejane, Tamara Leigh, David Barr, Ph.D., +1




Gilberto Velasquez

Experienced and Award-Winning Marketing, Brand, and Advertising Professional

[Richard Branson](#) once again has hit a home run with a post - and I agree with this wholeheartedly. For my opinion, I think the first thing that can aid in making countries more democratic would be to eliminate corporate and non-profit and political action and special interest group funds from campaign contributions. You want to have lobbyists for the legislative branch, fine - but keep them out of campaign finance. That would go a long way to getting a more fair shake of the system.

Like(4) Reply 9 hours ago

Wolfgang Shih, Open Networker +28,225, David Barr, Ph.D., Simon Preece, +1



David Horsewood 2nd

Owner, Fire by Light LLC


Every now and then an opportunity to vote sneaks up on me. It's never a "big" one. Many things are decided in the "little" ones. Caring earlier and caring enough to do more than just vote are two keys to improving democracies. A third key is having criteria for voting bigger than immediate gratification and self-interest. Caring changes democracies and lives. As does apathy.

Like(3) Reply 12 hours ago

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Amber Brown Staublin


National Executive Direct Marketing Recruiter at Executive Search

Give the House & Senate term limits... They are old, & way to comfortable in their seats..... It would be good to get trm limits on the Supreme Court too...can they even see to read what they are making law??... Not eloquent; but no jargon..

Like(3)Reply8 hours ago

👍

Tamara Leigh, W. Blake Talbott, NCARB, CSI, ASTM, BETEC, and John Wiley



Robert Pegg

Managing Director at Fire Trucks 4 Africa

I was surprised to read that only 40% of counties are democracies. I live in South Africa, one of the newest, and a glaring example of political power being abused. The current President is accused of enriching himself by spending millions of taxpayers money on his private property. Nelson Mandela must be turning in his grave. The only good thing I can see that comes from a democracy is freedom of speech and that is constantly being eroded by our "elected" politicians.


Like(3)Reply(1)7 hours ago

👍

José Fernandes, Frantisek Borsik, and Michael Haupt

💬

1 Reply



Gabriel Hermelin


Sales Specialist at SIX Financial Information Nordic

Democracy - like any other form of governance, is not immune to corruption or abuse.

Judging from your post above, you seem to prefer some other form of constitution above democracy, if freedom of speech is the only good thing you find with democracy.

Therefore, it would be great to hear you elaborate on what other kind of governance you would prefer, and why...

Like37 minutes ago



Michael Haupt2nd

Helping thought-leaders globally play an even bigger game. | CEO & Co-Founder, The Brain Barn

There is a simple flaw in the principle of democracy and that is that there are two versions: the seen and the unseen.


Democracy means "a form of government in which the supreme power is vested in the people and exercised directly by them or by their elected agents." The important part of this sentence is the bit that says "or by their elected agents."

In most countries "free and fair elections" do take place, but the choice of agents is severely limited. No democratic election (with very few exceptions) results in any significant change, and yet all the people invariably want is change. Democracy is a farce.

Like(3)Reply5 hours ago

👍

Wolfgang Shih, Open Networker +28,225, P.S. shira lamb, and John Drumm



James de Silva

Private Tuition Classes at Education Management

Democracy is definitely a good choice for any country that is not capable of making a choice that is more flourish-able than following democracy. History speaks for itself and so many other choices have failed thus far. Although a perfect governing advice is written on a piece of paper or on a book with perfect way of living; does not mean it can be executed perfectly as originally written; at least so far with all of the ideologies available. For example the book about

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are not perfect, and we don't live in heaven and there has never been a politician of God in the recent history. Humans need to find a middle ground and the best thus far is democracy and socialism. Provided that socialism prevails at the peak benefit to uplift its citizens govern by such a government. For example; Norway, the best country in the world with a socialist background and at the top of the world with the standard of living and the happiest of all. Each country must choose the best form of governance to grow businesses and flourish and uplift its standard of living. Sometimes there shouldn't be any form of governance written to follow but should be worked on such a way that makes the lives of the people living in a country the best they can ever have. It all depends on the available resources and the behavior and the nature of the people living to make any government successful. If they have more from one thing and less from the other, balancing is more important and should work out the businesses as suitable for the country. Its is not the word democracy that matters the most, its the actions of a government and the nature of the society and people that matters the most. Sometimes democracy is left only for an election, but making democracy at an utmost priority and having an environment that is good for businesses to grow and uplift the lifestyles and the standards of the people will go far. Its basically taking care of its own citizens with the best form of governance suitable for the country at large, and everything else follows.

Like(2) Reply 8 hours ago

Michael Haupt and James Mphela




Robert Terry

Civil Supervisor at Conycento Pty Ltd

The term "developing democracy" irks me immeasurably. It shouts "lack of stability", and furthermore conjures up imagery of shifting goal posts or even worse yet shifting sands. I suspect the term was coined by some unscrupulous officials who wished to create instability so that they may create an enclave for the latest loop holes in corrupt practices. In my humble opinion "developing democracy" helps no-one. It should be "replaced" by the older more stable version of democracy "by the people for the people". It is my wish that we kill of this topic as soon as possible lest we inadvertently promote the propaganda of the corruption mongers.

Like(2) Reply 7 hours ago

W. Blake Talbott, NCARB, CSI, ASTM, BETEC and Michael Haupt




Rizwan Bhatti

Recruitment Consultant / Finance Professional

I find myself inclined to disagree, instead of paying larger salaried we should have a system were the salary of a politician is directly linked to improvements in the economy. Something similar to what is mentioned in "The Tamuli" by David Eddings. Yes, I understand it's a work of fiction, but the concept in of itself is not a bad one. If the country does well then so do the ministers. As for "and a talented, diverse new generation of people would be attracted to positions where they could make a difference" again this could be more easily achieved if we actually got people interested in politics again. Especially here in the UK. One simple, however controversial, way would be to link citizenship with voting, if you don't vote in elections then you don't get to hold a British passport. You'll suddenly have the entire electorate very interested in what the politicians do for this country, a lot more scrutiny, a lot more debate and then a larger and much more diverse range of people interested. THAT would be when entrepreneurs, mechanics, doctors, etc put themselves forward. I strongly believe the problem with democracy these days, at least in the UK, is people are disillusioned, with the entire concept. No matter who you vote for you never get exactly what you vote for. Just look at our current coalition, Lib Dems received votes arguably due to the tuition fee issue, as a result the conservatives are in power and tuition fees went up. So that leave syou with the thought..."what is the point?"

Like(1) Reply 3 hours ago

Wali Khan



Sean Intiomale

Senior Customer Support Consultant at Research Africa (Pty) Ltd

I wouldn't single heartedly agree with the post, mostly from an African perspective. Paying politicians more than they currently earn for example or giving them more power than they currently hold would be a drastic fail of the all-purpose of developing democratic nations and that's why Africa easily end up in dictatorial regimes rather than democratic government. China may as much be your example in this case, but looking at a bigger elephant like Africa, government and businesses do not apply the basic of democracy or respect of their social responsibilities whatsoever. We see more and more even in democratic nations, well I'm currently living in South Africa per se, where the state of the country's socio-economic

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Lisa Cicalese McMillen

Di Smith

Founder of Together SA - Building Our Future and co-founder of Awesome SA at Awesome SA

Being a South African who is living in a so-called new democratic nation of 20 years, I see that the majority of our people still live in extreme poverty, while many of our politicians pursue self-enrichment and self-gratification. Yet there are thousands of people who have started NPO's and initiatives to fill the gaps that have developed in our society. If Government and businesses would give seed funding and training to grow these NPO's from the begging bowl scenario to profit driven social enterprises, it would go a long way to developing South Africa as a true democracy.

Like(1) Reply 5 hours ago

Laetitia Du Bruyn

Caroline Godden

Postgraduate Student at Swinburne University of Technology

Richard, I'm glad you're on the 'B Team'. I will read the Economist article. I find it bizarre that I actually think that your idea of paying politicians more but having less of them might just change a whole lot of stuff for the better. Thanks I enjoyed this.

Like Reply 13 hours ago

P.S. shira lamb

--

In what ways do you feel that democratic countries could be run more effectively?

" Power With " People in Different Levels.

Like Reply 10 hours ago

Dr Umesh Prasad

Director at KEYSTONE Group of Institutions

I think human being are the main ingredient of any System , even democracy. Time is the main factor in decision making . Individual interest always plays bigger role . If some how a good leader makes possible individual to see their benefits in a system that system works well. Democracy will be liked by all as it only ensures individual freedom of thoughts. It is the thought which differentiate us from other animals as well as others individuals. One and all likes to be recognize as individuals.

There is no end to pay and perk though it is biggest motivator but recognition is the main thing as individuals go up in ladder of progress. I saw a film Wall-e Even progress can be counter productive.

I feel "Connect with each other with all human differences makes better system"

Like Reply 10 hours ago

Manoj Thapa

Student at Athena School of Management

I believe democracy is vital in today's world. But it does not necessarily mean that democracy is essential for business growth. China is the prime example of this case. Though, China is not a democracy, but there has been a huge change in system and the way they operate. Human rights activities are also improving. There has been lots of changes and these changes are the good ones. I think it is necessary for us to learn the way China is operating and understand that it is not only democracy that's helping to improve the business but also the culture and belief.

Like Reply 7 hours ago

