

Appropriate Public Policy Instigates Positive Economic Growth Upon Nations : Insights from Malaysian Business Practitioners

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DOI : 10.5281/zenodo.18673379

Abstract

Governments throughout the world are always seeking to optimize the economies of their nations. The alleviation of the economies requires appropriate policies that would spur economic and financial growth. This paper explored numerous examples of policies that alleviated economic growth of countries. This paper also acquired insights from business owners with regards to favourable policies that instigate economic growth and growth of businesses.

Keywords : Public Policy, Economic Growth, Economic Incentive, Productivity

Introduction

Governments around the world are clamoring to increase the stature of their financial and economic realms. It is a norm for governments to develop policies that would instigate such alleviation of stature. Pasco and et. al. had indicated that public policies are tools that aid economic development of countries, and these policies would positively shape the industrial realm as well [1]. Hence, it is vital that these policies are developed in a holistic fashion so that the implementation would be fair, just, and beneficial to all the masses. There were policies that were not favourable to certain communities, and this is a grave injustice towards them.

Philip and et. al. stipulated that policies were developed by the governments in order to solve social problems through the implementation of favourable economic policies [2]. These policies would take into account the median incomes of the nation, and policies would be

set to offer leverages to the population so that the population would not be immersed with substantial financial stresses. Economic growth is also measured through the assessment of the social being of the population. If the value of the social being is low, it would indicate an unbalance economic growth. This should be avoided as the primary gist of economic growth is to provide wealth and social security to the population.

Harridon indicated that, in urban settings, the population had to endure numerous financial stresses that had affected the mental well-being of the masses [3]. Harridon further stipulated that the economic policies of the government should tackle this persisting financial predicament, and policies should be developed in accordance with the data that are collected continuously. Policies should also be developed with regards to the manners and stipulations that were procreated by experts, laymen, and those that endured financial and economic hardships.

Public Policies

Public policies were established with the intention of providing the best possible outcomes to the people. Although the intention is noble, some policies were not appropriate for certain situations or environments. The development of public policies is arduous as many factors should be taken in account. For example, if the policy is intended to increase the income level at a fishing village, the fishermen and the people that are involved in the trade should be given the avenues to express themselves. Their opinions should then be utilized to shape the economic policies of the intended area. Furthermore, a comprehensive study should be actuated at the area in order to quantify the current economic value, and measures should be taken so that the policy would integrate appropriate mechanisms that would alleviate the current economic value. There were cases where inappropriate mechanisms were used to alleviate the economic value of an area, and the end results were disappointing.

Marin and et. al. mentioned that it is vital to assess the success of policies in order to gain insights upon the appropriateness of the approaches that were used to develop the policies [4]. Marin and et. al. also stated that the consequences of the policies should be investigated where positive consequences are indications that the policies are proper and had worked well with the intended environment. Another point to ponder is the depth of the policy, and whether the policy had taken into account relevant issues. Investigation of bad policies should be actuated so that mistakes can be learned and avoided. Developing bad policies over an elongated span is detrimental to the economy, and policy makers ought to be proactive and discern past policies in order to avoid similar economic pitfalls.

Ban and et. al. reiterated the fact that favourable government policies would enhance businesses and innovation, and subsequently this would lead to the alleviation of the economic stature of the nation [5]. In the case of innovation, there should be leverages for individuals and corporations to indulge upon creative processes in order to procreate substantial amount of innovation. There were cases where regulations and protocols were stringent, and this had led to the stifling of innovation. The authorities need to search for a balance where the optimum value of balance would create avenues of innovation while still maintaining law and order.

Favourable Policies

Policies that are favourable to the population would invoke economic and financial growth. This growth is crucial to the alleviation of the lifestyles of the population. Without growth, the population would be left with dilapidated amenities, health care, education system, transportation, and others. Hence, appropriate policies would be the traction to enhance the lifestyles of the population. According to Harridon, proper policies would also deflate economic stresses upon the population, and this should be the primary agenda advocated by the government [6]. With favourable policies, the population would be spared the intricacies of maneuvering the pitfalls of the financial realm. Any policy should always take into account the grievances of the population.

Gupta stated that favourable policies, be it fiscal policy or monetary policy, would allow the nation to grow tremendously while retaining significant due diligence towards the spending of the government [7]. Economic growth is the primary gist as it acts as an impetus to improve the livelihood of the population, and favourable policies would bring continuous prosperity to the nation. Fiscal policies that are favourable would act as platforms that encourage more trade and commerce, and this would increase the influx of financial capital to the nation.

There were policies that were developed based upon consensus and there were also policies that were developed by partisan side. This is not a good approach to develop policies as it is bias and prejudicial. Mukherjee and et. al. stated that policy should be designed based upon sound methodologies [8]. They further added that policies should address current predicaments, and policies should be gauged continuously in order to measure their effectiveness. Alterations of policies should be done so that new policies can be developed that would aid the nation.

Unfavourable Policies

There were numerous policies that were unfavourable to the population. For example, policies that are stringent for businesses where tax breaks are not given would deter investors from investing in a particular industry. In fact, too many regulations and protocols would also deter individuals from starting businesses in a particular field. According to Roberge and et. al., policies should take into account current and updated technology so that the policies that were developed are technologically appropriate to the population [9]. It would be an absolute disservice to the population if the masses were not given the leverages to utilize the latest technology such as free high speed wifi which is beneficial for the public in terms of acquiring knowledge and information effectively.

Policies should also tackle other remote locations such as the rural areas which normally lack behind in terms of economic opportunities. Harridon stated that rural areas had few economic growths in contrast to urban areas, and this had created the “migration effect” where individuals would migrate to urban dwellings in search of better job opportunities [10]. If the policies are favourable, migrations could be reduced and this would lessen the economic stresses that beckoned the urban settings. This is a classic example where policies had played a significant role in contracting and expanding the economic opportunities at designated areas.

The policies that were unfavourable would also beget financial hardships upon the population. Within this context, policy makers should have the tools to predict the behaviour of the population after a policy is implemented. Though this is arduous, efforts should be taken to utilize these tools of prediction. According to Chollete and et. al., there were cases where the implementation of certain policy had an adverse effect upon the population [11]. For example, in Mexico City, there was a policy that limit the utilization of each car in order to reduce pollution. This had procreated a negative outcome where individuals had purchased additional cars in order to circumvent the rulings. And subsequently, this had increased the level of pollution in Mexico City.

Perspectives of Business Owners in Malaysia

Insights and perspectives of business owners were collected in Malaysia. These business owners, which were also the respondents of the survey, had been in business for more than 25 years, and they spanned various industries in Malaysia. 397 respondents answered the Likert Scale Survey that had been parlayed to them. 5 statements were parlayed to them, and these statements were produced by 15 experts that had numerous experiences in

business and had participated in policy making directly and indirectly. Table 1 shows the statements and results.

Table 1 : Responses from Business Practitioners

Statement	Responses				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Public Policy is Vital for the Alleviation of the Economy	0	0	29 (7.30%)	42 (10.58%)	326 (82.12%)
2. Most Public Policies are Appropriate	297 (74.81%)	46 (11.59%)	5 (1.26%)	22 (5.54%)	27 (6.80%)
3. The Opinions of Business Owners should be Heard before a Policy is Implemented	0	0	0	46 (11.59%)	351 (88.41%)
4. Policies should be Altered based upon Current Economic Performance	0	10 (2.52%)	8 (2.02%)	85 (21.41%)	294 (74.06%)
5. Current Policies are not Comprehensive and do not Tackle Substantial Issues	0	0	0	63 (15.87%)	334 (84.13%)

Statement 1 is pursuant to the functionality of the public policy in alleviating the economy of the nation. 82.12% of the respondents strongly agreed that public policy is vital for the increase of the economic stature of the country. These seasoned business practitioners have the ingrained experiences to acknowledge that policies that are optimal would aid their businesses and subsequently this would expand the economy as well. Interestingly, 7.3% of the respondents remained neutral towards Statement 1. Plausibly this is due to the fact that some policies do not have the intense repercussions toward the businesses of these particular respondents.

Statement 2 inquired the respondents with regards to the appropriateness of current public policies. 74.81% of the respondents strongly disagreed with the notion that most public policies are appropriate. These respondents perhaps had gone through economic and financial challenges that were due to policies that were ineffective and not functional. But 6.80% of the respondents strongly agreed that current policies are appropriate. Although this

is a minority, it showcased the government's positive aptitude in establishing appropriate policies even though these policies were not comprehensively effective in alleviating the economic stature of the nation. At this juncture, the government ought to be more proactive in developing policies that are sound, and validated methodologies should be utilized to develop policies.

Statement 3 stated that opinions of business owners should be taken into account during the formulation of policies. 88.41% of the respondents strongly agreed with this notion and these respondents are advocating the acquirement of prominent responsibilities in the policy making process. This is to ensure that the rights and preservation of businesses are upheld, and this seems like a viable approach to retain the competitiveness of businesses. In order to increase the economic vibrancy of a nation, it is imperative to provide a suitable platform to the business practitioners to expand their businesses in a structured manner. Suitable policies would provide this platform, and hence the responses from the respondents were within this context.

Economic stresses are dynamic in nature and economic performances fluctuate constantly due to external and internal sentiments. Based upon these, it is proper to alter policies so that the policies would facilitate more economic growth. Statement 4 encapsulated this notion and 74.06% of the respondents strongly agreed that policies should be altered in accordance with the performances of the economy. With the alterations, the altered policies can profoundly mitigate the economic challenges. Without alterations, the nation and businesses are left without avenues to maneuver through the economic hardships.

Policies are usually procreated to tackle imminent issues and problems. Statement 5 parlayed this message to the respondents, and 84.13% of the respondents strongly agreed that current policies had not tackled prominent issues, and the policies were not comprehensive. The outbursts from the respondents were plausibly due to the financial obstacles that had beckoned the business owners, and they reckoned that the government should be more proactive in aiding businesses in order to deflate the economic challenges.

Conclusions

The responses that were acquired were mixed but somehow most of the responses showed that the respondents were not pleased with the policies that were implemented. This is due to the fact that the policies were not aiding the businesses in a holistic fashion. Policies should alleviate the economic stature of the country but there were lapses in the policies which had caused consternation among the respondents. There are leverages for improvement, and the responses indicated that the business owners are willing to work in

tandem with the government in order to procreate policies that would facilitate exponential growth for businesses and also to increase the economic vibrancy of the nation.

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