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## **To what extent is the pursuit of continuous economic growth a desirable goal?**

### **Introduction**

It is conventional economic wisdom that the pursuit of continuous economic growth is seen as a desirable goal as the extensive benefits to developed countries. As such, developing countries in the last century and the last two decades pursue this goal fervently to bring about a better standard of living and economic stability. However, the collapse of economies like Greece and Venezuela brings apprehension and doubts whether such blind pursuit of continuous economic growth is beneficial. Critics believe that pursuit of continuous economic growth is undesirable as it brings about implications to society whereas optimists will say otherwise. Therefore, in order to accurately assess the extent of this view, there is a need to examine how the pursuit of economic growth will positively and negatively impact society from a dimensional perspective, specifically the economic, social and personal impact to examine the extent of its desirability of this economic goal.

### **Main body**

#### Point 1 - proposition 1

From the technological perspective, the pursuit of continuous economic growth is a desirable goal as it induces the economy to function at a more productive level, bringing about a higher degree of technological advancement. Continuous economic growth will encourage firms to invest in the use of technology in day to day operations as they are more able to afford it. The focus on the use of technology to propel economic growth in industries will allow firms to work at a more efficient level as they are able to work at a much faster rate than human labour, without compromising on the standard of work. This is because human labour is limited by the physical constraints of their body such as fatigue and their vulnerability to illnesses, however with technology, work can be done around the clock. This advantage of using technology is reflected in a research conducted by EY which explains “organizations enabling AI at the enterprise level are increasing operational efficiency, making faster, more informed decisions and innovating new products and services.” As seen, continuous economic growth will allow for a more extensive and integrated use of technology in society, allowing firms to operate at a much more efficient and productive way. Consequently, society will stand to benefit as the economy as a higher level of production is made possible.

#### Point 2 - Extent of agreement 1

However, this view is limited when we consider that the proliferation of technology in the workplace will bring about mass unemployment, undesirable effects of economic growth which can have a devastating impact on the economy. As firms begin to industrialise and adopt the use of technology, there is less need for human labour as they are perceived to be less effective. This can already be seen in our society where many labour intensive jobs are being replaced by automation. As a result, this has undermined the way of living of many as they lose their source of income and have to seek newer job vacancies to sustain their way of living. The severity of this issue is supported by Professor McKinsey who makes the claim that by 2030, intelligent agents and robots could replace as much as 30 percent of the world's current human labor. As seen, the proliferation of technology will disrupt the lives of many, causing them to suffer from unemployment.

### Point 3 - Proposition 2

With a higher level of economic prosperity, there is also higher economic well-being enjoyed by the citizens of countries as there is a higher level of material comfort made possible by continuous economic growth, solving poverty and raising standard of living. Continuous economic growth facilitates greater economic output. Consequently, these economic outputs would have a trickling down effect on the citizens, expanding their income and wealth levels. Eventually, standards of living of a citizen would vastly improve with poverty largely eliminated. For example, China opened its economy to the outside world in 1972, encouraging foreign investments and aid from international institutions like the World Bank. As such, foreign investments induce economic productivity within that impacted individuals with more than 850 million people in China escaping poverty over the last four decades. Simply put, China was the most successful case in modern history, accounting for more than 70 percent of global poverty reduction since the 1980s. Therefore the pursuit of continuous economic growth is indeed a desirable goal.

### Point 4 - Extent of agreement 2

Nonetheless, such an economic result is quantitatively accounted for and often has its limitations to accurately reflect the reality when it fails to account for fair distribution of its economic benefits to the whole society. The above view assumes the trickling down effect economic productivity has on its citizens. Yet in reality, the benefits gained from economic growth does not lead to wealth transfer towards the masses, with the rich retaining the lion's share of the pie. Take for example, China's impressive record

of poverty reduction has been accompanied by serious problems such as income and wealth inequality. When President Xi Jinping took office in 2012, China's Gini coefficient) stood at 0.47, higher than in the United Kingdom or the United States. So, while millions of Chinese were lifted just above the poverty threshold only a few individuals were catapulted to the heights of opulence. Therefore, by considering the efficacies of resource distribution, the pursuit of continuous economic growth can be argued to be an undesirable goal.

### Point 5 - Proposition 3

It is also an indisputable fact that the pursuit of economic growth can bring about a more conducive and comfortable life for modern people as we enjoy better education, amenities and facilities offered in the way we live, work and move, which is so comparatively better than my forefathers. Continual economic growth creates economic outputs and revenues that the government could reinvest into the system. There would be greater needs of the citizens met with improved access to educational, leisure and community engagement opportunities. For example, the continual economic growth of the Singapore economy has expanded the benefits citizens receive, with neighbourhood renewal programmes such as the building of hawker centres and sheltered walkways. From an educational perspective, youths are blessed with excellent school facilities and programmes. Therefore, with the consideration of a better socio-cultural environment. The pursuit of continuous economic growth is a desirable goal.

### Point 6 - Extent of Agreement 3

At the same time, behind this rosy picture, lies a discomfoting rising trend of stress, anxiety and apprehension purging out from the pain we have to endure as we engage in a competition laid in our course for the pursuit of continuous economic growth. The upgraded socio-cultural environment for citizens entails greater competition among individuals for these prized resources. Simply put, society becomes a cut-throat environment where individuals fight for their self interests and status. Take for example Singapore, a society that is classified as highly developed with citizens living lifestyles unimaginable in the region of Southeast Asia and even greater Asia. Singaporeans have all the reasons to be happy. Yet Singapore ranks only 34th in the United Nation's newly published 2018 World Happiness Report, after dropping eight positions from the previous year. To paint a bleaker picture of reality, Singapore has the highest depression rate in Asia according to a 2015 study conducted by the World Health

Organization. Therefore, with a holistic consideration of the issue. The pursuit of continuous economic growth is an undesirable goal.

## Conclusion

In conclusion, continuous economic growth is a desirable goal as it will ultimately lead to better development of the country and a better standard of living for the people. However, it will always bring about implications. Therefore, in the midst of pursuing this growth, we have to ensure that society has the appropriate social and political strategies in place to reduce these implications.