

Economic Reflection

(Mandatory reading reflection)

The author throughout the article analyses a lot of the “myth” in which he uses to conclude that policy makers should not just focus on maximizing growth or per capita GDP regardless of its distributional consequences. I think the author did a great job at debunking a lot of the myth but I feel that the arguments and conclusions from these analysis support the conclusion made by the author. In particular I argue that most of the myth presented in the articles mainly revolves around misconception by the citizens and it might not be applicable to the government. The author’s line of reasoning seems to suggest that government mainly only focuses on the maximizing growth and produce policies based around myths on income inequality which I believe is not the case in Singapore’s context. Many of the myth presented in the study does not really suggest that the fiscal policies made by government operates around the suggested myths. For instance, one of the main goals of Singapore’s fiscal policy is to promote equity and it does so by fostering social mobility on top of taxes and income transfers. The metrics used to measure the success of such policies are not by GDP but instead other metrics such as percentage of individuals who made it from bottom income quarter to top income quarter. While economic growth is definitely one of the main drive for policy makers, it is undeniable that there are a lot of other factors in play when making policies and not just growth. I think that the author did not really manage to address the difficulty in coming up with good policies that supports the idea of “improve social equity without reducing growth” due to the wide range of factors that the policy makers need to take into consideration as well as the difficulty in coming up with an effective solution for the targeted culture and society.

(318 words)