

## Growth, Development, and the Blind Governments

By Namira Samir

It is a century-old intellectual debate: which parameter should we use to measure development – growth or wellbeing? I am not going to bore you with this recurring question because we know it is wellbeing. But how come, despite our silent agreement, growth remains at the centre of the development narrative?

In a report called "[Mismeasuring our lives](#)" which brought together three economist superstars – Joseph Stiglitz, Amartya Sen, and Jean-Paul Fitoussi to talk about weaknesses of GDP as a country-level measurement of prosperity, it was written "*there will be a "before" this report, and an after*". It has been over a decade since it was published, and we have witnessed marvellous progress towards advancing the analysis of development beyond growth. From increased national and international projects on human development, a growing number of social scientists devoting their brains to grapple with societal challenges, global and local organizations pushing the debate forward, *et cetera*. But the pattern remains similar.

Seventy-one million people are pushed into extreme poverty because of COVID-19, the [World Bank estimate](#) suggests. What continuously shows up on the news is the assumed causal mechanism between COVID-19 and the rising poverty and unemployment rates, which is not entirely false. But why these people's lives shifted so dramatically in just a few months has nothing to do with it. They are the products of a system that values growth over wellbeing.

The divide between the global North and South is never clearer than it was in the midst of COVID-19. Some will say it has something to do with their economic capability. I, however, argue that it is because countries in the global South defines their backwardness as due to the lack of growth, which prevents them from truly catching up in developing the economic, technology, and education sectors. In development, 'developing' and 'growing' are sometimes used interchangeably, when actually the former aims to ensure equality of access to opportunities, while the latter only pursues the sum of numbers.

Now let's scale down the issue to just Indonesia. As a 'growing' economy, Indonesia always champions growth. The recently published World Bank country classification by income moved Indonesia to an [upper-middle-income country](#). The news has been widely covered by Government and national publications. But is it really an achievement, knowing that the status upgrade does not promise an end to injustice to the bottom of the pyramid?

Solving inequality of development without looking at the specifics is like rewarding a child for finishing a task where she gets all the answers wrong; it keeps her happy, but she will be in trouble afterwards. Ending inequality of development requires a closer look into the divisions created by the system that subconsciously worships it.

The growth aim unequivocally sways Indonesia's structural reforms and development projects. You can fact-check at the economic, technology and education sectors and you will find it to be true. Growth manifests itself in different sectors, in various forms.

[Indonesia's human capital index score](#) is 0.53, meaning that the existing educational institutions and human capital can only promise 53% of productivity for the next generation. Correspondingly, only 28.14% of students at lower secondary education achieve at least a minimum proficiency

level in mathematics ([UNESCO, 2018](#)). Children are at school, but they are not learning. Education Minister Nadiem Makarim, who holds office since the beginning of Jokowi's second term, promised to reform Indonesia's education system, accelerating human capital development, which suits Jokowi's plan of focusing on human capital. However, the focus is once again centred around linkages between the curriculum and the job market, which also rings a bell for Indonesia's pre-employment card that is built around the purpose of increasing economic growth. In regard to enhancing Indonesia's human capital, it is imperative to centre the analysis on the learning process. Does the ability to learn differ across income levels and geography? If so, the solutions should reflect these differences.

Another example of a blunder, growth-minded approach to development is the plan to [relocate](#) Indonesia's capital. The relocation is entrenched on the idea that a concentration of capital and development in Java impinges on equality between Indonesian islands. Yet, geography is being misunderstood. It is not merely the physical aspect of places. It concerns the people, the economic and political processes that shape the space. Simply restructuring the meaning of a place from an ordinary city to capital would not make inequality of development wane. Further, the current plan totally refutes a claim that the purpose of moving the capital to a less-developed city is to reduce inequality.

To begin with, it does not consider the relative impacts of relocation to the different segments of the population. When policy simply looks at the aggregate, it fails to ensure justice. What will be the gains of the low-income population? Will they have the freedom to access opportunities for livelihood improvements? Will the relocation open up better job opportunities, or will it merely give rise to more low-pay, high-risk jobs via private sector involvement?

One of the most widely cited potential effects of relocation of Indonesia's capital is new [tourism opportunities](#). However, one must consider the limit of gains from tourism. Possibly, it will at first induce some local players, probably from low to middle-income households. Soon after, it will reach a saturation point where not even new growth can arise from tourism. Besides, when the relocation agenda is not coupled with the advancement of education and protection towards the informal businesses and employments, it only perpetuates injustice.

So far, the growth objective is meddling in Indonesia's development agenda. Acemoglu and Robinson are right – inclusive political institutions are the prerequisite of ending poverty and achieving prosperity. But I want to extend what they mean by 'inclusive' – it is about looking beyond the overall and into the relative effects of policies to different segments of the population.

If our leaders continue to make impulsive, growth-driven decisions without careful measures just to show it is in favour of the great objective of development without understanding what development entails, there is no escaping backwardness.