

Using automated systems to run a modern state and benchmarking the solution with advanced indicators

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Abstract. *In these times of continuous search for financial wisdom, when the primary global issue is how to escape from the clutches of bad investment options and avoid being caught in the trap of twists, swaps, and other financial mechanisms, it is necessary to highlight the facts that created today's enlightened side of the economy, as well as the ruptures that created the general framework for the actual economy and the elements that must be inserted to create the new economy. Any economic system, whether micro, on the scale of a company, or macro, on the scale of a state, develops groupings, micro: joint ventures; macro: state unions. These groups represent the complex work unit for the evolution toward economic advancement from the perspective of globalization, but a spark for economic systems is required to ignite the cooperation and collaboration engine, particularly the concept of implementing the corporate-state governance hybrid work model. This paper presents a complicated system that focuses on the necessity to shift the offered solution and the manner in which it may be executed and improved. In addition, it is essential not to neglect the aspects developed during the information age, particularly the evolution of the transfer process and the information's quantitative flow.*

Keywords: capitalism, enlightenment, evolution, advanced indicators, benchmarking.

JEL Classification: I21, P00, P1, P50.

1. Introduction

This article is a model based on facts: where we've been, where we've gone astray, and where we're headed next, maybe toward a new form of enlightened capitalism, as a rupture in the realm of ideas – the New Age Capitalism.

To create a solution for our problem, we must emphasize the ruptures that created the general framework for the actual economy and the components that must be inserted to create the new economy, with the ultimate goal of establishing long-term capitalism or New Age Capitalism, and then extract a single common-sense idea.

Numerous challenges are of a non-technical character and may be sorted using business intelligence elements. To go beyond the strictly technological viewpoint and its manifestation in conventional economic vision, we provide the following potential issues:

- An inexistent long-term strategy.
- Undefined metrics for the success of a created policy applied at the macroeconomic level.
- The political class and culture are defocusing the executive vision.
- Direct implementation and functional connections between properties of SAAS (Software As A Service) or BI (Business Intelligence) technologies do not exist.
- Solutions used at the macroeconomic level are disconnected and have low coverage at extremely high costs. Similar to Return on Investment, this prevents direct valuation of the investment.

The culture developed at a firm or a ministry might result in the rejection of assentimental BI solutions, so nullifying any government-guided macroeconomic sector entries (Bodislav, 2013). If traditionalist principles are disregarded, the second phase of the issue is reached, which is the derailment of BI services, resulting in decreased efficiency and increased costs. Many aspects, including people, technical techniques, and technology, combine to ensure the success of macroeconomic policies seen as projects that are conducted with the assistance of BI monitoring.

2. Learning evolution

In ancient times, the creation of tools progressively revolutionized the arduous work required for sustenance; this marked the birth of technology. By the development of new energy sources – first the steam engine, and subsequently electricity and the internal combustion engine – productivity-enhancing devices have emerged. Based on the discovery of the transistor, technological advancement has expanded in all fields during the last 70 years. Once digital technology was developed, there was a revolution in electronics, communications, transportation, health, and other types of industry, highlighted by an exponential increase in the capacity to collect and distribute information (Bodislav, 2011). Promoting universal education has been an essential tie for these revolutionary forces. The breakthrough that made education accessible to the public was Gutenberg's development of the dynamic print in 1438 and the subsequent progress of printing as a result of the expansion of the literary background, which became the basis of the educated populace. This innovation is reflected in the proverb, “We learn to read so that we may read to learn.”

Similarly to the growth of literature, education, and technology that led to the emergence of technology, there has been a similar transformation in the way our companies are managed. From the beginning, people have lived in communities, starting with hunters, gatherers, fishers, agricultural civilization, and today's industrial society. Humanity sought to learn from extraterrestrials the best ways to make judgments about communities - methods for managing conflicts, controlling harmful conduct, and achieving objectives that improve the common welfare of society members. The efficiency of a specific governance strategy was defined by the society's desire for survival and prosperity. In the beginning, the groupings of people were tiny, basic, and centralized. Their governing system was straightforward. These groups have evolved into enormous, complicated, expansive organizations throughout time. The evolution of tribal and feudal fiefdoms into nation states. Small, regional businesses have matured into multinational organizations. The decision-making process has evolved to match the increasing complexity of government issues (Bodislav, 2011).

The social upheavals of the 18th and 19th centuries, particularly the American and French revolutions and the age of enlightenment that followed, were among the most important advances in this progression from simplicity to complexity in capitalism. As the society evolved, it became more stratified, with tiny ruling groups amassing riches produced by the subjugated people. The mighty ruled until they were ousted by an internal uprising or an external defeat. Although the fundamental character of the society altered, the transition from monarchy to dictatorship was straightforward. Some changes were made competently and voluntarily, after which countries profited, but the most prevalent were those characterized by ineptitude, corruption, tyranny, and revolt.

Individuals, not the growth of legal concepts, were responsible for the creation of the creative capitalism system. When people have attained power, they have imposed tyranny by force, resulting in revolutions. The subsequent social revolutions were fueled by the desire for individual liberty and the moral imperative of how people ought to interact with one another (Bodislav, 2011). From these revolutions emerged the modern notion of democracy, which is embodied by the Constitution of the United States of America and clarified by Abraham Lincoln's address at the Battle of Gettysburg.

3. Corporate evolution

Among the most essential laws of capitalism that have developed through time are those pertaining to the structure of corporate governance. Currently, we accept the corporative form as a given, however the company/corporation is a very recent type of organization.

Non-profit corporations date back to ancient times, when they were used for organizing towns, guilds, and colonies of Rome. In the early middle ages, they were used for universities, religious orders, and other voluntary organizations that performed civic services, making them subject to government licensing and oversight. The Muscovy Company in 1555, the Spanish Company in 1577, and the East Indies Company in 1601 were the first businesses with the form of an incorporated cluster (early economic organization – precursor to the multinational corporations of today), all of which were

established during the reign of Queen Elizabeth I of Great Britain. In 1606 the London Company, which was soon renamed the Virginia London Company, arose (Beatty, 2000). Before the corporation/company was created, companies were structured as common properties or partnerships.

In the early 19th century, the Supreme Court of the United States of America, via the opinion of chief justice John Marshall, established the required statutory foundation for the establishment of corporations/companies as we know them today. Marshall, in “Dartmouth College vs. Woodward”, described the corporate status as follows: “...A corporation is an artificial entity, invisible, intangible, and existent only in the contemplation of the law. Being the mere creature of law, it possesses only three qualities that the charter of its creation confers upon it, either expressly or as incidental to its very existence... (the) most important are immortality and, if the expression may be permitted, individuality; properties by which a perpetual succession of many persons are regarded as identical, and may act as a single individual.” (Johnston, 1997)

In conclusion, the corporation/company is a legal formation and its legal interpretation is independent of its owners. Three functions contributed to the corporation's allure: perpetual existence, restricted liability, and the division of ownership that permits the transfer of ownership rights without disrupting the organizational structure. In recent years, the taxonomy has become increasingly problematic, particularly at the onset of the economic crisis, due to the proliferation of company types (international regulations refer to these companies as C. Corporations). The major difference between the structures of corporations at an international level is as follows: limited liability companies (LLC – limited leverage company) benefit from a corporative form, but incomes are not taxed. In contrast to ordinary businesses, where the firm itself pays income taxes and not the owners, this is the case with S corporations. After the establishment of the legal framework, corporations became the favored organizational structure for large businesses. In 1919, corporations accounted for 31.5% of all worldwide enterprises, employed 86.0% of the workforce, and generated 87.7% of global revenue. (US Government, 1919).

4. The complex company – the trust

In the lack of government laws, J.P. Morgan, a banker, took on the role of unofficial leader and lawmaker around the middle of the 20th century, resulting in a different kind of organization. In his excellent work “History of the American People”, Paul Johnson stated on J.P. Morgan that the propensity of economic activity in a free society was to engender primordial chaos, in which men struggled viciously for dominance and committed numerous misdeeds. Freedom was required for economic society to function efficiently, but the resulting chaos led to both inefficiency and sin. He reasoned that some degree of order was required, and that order could be best achieved through forms of economic concentration that imposed a degree of order without inhibiting freedom to the point where efficiency was once again jeopardized. This advantageous focus was accomplished by the company and the trust. (Johnston, 1997)

The history of the origin of trusts is difficult. During the Civil War, the United States implemented a strategy of high tariffs to defend its emerging industries. State-independent

firms banded together to increase their political influence over the US Government in order to uphold protectionism via high taxation. Several sectors, including sugar, tobacco, railroads, cattle, and oil, have begun to create trusts in an effort to learn cooperation. In addition to the current circumstance, trusts have restricted competition and promoted monopoly. Then the courts of justice intervened, and by the panic of 1893, antitrust statutes were enacted. This endeavor to organize the economic activity had become illegal and ineffective over time.

Worry-free poverty versus hard working health

Why is the gap between historical developments in the long-term growth of capitalism beginning to narrow? Because the expansion of education and IT&C has facilitated greater access to knowledge, the ruptures gap in the progress of capitalism has lessened.

The overall advantage of private ownership of production methods is shifting. The market's information asymmetry has increased as a result of the new information atomicity's inability to provide fundamental information about the private destination of future results. Prior to financial innovation, individuals were unable to know what other market players knew, but they did have a common understanding of their profit and loss boundaries. It was impossible to lose more than one's own, at least without that knowledge. Almost commonly disregarded, hazards became associated with capitalism, but like zoo freaks, they were there, but nothing horrible could have occurred if people kept their enterprises out of the danger zone (Bodislav and Piroasca, 2012).

A ubiquitous assumption of the objective of self-evident capitalism placed emphasis on the growth of capitalism, initiated by its adversaries. According to this theory, capitalism was a system that served solely the interests of capitalists, hence sowing the current wealth divide.

The subprime mortgage crisis of 2007-2008 may have been seen as a new paradigm of outcomes equations tending toward equilibrium, despite the fact that the crisis brought about everything but equilibrium. The purpose of capitalism is not only to protect the most fundamental freedoms that lay at its roots, but also to decrease, if not eliminate, poverty; consequently, its continuation depends heavily on the viability of remedies to the economic crisis, which is not making people wealthier but poorer (Bodislav and Piroasca, 2012). Should the financial crisis of 2007-2008 have been avoided if the estimation of the state's visible hand had been lessened. The sovereign debt crisis and the European contagion threat are not a crisis of capitalism, but they pose an equal threat to its foundations. Losses again rendered individuals poorer, making it difficult for market participants to comprehend the long-term growth of improved outcomes under capitalism. The 70% losses imposed by Greece's creditors are nothing more than a covert redistribution, the primary economic motor of socialism. Taking into mind the 39:1 value of Wall Street's price-to-asset ratio and the massive losses of leverage victims who lost many times more than they owned, 70% losses may be seen as extremely bad, but not catastrophic. Professor Robert Schiller (Schiller, 2012) has provided a great solution to such vigorous assault of sovereign debt crisis losses: Trills for T-bills. In his General Theory, John Maynard Keynes supported the same notion when he envisioned potential ways to avert stock market losses. After being

accused of pursuing deregulatory market policies, governments did it again: they let individuals to spend more than they generated, raising the danger of default once again. Governments praised Adam Smith for his work in managing other people's money, illustrating once again that managing other people's money cannot be a particularly responsible endeavor. In other words, irresponsible spending of funds that individuals were not authorized to spend precipitated the crisis. Should they have invested in their country's gross domestic product, they would have been more prudent with their spending under a new incentive for their future riches. Alongside the rise of capitalism, these developments in wealth have also occurred. Ultimately, Nazi power and communism have seized a war and Great Depression-ravaged Europe. Despite civilization's presumed development, humans is perpetually threatened by war and, as a new bad habit, economic catastrophe every few of years (Bodislav and Piroasca, 2012). Contrary to what market players anticipate from one year to the next, the long-term outlook for capitalism entails more obstacles and more drastic measures to get things back on track.

5. Creating Big Bang capitalism

Perhaps the division of labor is not the primary tenet of capitalism, but it is one of the most significant and most deserving of explaining the Big Bang of contemporary capitalism. This does not imply that there was no economic understanding or capitalism before *The Wealth of Nations*. Similar to how there was a different universe before the Big Bang 1.0, there has been a different capitalism before significant historical events, and there will likely be a different capitalism after a future Big Bang 2.0. Big Bang was the origin of everything we know, whereas New Age Capitalism is anchored in significant events that occurred over a longer period of time, as a few Little Bangs: the invention of outset, the conquest of the seas by the East India Company, the publication of *Wealth of Nations*, the leadership victory at the Battle of Gettysburg, and the Great Depression. Since then, the division of labor has evolved into the division of capital and the division of knowledge. Capital division gives the opportunity to get more with less, but also the danger of losing everything or perhaps all of what is not held. Due to the revolution of information flow, the division of information enabled the growth of the full package of production phases, and subsequently of market sectors. This allowed practically all market sectors to develop and expand at a quicker rate than others. This consistency in the amount of market development has brought with it other hazards, such as the possibility of write-downs for the loss of something that has never been possessed.

Creating automated systems for shifting corporate principles towards state governance

We evolve on this path because automated corporate governance is based on principles for reporting, analyzing, integrated work flow, visualization, and metric yielding (scorecard), which are supported by standardized processes for performance management (financial analysis, planning, budgeting, and forecasting (Boyer et al., 2011)), standardized processes for advanced analysis (predictive analysis, data mining), and standardized processes for information management (data profiling, data quality testing, data warehousing and data integration).

Standardizing labor processes and translating them into algorithms for streamlined operations gives the following benefits:

1. Comprehensive coverage – reporting, planning, consolidating, analyzing, data mining, and an integrated dashboard.
2. Service-oriented architecture – technical integration of processes and standardization at the technical and information level.
3. Access to heterogeneous data - organized and unstructured data access.
4. Global capacity – standard solutions facilitate the completion of tasks and the overall system.
5. Obtaining security and assurance via the development of standards.

Automated transformational processes and technological growth might alter not only the system's evolution, but also the system's unity, which must be designed as a multidimensional strategy for the system's development. These notions are a component of the change that was described in the first section of the study, but the observed changes will now be highlighted:

- A. Implementation standards – used data, created options, approached ideas, and designed concepts must be validated with pre-established principles.
- B. Testing – testing and validating initial data and results compounds macro-data, thereby reducing the error rate and allowing for the grading of options.
- C. Reactive demands – work processes take too long to complete or are initiated with incomplete demands, thereby decreasing the success rate of a process.
- D. Roadmap – oversight, leadership, and a plan of action.

The alignment of business strategy with the economic or national strategy shapes the efficient execution of proposed goals and with step-by-step adhering for the members of the organization or for the population by absorbing the behavior of the organization or the behavior of the nation, which should be optimized based on the existing or developing risk and everything automated using business intelligence principles.

6. Conclusion

Long-term capitalism demands innovation or a paradigm shift. This implies that the solid core of capitalism should be maintained, while the other layers should be improved by economists.

Long-term capitalist improvement is constrained by economic knowledge and market experience, despite the fact that science is predicated on a priori principles and deduction as opposed to the *a posteriori* principles of human experience. However, capitalism is not a science, but rather a way of life; so, we offer license for experience. Limited solutions are acceptable so long as they are marginally superior than their predecessors, which is why they are permitted for usage. As an example, it required a considerable amount of time to learn about the fundamentals of the universe and what really occurs in space. First, during the Roman invasion of Egypt, Ptolemy believed that the Earth was located at the center of the universe. Then, Aristofan of Samos produced a brand-new idea on the position of the sun in the center of the universe, which was a superior theory, while being far from the

scientific fact. A thousand years after the time of Copernicus and Kepler, things improved. Nevertheless, Ptolemy's less accurate paradigm was the most significant. It provided the first significant step toward a practical answer, even if it was not perfect: it was much better to see Earth as a planet in a system of planets as opposed to thinking that the globe is supported by a giant or a turtle, whose movement caused earthquakes. The concept of a global system was maintained and refined throughout time, giving rise to the optimism that long-term capitalism can enhance our lives via a new paradigm.

Education and IT&C provide a new paradigm for long-term capitalism. In the near future, older layers such as geographical location and natural resources will be eliminated. From the standpoint of a new paradigm, achieving long-term capitalism requires the timing of suitable modifications.

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