

# Group work

Business



The Australian government is proposing targeted industry assistance following the Japanese MITI model, with the aim of creating clusters of finance and manufacturing in a highly organized fashion. The MITI means the Ministry of International Trade and Industry and it has helped the economy of Japan to progress positively especially in the period that followed after World War two. Many of the foreign who had suggested that it would not work have now gaped in awe of the achievements of Japan through MITI. When the Australian government will follow the organized fashion just like Japan of MITI, there are so many advantages and good returns that Australia will enjoy with time. One of the advantages achieved through this will be that there will be high value added per employee and the big and large corporations in the growing industries, automobiles, electrical machines, steel and other petroleum chemicals will be competing with the counterparts in Europe and America (Justin 2004, p 23). Export/production ratio is also bound to increase at very high rates.

Studies have shown that the passenger car export ratio in Japan has continued to increase at very encouraging rates. Twenty-fold increase in these ratios will gradually lead to new era of internationalization of the Australian enterprises. The MITI which is the overall will help to set guidelines which will help in strengthening of the posture of growth in important industries. However it will not impose them but will create unified terms of trade and economic recovery (Chong 2008, p 1). MITI will help to solve and resolve conflicts that arise between companies and industries that work together or are competing with each other.

This helps to coordinate investments in the industries. It will also help to mediate negotiations which will eventually lead to less redundancy of equipments and resources because it uses unified approaches. This will encourage the companies and industries to invest enormously because they are not afraid of any risks that will come their way because they are assured that the ministry will always step in if any form of difficulties arises. This helps to grow and enlarge the economy of Australia (Tan 2010, p 1). In Australia with only a partly developed economy the late starting on the road to industrialization, the most general idea is to obtain economically improved status as fast as possible.

The government of Australia should take the leading role in direction and guidance. The government should also take a leading role in mediating placate active and vital firms in the private sector. The government should provide supportive industrial measures to the businesses with higher income elasticity and have higher speed in the technical progress which is the main aim of all industries (Japan Economic Foundation 1994, p 29). The fashion of Japanese MITI will help to study thoroughly the whole range of facets that include dispersion and concentration, competition and oligopoly, profit and pricing structures, entry barriers, cartels, affiliate networks, subcontractors, distribution network and business groups. This study especially in Australia will increase the levels of production, increase the markets of the goods and create a conducive environment for economic recovery especially in Australia (Bodo 1999, p 32).

Adverse effects are also not avoidable and the intervention of the strata that is placed high above is sometimes unilateral and this will cause a lot of harm <https://assignbuster.com/group-work/>

in the economy of Australia because the senior arm thinks that their interventions in building the economy should all be taken as positive but the individual businesses may feel that the ideas are not easy to maintain. This conflict may lead to very adverse effects on the economic because these kinds of conflicts are sensitive. It has been found that MITI has the ability of unilaterally forcing its decisions on industry and then the industries finding it hard to alter the decisions and are forced to incorporate the decisions into their industry. When the changes are realizable and efficient they serve to increase the productivity and help to reduce costs. This will lead to economic development but if the changes are harsh and unattainable, the industries will not take it very lightly leading to conflicts and decreased productivity (Justin 2004, p 34).

There is expected conflict between the scholars in Australia and the new MITI because they will think that they are being looked down upon and will regard the industry policies introduced by the body will be credited to the body itself and this would eventually affect them negatively by hurting their career professionally. The new organized fashion adopts measures such as import restrictions in Australia, administrative guidance, coordination of investment in equipment and plant, merger and finally new methods of approval of cartels, production consolidation, postponement of liberalization of the direct investment from outside of Australia, low interest loans, tax incentives for the primary leading industries and other useful measures aimed at increasing or maintaining the economic growth of Australia as a country. The new system will also increase the exports from Australia because openings will be created because MITI is an international organization and department

and are well connected with all the industrial countries which could become markets to Australia. They know the required markets and sources of materials internationally (Chong 2008, p 1). However, the new program will help to protect the infant industries though they do not work towards the rigidity continuation and the close relationship between the industry and the government.

This would lead to conflicts because the Australian government needs to relate with the industries through their programs so that they could help each other in the achievement of goals as a country (Bodo 1999, p 38).