

ABSTRACT

This paper discusses the impact of the pro-growth development strategies on creating decent jobs and analyzes the political-economy considerations that shape the government to adopt the pro-growth development strategies. It is argued that the pro-growth development strategies in Indonesia have succeeded in creating employment in the post-Soeharto era. However, these pro-growth development strategies fail to create an adequate number of decent jobs. The economic condition that made the government adopt the pro-growth development strategies began with the massive crisis during mid- 1997-to 1998. This policy, otherwise creates adverse effects, such as the high unemployment rate and this situation has led the Indonesian government to roll out pro-growth measures to stabilize the economy. While the political condition that shapes the Indonesian government to adopt pro-growth development strategies is the contestation between capital and labor.

Keywords: Indonesia, pro-growth, decent jobs, capital, labor, state