

Government and business in southeast asia - indonesia

Business



Patrimonial Leadership in Indonesia Due to unstable governments that could not sustain an economy, most third world countries that were using Patrimonial leadership had to make drastic changes to match the rest of the world. These decisions came about after the government underwent mass demonstrations, riots, rebellions, and even coup. However, Indonesia remains in isolation of this since it has managed to maintain stability despite the widespread Patrimonialism. In addition, although Indonesia has undergone change in its political, social, and economic systems, it still holds on to some patrimonial features.

“ Case 1”

In maintaining a patrimonial leadership, Indonesia is loosing in certain ways. First, this kind of rule only catered for the elites. Although the government depended on views of its citizens to lead, it only considered the views of the elites as the rest were considered poor, socially backward, and politically passive (Crouch Web). This means that a large part of the society may suffer because of poor distribution of resources. Thus, a tag of war always existed between the elites and the rest of the society, but the government intervenes to make to keep the patrimonial leadership.

Secondly, this kind of leadership affected Indonesia's economy in various ways. Due to lack of openness of government procedures, corruption seeped and that saw a great number discriminated against because they had nothing to offer. It is important to note that there is lack of independent entity to keep an eye on this kind of leadership in Indonesia, which makes the government officials not accountable for their actions. Only a few of the investments can take place as public priorities are distorted. For instance, the businesses of the military group together with their family members

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continued to flourish as the current government helped them acquire contracts within the government. Thirdly, a tried coup in 1965 by PKI supporters caused them to lose their lives as the military government fought back. According to Crouch, patrimonial rituals were not adequate to contain conflict between competing interests (Crouch Web)

“ Case 2”

Indonesia has reaped many benefits in maintaining its patrimonial leadership. First, in a patrimonial leadership, leaders lack coercive power to enforce their rule and retain political loyalty. This makes them issue their supporters with delicacies and goods to win their loyalty (Crouch Web). This is an advantage to Indonesia in that the leaders cannot enforce an authoritarian system whereby common person has no say. In addition, after Suharto representing the elites took over power together with the militants, the government gave top priority to its economic development priorities. Secondly, under the rule of Suharto, the country of Indonesia experienced a large economic growth. This is because of great inflow of capital from the Chinese who formed joint ventures with the military to find favour in the eyes of the president. Great institutions and schools came up in this period. Thirdly, it is to the advantage of Indonesian government that the military leaders employed to work towards promoting rapid economic growth did not have the knowledge to do so. Therefore, they consulted the technocrats who restored order and regularity in the economy. However, Indonesia is clean of capitalist entrepreneurs who have taken over the economy of many countries.

Works Cited

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Crouch, Harold. " Patrimonialism and Military Rule in Indonesia." World Politics Journal. 1979. 31: 4 (571-587)