What is the most important factor, both in government and business, for keeping running costs low?

If a nation is essentially disunited, it is left to the government to hold it together.

This increases the expense of the government, and reduces correspondingly the amount of economic resources that could be used for developing the country.

And it should not be forgotten how small those resources are in a poor and backward country.

Where the cost of government is high, resources for development are correspondingly low.

This may be illustrated by comparing the position of a nation with that of a private business enterprise.

An enterprise has to incur certain costs and expenses in order to stay in business.

For our purposes, we are concerned only with one kind of cost — the cost of managing and administering the business.

Such administrative overheads in a business are analogous to the cost of government in a nation.

The administrative overheads of a business are low to the extent that everyone working in the business can be trusted to behave in a way that best promotes the interests of the firm.

If they can each be trusted to take such responsibilities and to exercise such initiative as falls within their sphere, then administrative overheads will be low.

It will be low because it will be necessary to have only one man looking after each job, without having another man to check up on what he is doing, keep him in line, and report on him to someone else.

But if no one can be trusted to act in a loyal and responsible manner towards their job, then the business will require armies of administrators, checkers, and foremen, and administrative overheads will rise correspondingly.

As administrative overheads rise, so the earnings of the business after meeting the expense of administration will fall; and the business will have less money to distribute as dividends or invest directly in its future progress and development.

It is precisely the same with a nation.

To the extent that the people can be relied upon to behave in a loyal and responsible manner, the government does not require armies of police and civil servants to keep them in order.

But if a nation is disunited, the government cannot be sure that the actions of the people will be in the interests of the nation, and it will have to watch, check, and control the people accordingly.

A disunited nation, therefore, has to incur unduly high costs of government.

The expense of the government is increased if a nation is disunited because money has to be spent on watching, checking and controlling people.

The phrase ‘administrative overheads’ means the cost of paying people to undertake jobs in administration in order to manage and administer a business.

The increase in traffic increases the amount we have to spend on maintaining the roads and reduces correspondingly the amount of economic resources we have for building new roads.

If the children misbehave again, they will incur the teacher’s anger.

The way light travels is analogous to the way water moves in waves.

The Advertising Manager promotes the company and its products whenever and wherever he can.

The company can distribute quite a large amount of money this year because business has been so good.

She said precisely what I was going to say.

There’s no need for you to worry unduly about booking the theatre seats, I’ll do that.

To stay in business, a business enterprise must incur costs and expenses, one of which is the cost of managing and administering the business, commonly called the administrative overheads.

These can be compared to the cost of government in a nation.

Administrative overheads can be kept low in a business by trusting employees to be responsible and to show initiative, without needing anyone to check on them.

In the same way, the cost of government can be kept low if people behave loyally and responsibly.

If they do not and the nation becomes disunited, however, the government will have to watch, check, and control the people and will incur unduly high costs.

A country needs a professional body of people to run it, regardless of the political party in power.

These people must be trained for the job and rigorously managed.

These people should serve any government in power loyally, regardless of personal political beliefs.

Compare systems where civil service consists of political appointments, open to bribery and corruption.

In The Backward Society, Raymond Frost compares managing and administering a nation with managing and administering a private business enterprise.

Essentially, of course, the operations are the same; after all, even if they are on a totally different scale, each has necessary administrative overheads, and each must constantly review the situation to ensure that those overheads are kept as low as possible.

The major difference between the two, however, apart from the size, is that the country’s ‘bosses’ might change quite frequently.

Change can be disruptive, particularly when a nation elects a new government, so a country needs a professional body of people to run it, regardless of the political party that is in power.

Like a private enterprise, the administration of a country needs stability.

A civil service provides that permanence and stability.

When things need changing, or when politicians pass laws to change things, it seems sensible that people who have been appointed to permanent positions should be allowed to implement those changes with as little disruption or direct political pressure as possible.

A civil service must be seen as part of the necessary administrative overheads.

A country needs people to administer its finance, education, health service, police and public order, and so on.

While the heads (or Ministers) of those departments will change, the civil servants required to run these departments should be more or less permanent.

There should be no need for armies of civil servants; however, the number of administrators must be carefully controlled, or administration can become its own aim.

In the same way that the numbers should be controlled, civil servants must be trained for the job and rigorously managed.

It has been argued, although it is debatable, that a clear career structure in the civil service helps not only to maintain the professionalism of those working in it but also to reduce the risk of corruption.

The majority of civil servants will have their own political ideas, of course, but they should serve any government in power loyally, regardless of any such political beliefs.

In a system where the civil service contains many whose positions are primarily political appointments, where there is little or no career structure, and where there is little control over the increase in the number of civil servants, that system is open to bribery and corruption.

The book that best illustrates what I mean is A Tale of Two Cities by Charles Dickens.

'Selfish' is the word that best describes my uncle; he thinks of no one but himself.

The option that best explains what the sentence means is option 'A'.

The foreign earnings of the company this year are down because of the high value of the dollar.

Our profits figure for the current year will be sharply reduced by the provision for bad debts arising from war in Africa.

I'm watching the game on TV.

The dog followed me all the way home.

Sorry! The phone rang, and I hadn't quite followed what you were saying.

Check the tires before you leave.

The state no longer controls the price of grain.

The train had to go backward for half a mile.

She is concerned with the care of backward children.

We are concerned only with one kind of cost.

We are only concerned.

We are concerned with only one kind of cost.

We are concerned with one kind of cost only.

We are concerned only with the cost of managing and conducting the business.

The business will have less money to share or invest...

A disunited nation has to incur excessively high costs of government.

If a country has to spend a lot of money on the government, it won’t have much over other expenditures.

A private business enterprise can only stay in business by spending money.

The costs of running a business can be kept low if there is an atmosphere of trust in a company.

The cost of government is in direct proportion to the responsible behavior of its citizens.

For our purposes, what concerns us is only one kind of cost.