Bali, 5 September 2022. World leaders increasingly believe it is time to move beyond GDP as the central measure of progress. Among the handful of credible counterparts to GDP is inclusive wealth, which measures the assets that underlie human wellbeing: natural, human, social, produced and financial capital. G20 countries are called on to move beyond GDP by complementing it with inclusive wealth indicators by 2025. Doing so is key to unlocking the financing needed for the SDGs and achieving the 2030 Agenda. Task Force 9, T20 Indonesia, hosted by the Institute for Economic and Social Research, Faculty of Economics and Business, University of Indonesia (LPEM FEB UI) held a webinar parallel session T20 Summit entitled “Beyond GDP and Towards Inclusive Wealth - Implications for SDG Financing and Other Long-term Decision-making”.

The webinar opens with opening remarks from Rob Smith, Principal of Midsummer Analytics. He conveyed that moving toward inclusive wealth does not mean that GDP be abandoned as a central measure of progress. “GDP will remain important to decision-makers even in a world beyond it”, he said. But GDP must be dislodged from its spot at the center of decision-makers dashboards to make room for new measures better suited to today’s challenges. In particular, going beyond GDP demands measures that will promote broad and long-term well-being across economic, social and environmental dimensions. Among other things, such measures are key to ensuring adequate funding for the achievement of the SDGs. When GDP is front and center, decision-making is focused on short-term gains at the expense of sustainability.

In his initial thoughts, Matthew Agarwala said that in the 21st century, we are facing a constellation of crises: a climate crisis, biodiversity crisis, air quality crisis, a crisis of access to water and sanitation come as a result of the pursuit of GDP growth. Because of that, we need economic statistics that can help manage and guide our progress towards addressing these challenges that come from measuring inclusive wealth: natural, human, social, produced and financial capital. Combined, these capitals make up not just inclusive wealth portfolios, but they are the determinant of what is possible in the economy, they determine our capacity to deliver the sustainable development goals.

Up next, Bambang Brodjonegoro, the lead co-chair of T20 Indonesia, explained based on his experience as the Minister, the three key goals in the development planning: 3 key goals in development planning; reducing poverty rate, increasing economic growth, narrowing inequality. With the formula of inclusive growth, we can come up with relatively short term policies that will increase economic growth and improve inequality. It is also worth noting that Indonesia has a vision in 2045 to be a high income country and exit from the middle income trap. Using the case of South Korea, they use the social and human capital as the measurement, to invest and allocate their budget in order to have more inclusive wealth.

David Kaczan, senior economist in the Environment, Natural Resources, and Blue Economy Global Practice of the World Bank, shared his project experience in Bangladesh regarding the value of the investment to the reforestation of Mangrove in Bangladesh. This turns out to protect the infrastructure, as Bangladesh always gets hit by storms each year, due to the climate change. The project also tried to quantify the wind speed change through the mangrove, as well as the infrastructure that can be saved using this mangrove project and the labor losest. This has measured the natural capital, human capital and physical capital within the project.
Adding to what other speakers have said, **Radhika Lal** conveyed that it’s not enough to just have the right set of measures. We need to get politicians and the private sector to recognize that this is what we need to align to. We need not only new measures, but we need to really make an investment case of why we need to shift, why the carbon business as usual is not working, even for those who prioritize growth. We need to accept that the growth acceleration will be very different from the concept that we’ve seen before. "We don't need a high level of growth, what we need to do is to focus on sustainable and resilient growth", she said.

**Dennis Snower** stated that the traditional GDP is not enough to capture the social well-being, rather just the financial capital. Social capital implies everything that we need as a social creature. At least, there are two components that are very essential. First is the sense of solidarity, which is how well you are embedded in the social group as well as how well you satisfy your needs, and the other is the sense of agency, the sense of being able to influence your future using your effort. By looking at those indicators, we will be able to have a cohesive society that is not disempower, but rather empower people through the labor market policy or policy that created the social cohesive, as well as creating a right mix of policy direction.

In his closing remarks, **Bambang Brodjonegoro** summarized that in order to have inclusive wealth, we need to start to formulate the global standard on measuring inclusive wealth, including human capital to ensure that a country has a proper human resource, and natural capital to mitigate the natural disaster. In the occasion of the T20 summit, we need to also convey the message to the G20 leader, as beyond GDP becomes a necessity and proposing inclusive wealth as the platform.