

Small Business Opportunities Within a Children’s Hospital Public Economy Model (CHPEM)-Inspired Public Economy

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An anticipated concern of many who read about the Children’s Hospital Public Economy Model (CHPEM)^{1, 2} and its application to the general economy³ is the fear that the CHPEM-inspired public economy would not allow a person who “dreams of running his/her own business” an opportunity to do so. For example, many readers might worry that a person who has always dreamed of creatively operating his/her own unique, local coffee shop or restaurant or other “Mom and Pop” small local business would not have opportunity to do so in a CHPEM-inspired public economy.

This is an important concern to carefully and sensitively address. Indeed, the extent to which citizens should have opportunity to own their own businesses---as opposed to all businesses being owned by the public---is an instructive, top priority issue for individual and public study and for healthy, respectful public dialogue.

[NOTE: The author’s opinion is that private businesses should be allowed in a CHPEM-inspired public economy. It is also the author’s opinion, however, that after the public engages in thorough dialogue about the CHPEM-inspired public economy,^{4, 5} after the public develops sufficiently deep understanding of the CHPEM-inspired public economy⁶⁻²³ and gains actual experience with the CHPEM-inspired public economy, and after the CHPEM-inspired public economy proves its merit to the public, the public will increasingly take pride in and support the public economy²⁴ and decreasingly patronize private businesses, to the point that the latter will eventually falter, financially, and will likely largely fade away due to lack of public interest in them. It is the author’s opinion that if people have a choice between a private enterprise (e.g., a private children’s hospital or private school) and an equally funded and equally excellent public enterprise (a public children’s hospital or public school), the vast majority will eventually choose to support the public enterprise and take great pride in doing so. In other words, in the author’s opinion it is neither necessary nor wise to prohibit private businesses. This opinion assumes that the public will be well-versed in the nature and philosophy of Public Economy, will be prepared to quickly recognize deliberate attempts to undermine the Public Economy, and will thereby want to protect the Public Economy (via further respectful public education and dialogue) from such sabotage.]

It should be understood that the CHPEM-inspired public economy would highly value small local public-owned businesses and would seek to create an abundance of small local public-owned

businesses that are creatively and responsibly operated by local citizens who care deeply about their community, want to please their community, strive to meet the community's needs in an exemplary fashion, and are appreciated and supported by their customers. In fact, **in a CHPEM-inspired public economy, the number of small local public businesses would be greater than the number of small local private businesses that currently exist in the capitalist economy.**

The CHPEM strongly disagrees with the economic model that enables and empowers large chain stores, "box" stores, and national franchises (e.g., Starbucks, McDonalds, Safeway, COSTCO, Home Depot, Amazon) to dominate local communities and neighborhoods, to the detriment of small local businesses. For one thing, the large-scale, bulk buying power of these big businesses places small local businesses at a marked disadvantage, even driving them out of business. Also, customer service at national chain stores tends to be more disinterested, impersonal, and insincere than is the more genuine and friendly service at local small businesses. The CHPEM would prefer that such large chain stores and national franchises cease to exist and be replaced by small, local, geographically and population-based public businesses.

The CHPEM would prefer that each community/neighborhood have, for example, its own local, creative, unique public-owned coffee shops and restaurants that are run by a local person (or family) who knows the community, is known and admired by the community, is committed to pleasing the community, and runs the coffee shop or restaurant in a highly responsible, responsive, and exemplary fashion. In response to democratic proposals from communities/neighborhoods, local leaders of the CHPEM-inspired public economy would strive to make such coffee shops and restaurants a reality. Democratically elected "altruistic natural leaders"¹² within the local CHPEM-inspired public economy would budget for a proposed public-owned coffee shop, would tender applications for an excellent person to manage/operate the coffee shop, and would select a best candidate. In this way, a person who has always dreamed of running their best version of a coffee shop (or restaurant or local grocery store) would have opportunity to do so. [NOTE: the CHPEM's emphasis on "altruistic natural leaders" markedly increases the likelihood that decisions will be made fairly and wisely, without corruption. Please see articles on "Altruistic Natural Leaders"¹² and "Corruption."¹⁵)

Unlike conditions under capitalism, the above manager/operator would not need to take out a risky loan in order to realize his/her dream, would not need to focus excessively on financial matters, and would not need to worry about unkind and/or unfair competition (e.g., from bulk-buying national franchises or other more aggressive competitors). Instead, the manager could focus on customer service and on running the business in a fair, kind, creative, fiscally and socially responsible way.

An anticipated concern of some readers is that they object to the idea of having to "propose" such a business and then "apply" for the manager position. The concern might be that "too

much bureaucracy” would likely be involved and decisions might not be made correctly or fairly. Such objectors would prefer that “anyone who wants to try to start and own a new business should have the freedom to do so,” on their own, without having to make a proposal to the leaders of the CHPEM-inspired public economy. This, they would say, represents “free enterprise,” the freedom to start, own, and run your own business “the way you want to,” with “no one (especially government) telling you what you can and cannot do.”

But objectors should realize that a fundamental principle of the CHPEM is that people who populate positions of leadership and power should be “altruistic natural leaders,” i.e., people whose behaviors, inclinations, and motives exemplify expression of the altruistic half of the human behavioral spectrum, (not the non-altruistic half of that spectrum) and who are recognized to have exemplary “natural leadership” traits. (See the articles on Human Nature⁸⁻¹⁰ and Altruistic Natural Leaders.¹²) By definition, altruistic natural leaders are the least corruptible, most kind, most fair, and the least selfish among us; whereas “leaders” who are inclined to express the non-altruistic capacities of our Human Nature are much more likely to be unfair or become corrupt.¹²⁻¹⁵ The fact that positions of CHPEM leadership and power are populated by “altruistic natural leaders” greatly increases the likelihood that decisions made by leadership will be fair, wise, altruistic, resistant to corruption, and will remain that way. (See article “Does Power Always Corrupt?”¹⁵)

Such objectors should also realize that, historically, one of the most important services in our lives---medical school-based health care and its medical research--- has been largely operated on a grant proposal/application basis. For example, when a children’s hospital or one of its physicians recognizes a new need and desires to meet that need, the hospital (or physician) writes a detailed grant proposal and, if the proposal has merit, relevant leaders of Health Services (e.g., the NIH in the case of research) approve and provide funds for the proposal. Historically, most advances in medicine have come about through this grant proposal process. Academic pediatricians have much preferred this grant proposal process, as opposed to being told “If you want to do that research, go ahead, but you will need to use your own money, take out your own loan, buy your own lab equipment and supplies, and hire and pay your own lab assistants.”

The above grant proposal process worked very well when the leaders of Health Services were altruistic natural leaders who were honest, fair, knowledgeable, and incorruptible and made good decisions---i.e., during the Altruistic Era of Children’s Hospitals.¹ The grant proposal process does not work well, however, when Health Services have been “captured” by large, powerful, profiteering corporations and led by dishonest, corrupt, incompetent leaders who have conflicts of interest and work to please corporate entities (e.g., pharmaceutical corporations and large health care corporations) at the expense of the citizenry---as we have

abundantly seen during the COVID pandemic, in particular. That is why it is so important to make sure that natural, authentic, altruistic, competent, properly motivated, incorruptible people are in positions of leadership and power---not only in the health care sector of the economy, but also in other sectors of the general economy. A fundamental principle of the CHPEM is a commitment to ensuring that altruistic natural leaders (as opposed to dishonest, corruptible people) are placed in positions of leadership.¹⁴ Historically, the grant proposal process has made fair and wise decisions when positions of leadership are populated by altruistic natural leaders.

Bear in mind that the vast majority of the human population are not private business owners. Only 6.7% of the US adult population owns a business, and only 10% of small business owners are true “Mom and Pop” business owners (businesses jointly owned and operated equally by spouses). The vast majority of the population works for a salary or an hourly wage and a high percentage of such people probably have no serious interest in “owning their own business.” So, it is not as if the CHPEM-inspired public economy, if it were to discourage private small business ownership, would result in a huge percentage of the population not having an opportunity to independently “start, own, and run” their own small business. To what extent do readers think it is absolutely essential to preserve “the freedom to own one’s own business,” when the beneficiaries of this “freedom” probably represents less than 7% of the population, and when preservation of this freedom includes preservation of large powerful private corporate businesses who would also have this freedom and would continue their current behaviors---unless the proposal is to allow small private businesses, but not allow (or at least markedly curtail) big businesses? When the ratio of advantages/disadvantages of preserving the “freedom to own one’s own business” is taken into account, is it essential to preserve this freedom? That is an important and instructive question for careful individual and collective study and for healthy, respectful public dialogue.

Having said the above, bear in mind what the author said in the **NOTE** (third paragraph of this article), that in the authors opinion private businesses should be allowed in a CHPEM-inspired public economy.

Bear in mind, too, that a fundamental principle of the CHPEM is that the CHPEM should not be implemented until/unless extensive pre-implementation public education about the CHPEM has occurred and the public has democratically decided, ultimately, to proceed with careful implementation.^{4,5} It would be a huge mistake to implement a CHPEM-inspired public economy before the public has had access to thorough, thoughtful, honest information about the CHPEM and opportunity for extensive dialogue about the CHPEM, including discussion of social philosophies, economic models, relevant history. That is, the CHPEM should be implemented only in the context of a highly informed, deeply understanding citizenry that is well-versed in

the mistakes of capitalism; the mistakes of totalitarian states; the historical mistakes of imperialism, racism, colonialism, and fascism; the mistakes of unhealthy polarization, inappropriate intolerance, inappropriate tolerance, and reactionary overzealous protection of interests; and potential mistakes within a CHPEM-inspired public economy---and, furthermore, should be implemented only after a thusly informed citizenry democratically decides to proceed with careful implementation of the CHPEM-inspired public economy (via referendum, if necessary).

Because the CHPEM is committed to comprehensively and superlatively meeting the needs of the public, and because of the CHPEM's emphasis on public education (including, in particular, extensive public education about the CHPEM before its implementation), the public (in my opinion) would likely eventually conclude that there is little need for private entrepreneurship after implementation of the CHPEM. Many of those who, in the past, had strong desire to "create their own business" and believed that opportunity for "free enterprise" was absolutely essential, would likely eventually discover that leading or contributing to the public economy is more rewarding, more meaningful, and less stressful than "owning your own business." They would likely find considerable gratification in running (but not owning) or otherwise contributing to a public economy business in an exemplary fashion, knowing that they are meeting a social need and knowing that their work is appreciated by the citizenry as well as the altruistic natural leaders of the public economy. That has been the experience of academic pediatricians and pediatric nurses---at least during the altruistic era of children's hospitals (before the corporatization of children's hospitals).

By the way, as an academic pediatrician, I can attest to the fact that almost none of my colleagues had any interest in "going into private practice" (i.e., owning their own medical business). We wanted to be able to focus on the scientific and clinical care aspects of practicing medicine; we did not want to spend time on "the business aspects" of medicine. At one point early in my career I joined a small private pediatrics practice, complete with its fee-for-service billing practices. I worked in that practice for 2 years. I found it to be a disturbing and dispiriting practice model, at least for me. (During that experience in "private practice," I received a salary of \$32,000 per year until my billings sufficiently exceeded that amount. I returned to academic medicine before achieving that billing goal.)

Finally, bear in mind that the free enterprise economy has many characteristics that many of us find increasingly tiresome, aggravating, and disturbing. Think of the incessant commercial interruptions on television and radio, particularly the pharmaceutical commercials, many of which are misleading. For every 10 minutes of sports talk I listen to on the radio, I need to sit through at least 5 minutes of highly irritating advertisements. Think of the predatory credit card

interest rates and the parasitic “third party” “handling” fees we pay for scheduling a hotel stay. Think of the obscene income inequality, exemplified by people like Jeff Bezos, Wall Street financial players, Hollywood actors, celebrity musical entertainers, sports stars, and even celebrity news presenters. Think of the excessive pricing that takes advantage of “whatever the market will bear.” These are predictable accompaniments of a free enterprise economy. These would not be characteristics of a CHPEM-inspired public economy.

Summary:

The extent to which citizens should have opportunity to own their own businesses---as opposed to all businesses being owned by the public---is an instructive, top priority issue for individual and collective study and for careful, respectful public dialogue. Several important considerations need to be taken into account: A fundamental principle of the CHPEM is that it should not be implemented until extensive public information and public dialogue about the CHPEM has occurred and the informed public has, then, democratically decided whether to proceed with implementation of the CHPEM. That is, the CHPEM should be implemented only in the context of a highly informed, deeply understanding citizenry that is well-versed in the mistakes of capitalism; the mistakes of totalitarian states; the historical mistakes of imperialism, racism, colonialism, and fascism; the mistakes of unhealthy polarization, inappropriate intolerance, inappropriate tolerance, and reactionary overzealous protection of interests; and the potential mistakes within a CHPEM-inspired public economy. Because the CHPEM is committed to comprehensively and excellently meeting the needs of the public, and because of the CHPEM’s emphasis on public education (including extensive public education about the CHPEM before its implementation), it is the author’s opinion that an informed public would likely eventually conclude that there is little need for private entrepreneurship after full implementation of a CHPEM-inspired public economy.

BUT THIS IS A MATTER FOR THE PUBLIC TO DEMOCRATICALLY DECIDE AFTER CAREFUL STUDY AND RESPECTFUL DIALOGUE.

RELATED ARTICLES:

The Footnotes refer to the following related essays that are posted (or will soon be posted) on the **Notes From the Social Clinic** website: www.notesfromthesocialclinic.org These essays are listed, by title, in the Table of Contents (TOC) of the website.

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