

Government and business in southeast asia

[Business](#)



Government & Business in Southeast Asia Good businesses that influence the growth of an economy can thrive due to a certain systems of governance. Patrimonial administrative systems hinder general economic growth, as has been the case in Southeast Asia. In Southeast Asia, economic development has three sections. First, the highland Southeast Asia, which is less developed and includes countries like Thailand and Northern Burma. Secondly, the lowland Southeast Asia that includes Cambodia and Vietnam that depend mostly on agriculture. Lastly, the Island South East Asia, which is the most accessible part of South East Asia that contains the business expatriates have attracted many immigrants especially from China. Southeast Asia has a patrimonial government that enables corruption in all areas of government, authoritarian politics, open bureaucracies, and unregulated market prices. This kind of system works positively on the economy but for a period. The ownership of businesses is to certain families and such businesses are passed on to the next generation. The beauty of this is that the business does not give an account of its activities either to the government or to shareholders. However, such businesses cannot sustain the economy for a long period. As businesses transfer ownership from one generation to the other, mismanagement of funds occurs and withdrawal of capital can cause closure of a business.

In a patrimonial leadership, “ rules are applied with partiality and some citizens get partiality treatment” (Brinkerhoff & Goldsmith, 2007, p. 7). This calls for corruption in leadership. Businesses bribe the politicians and higher government authorities to evade taxes and customs. This eventually leads to a government that cannot sustain itself and with a big deficit. Statistics show that one of the causes of East Asia economic crisis in 1997 and 1998 is <https://assignbuster.com/government-business-in-southeast-asia/>

corruption, mass economic distortions, and inefficiencies.

In addition, “ A Patrimonial leadership is characterized by administrators who are promoted as a reward for personal connections with political leaders” (Brinkerhoff & Goldsmith, 2007, p. 7). Leaders in any economy ought to follow the right channels in their selection. That is on competitive bases on merit and expertise. This enabled them to carry out their accordingly with professionalism and strategically plan for the future. To add to this, businesses need such leaders to take advantage of emerging opportunities and use them to overcome the threat in the market. This empowers an economy to compete with itself and with its neighborhoods. This tells us that a patrimonial leadership has poor leadership, which cannot sustain a business. Just like in Southeast Asia, businesses lack the right technology to take them to the levels of manufacturing and industrialization that can sustain an economy.

In conclusion, patrimonial policies cannot promote economic growth. They favor a certain minority group; allow poor leader ship to sip in the economy that cannot make proper decisions that can sustain businesses. Eventually corruption creeps in where businesses cannot remit taxes to the government affecting the economy. Just like in Southeast Asia where economy was caught in crises in 1997 and 1998, an economy based on patrimonial policies is bound to fall.

References

Brinkerhoff, D. & Goldsmith, A. 2002 “ Clientelism, Patrimonialism, and Democratic Governance: An Overview and Framework for Assessment and Programming” New York: Abt Associates Inc.