

## Inclusive Development

**Ms. Yagma Asalat**

Research Scholar

Department of Education ,AMU Aligarh

### Abstract

Inclusive growth basically means making sure everyone is included in growth, regardless of their socio-economic class, gender, sex, disability and religion. Inclusive growth approach takes on long term perspective and the focus is on productive employment. It requires from us a new vision and a new resolve. In a developing country like India, inclusive growth means more and more governmental schemes and support to attain the desired rate of economic and human development. Inclusive growth comes from a combination/interaction of factors. (Not a single driver). Inclusiveness does not come “after growth” as a residual. Inclusiveness and for growth should be part of the same policy strategy. We should enjoy the superior technologies to achieve inclusive growth. The interaction often leads to structural change, and from change comes growth. We should explicitly look at this dimension: structural policies, green growth, and innovation. If growth comes from several factors growth policies cannot be one-dimensional. Several policy tools (a tool kit) are needed to interact. But we must understand how they interact to avoid waste of resources and maximize synergies. Also we must look for political support and care for global balancing. Technology, capital, human resources, and international trade and educational opportunity for all citizens and equity or fairness are the key factors which affect inclusive development. More than ever, cooperative leadership among business, government and civil society is needed to re-establish sustainable growth and raise living standards throughout the world. Over all task of human development and training and inclusive growth must be fulfilled to make a high score on the global platform. We face a challenges of restructuring and readjusting the complete system according to present global scenario. The challenges in our country is to foster economic growth, wealth distribution, development of the underprivileged and the deprived section of the society by way of providing education for all, increasing agricultural production, fill the technology gap, adopting suitable post-harvest technologies and industrial development, remove child labour, increase the role of the public sector after liberalization has further underlined the need for focusing on better education and has also put political pressure on further reforms. Model should be sustainable and scalable. Many villages are thriving by providing services. When we combine village entrepreneurship with connectivity, we have a robust model. We have to look at the numbers and quality of life. Millions are living on less than one-half a dollar per day. We do not have inclusive growth in India, which means we do not have sustainable growth.

**Keywords:** Inclusiveness, sustainable, scalable, global platform.

## **Introduction**

In a developing country like India, inclusive growth means more and more governmental schemes and support to attain the desired rate of economic and human development. Inclusive growth comes from a combination/interaction of factors. (Not a single driver). Inclusiveness does not come “after growth” as a residual. Inclusiveness and for growth should be part of the same policy strategy. We should enjoy the superior technologies to achieve inclusive growth.

The interaction often leads to structural change, and from change comes growth. We should explicitly look at this dimension: structural policies, green growth, and innovation. If growth comes from several factors growth policies cannot be one-dimensional. Several policy tools (a tool kit) are needed to interact. But we must understand how they interact to avoid waste of resources and maximize synergies. Also we must look for political support and care for global balancing. All of us face a new reality—global competition. It requires from us a new vision and a new resolve. We face a challenges of restructuring and readjusting the complete system according to present global scenario. Model should be sustainable and scalable. Many villages are thriving by providing services. When we combine village entrepreneurship with connectivity, we have a robust model. We have to look at the numbers and quality of life. Millions are living on less than one-half a dollar per day. We do not have inclusive growth in India, which means we do not have sustainable growth. Public-private partnerships have the potential to drive growth, particularly in the agricultural and education, but government’s role should be limited. Government needs to create a healthy environment for entrepreneurship. We should believe in the power of entrepreneurship and in giving people economic freedom.

## **Challenges before Inclusive Growth in India**

The challenges in our country is to foster economic growth, wealth distribution, development of the underprivileged and the deprived section of the society by way of providing education for all, increasing agricultural production, fill the technology gap, adopting suitable post-harvest technologies and industrial development, remove child labor, increase the role of the public sector after liberalization has further underlined the need for focusing on better education and has also put political pressure on further reforms.

## **Elements of Inclusive Growth**

The following are the interrelated elements of inclusive growth:

- Quality education, Quality research.
- Poverty Reduction and increase in quantity and quality of employment.
- Increase in the quality of life style.
- Agriculture Development
- Social advancements in India due to the strong influence of culture and regional disparities
- Social Sector Development

- Removal of regional disparities.
- Achievement of high rank among 170 countries on Human Development index.
- Healthy nutrition among children and women.
- To raise the rank of India from 130<sup>th</sup> out of 188 in human development index

## **Factors that Affect Inclusive Growth**

Quality education, technology, capital, human resources, and international trade. More than ever, cooperative leadership among business, government and civil society is needed to re-establish sustainable growth and raise living standards throughout the world.

### **A) Quality education key to sustainable and inclusive growth**

Quality education is the key to inclusive growth and empowerment of a large section of the population. The socio economic balance to improve human lives can only be achieved through sustainable education. We have to search for alternatives to socialism for creating a more equitable society. A balance between profits and welfare needs to be struck to attract corporates in Education sector. Sustainability should be given due importance. The government should be committed to spread technical education in far-flung areas of the states benefiting thousands of students. There is an urgent need to call for higher education institutions' collaboration with the Private sector in research, faculty development, infrastructure creation, student scholarships and governance. To achieve this, the higher education system should be made robust and useful to attract investments and the Govt should aggressively engage with the industry to invest in existing institutes, setting up new institutes and develop new knowledge clusters.

### **B) Technology**

Our technology is not better than other developed countries in world competition. Other countries are rapidly closing the gap. Our first cause for concern should be about the kinds of technologies we investigate. As a nation, we spend a smaller percentage of GNP on civilian R&D than either West. In other words, we invest relatively less than our trading partners in those basic areas of inquiry that could lead to commercial competitive advantage. But most of that spending is for defence.

As part of the effort to create technology, we require to stimulate more industry research and development. Tax credits are preferable to direct government project oversight; because they allow the market to determine which technologies have commercial potential.

Encouraging private sector research and development is also included in appropriate goals of government. Technological advances create a rippling of benefits throughout the economy. Turning now from creating technology to applying it, perhaps this nation's most glaring weakness in technology is the failure to devote enough attention to manufacturing applications.

Creating and then applying technology are just the first two steps in a competitive strategy. The results of innovation must also be protected from counterfeiting and other forms of misappropriation. In this regard, we need to review and reform our patent laws, better protect the

scientific information that Indian business provides to government, and insist that our trading partners—especially the newly industrializing countries—provide better protection, too.

### **Climate Responsive Technologies**

Climate change is the most serious challenge human society has ever faced and everybody including business houses has already realized the gravity of the issue. Reduction of carbon footprint from the industries and other relevant sectors not only helps to improve the environment but also results into increase in profit from the business. With the 'save environment' actions gaining momentum among common people, it is now high time to explore novel technologies and share knowledge among the stakeholders. Pattern of investment and time management required for adaptation of technologies varies from sector to sector. However, they all necessitate action with firm commitment to succeed and continuous improvement. Generation of employment and livelihood opportunities, poverty reduction, removal of regional and social disparities, agricultural and industrial growth and environmental sustainability are key elements of inclusive growth.

### **C) Capital Resources**

Let us assume that, as a nation, we do a magnificent job in technology. We have a wealth of research that has commercial potential. We quickly and broadly apply technological innovation to create market advantages, and we protect our intellectual property. All these advantages could be to no effect if we have created for ourselves a major disadvantage in another area—capital resources. This is where economics and technology really merge.

First government must reduce competition with industry for defence capital resources

Second, our tax system must be restructured. It discourages savings and encourages borrowing. It also results in the highest effective tax rate for that sector of our economy most affected by international competition—manufacturing.

A third way to lower the cost of capital Indian firms is to pursue a more stable monetary policy. Unstable monetary policy adds to high capital costs, because it forces lenders to add risk premiums to their loans.

### **D) Human Development and Training**

The most insightful business strategy in the world is doomed to failure if it lacks a dedicated team of players to carry it out. The third area of inquiry was human resources, and it is found that the India faces a number of unmet challenges in this area. We must strengthen the capacity of our nation's research universities to explore promising areas of innovation and to train the scientists and engineers we need.

Second, we must create better ways of helping our mature work force adapt to change.

Third, both Indian management and labor need to recognize their shared stake in the competitive challenge and find ways of forming a consensus on goals within their business organizations.

## **Future Aspect of Inclusive Growth in Global Scenario**

*“If Globalization is a Bowl of Cherries, why are there so many Glum Faces around the Table?”<sup>21</sup>*

Felipe and Hasan (2006) estimate that there are about 500 million people unemployed and underemployed in developing Asia. During the next decades, labour force of developing Asia will increase significantly, from about 1.7 billion people in 2005 to almost 2.2 billion in 2030. Countries like Pakistan, Bangladesh or the Philippines, where population growth rates are still relatively high, will have to pay special attention to the question of job creation.

Roads, railways, utility systems, flow of ideas, and connectivity of different nations are needed in every economy, and the lack of infrastructure services signal barriers to growth and underdevelopment. Infrastructure development promotes inclusive growth and reduces poverty by creating additional jobs and economic activities; reducing production and transport costs through improved transport and connectivity; expanding overall production capacity; connecting markets and other economic facilities that may extend beyond the country; and improving access to key facilities such as health, education, and other basic services. This is particularly true where infrastructure systems encourage growth to be more inclusive so that it can better reduce poverty. In this context a laboratory for exploring strategies and tactics for inclusive growth, is highlighted. An infrastructure deficit is constraining market-led growth and access to social services in many countries. Firms and farms do not grow in less-connected areas; and in these locations, people lack access to goods and services, including those for education and health that could build human capital. Businesses cannot compete since utility services are not available at commercially viable rates. Functioning infrastructure systems, therefore, can be a good measure of development.

A job is the means not only to receive a wage (and therefore to be able to consume) but also to participate in society. Human work is a conscious activity, purposive and fulfilling in that it is the instrument that allows human beings to be someone. As human beings, we have a working consciousness that allows us to develop our human creativity, the ability to create meaningful new forms. This attribute is what distinguishes us from other species. Work matters – to us as individuals, to our family and friends and also to the communities and societies in which we live. Indeed, work is one of the most defining aspects of our lives. Unemployment and underemployment cause not only direct economic costs (e.g., loss of potential output and income, lower tax revenues due to a lower tax base, deterioration of labor skills and productivity), but also social costs such as poverty, misery, malnutrition, and injustice.

## **Conclusion**

This paper has discussed the new concept of inclusive growth that should result in full employment and universal education which lead to sustainability. Growth is inclusive when it takes place in the sectors in which the poor work (e.g. agriculture); occurs in places where the poor live (e.g. undeveloped areas with few resources); uses the factors of production that the poor possess (e.g. unskilled labour); and reduces the prices of consumption items that the poor

consume (e.g. food, fuel and clothing). I realize that there are more than one way to achieve this objective, which means there should be plenty of room for creativity. In other words, inclusive growth is not only about expanding national economies but also about ensuring that we reach the most vulnerable people of societies. The “equality of opportunity” and “participation in growth by all” with a special focus on the working poor and the unemployed are the very basis of inclusive growth. Inclusive growth as growth that allows all members of a society to participate in, and contribute to the growth process and to live justly and in harmony. I have argued that in a modern capitalist economy the necessary condition for a citizen to participate in society is that he/she has access to a meaningful job. Given this, the paper has offered an interpretation of inclusive growth as a clear policy objective, namely, the achievement of full employment, that is, a state of zero involuntary unemployment. Developing Asia is home to about 500 million people unemployed and underemployed. This is a major cause of poverty. Poverty gives birth to crimes. An economy running as close as possible to full employment can deliver a great deal of benefits, both economic and social. For this reason, being as close as possible to full employment should be an explicit objective of policy makers across the world. I have argued, however, that in today’s world, characterized by globalization, rapid technological progress, and the opening of formerly Communist countries, plus China and India, to the global capitalist market, it will be very difficult to achieve full employment. Development at any level, often fails to tackle three overarching elements: poverty, unemployment and inequality. Therefore, there is a need to address the quality and inclusiveness of economic and educational growth.

Some initiatives that tackle inclusive growth by addressing the following aspects:

1. Create opportunities for quality education and secure future of vulnerable section of the society.
  2. Create opportunities for good and decent jobs and secure livelihoods.
  3. Support inclusive and sustainable business practices.
  4. Promote better government policies, fair and accountable public institutions.
  5. Reservation should be on the bases of economic status not on the bases of backward caste.
- The inclusive economic portion of our work is deeply interconnected with other areas of our action, namely equal educational opportunities ,food security and nutrition, water and sanitation, sustainability, gender equality and public-private partnerships. By expanding opportunities and reducing vulnerabilities with the hope to ensure sustainable economic growth for all, leaving nobody behind.

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