



<https://doi.org/10.15407/econforecast.2020.01.112>

УДК 338.22.01

JEL: A13, B52, D63

Ol'ha Popova, Doctor of Economics, Professor
Chief Researcher
Institute for Economics and Forecasting, NAS of Ukraine
ORCID 0000-0003-2642-9393
e-mail: olgpomail@gmail.com

INCLUSIVE DEVELOPMENT: A NEW CONCEPT OR AN UPDATE OF THE SUSTAINABLE DEVELOPMENT CONCEPT?

The article substantiates that the concept of inclusive development was formed in the process of evolution of the concept of sustainable development, which remains dominant for civilizational development in the 21st century. The transition to the sustainable development model is permanent process; while its versions change as certain its components are set as priorities (economy, ecology, or social sphere). The goals of achieving equality and social justice were declared in the concept of sustainable development. The concept of inclusive development renews and enhances the socio-economic dimension of sustainable development. Inclusion is an area of compromise between the social and economic spheres of sustainable development. In addition to these areas, ecology, territorial inclusion, and inclusiveness between present and future generations should also be implemented.

Inclusive economic development is progress that benefits the whole population, so that everybody, thanks to active participation in social processes, enjoys benefits in various areas of his or her life. Creating conditions of solidarity, equal opportunities, access to resources, etc. is an important element of sustainable development strategies for all people. Appropriate institutions are a necessary but insufficient criterion for inclusion, as they should be matched by the behavior of every person in society. It is therefore important to create an environment of tolerance and solidarity for inclusion.

Summarized key principles and international benchmarks for inclusive development. Modern strategies in the context of inclusive development are presented, which are developed and implemented in various countries: building a harmonious society (China), equal living conditions in the city and countryside (Germany), and enhancing corporate social responsibility of large business entities (France).

Despite the obvious prevalence of positive effects, some ambiguities of inclusion are emphasized. As a means of providing access and development opportunities for citizens, including their broader involvement in economic activity, inclusion is quite costly, but one cannot disagree with the conclusion that the cost of exclusion and lost profits is even higher.

The publication was prepared for the implementation of the R&D on "Inclusive Rural Development in Ukraine" (state registration No 0117U005465).

Keywords: *inclusive development, the concept of sustainable development, social inclusion, economic inclusion, strategies for inclusive development, inclusive society*

The current social diagnosis (exacerbation of the inequality between people in wealth and opportunities for personal development, violations of human rights, and discrimination) highlights the need to move to public, egalitarian (from the French *égalité* - equality), and inclu-

sive development. It becomes clear that the economic growth in previous years failed to resolve these problems, some of which are now even worse than before. This creates challenges for further economic progress and social cohesion of societies. Therefore, official international documents, scientific papers and public discussions all focus on inclusiveness. It is usually more about inclusive education, social inclusion and less about economic inclusion, although the expediency of using inclusive approaches in multiple spheres of life seems more and more obvious.

Inclusion is such a principle of organization of life in society and, in particular, in the economy, according to which all people are given access to such vital areas as resources, jobs, education, culture, political decision-making, which increase their chances of well-being, self-realization and acquisition of a higher status, while no person (regardless of appearance, origin, state of health, gender, place of residence, etc.) feels excluded from social processes. Inclusion is based on two pillars: 1) creating opportunities / chances, including economic ones, for all members of society; 2) participation in the distribution of benefits from development and sustainable growth. However, the "passive participant" approach to inclusion (when people benefit from economic growth without taking an active part in increasing income) as a result of partial redistribution of income in their favor (via various forms of state support) is no longer supported.

The emphasis of economic inclusion lies on productive employment for all groups of the population, their involvement in economic activities and creation of added value. In addition, in this way, their participation in the distribution of income is ensured.

Actualization of inclusion under the modern challenges

First, *the effects of economic growth prove to be insufficient to reduce poverty and unemployment*. Thus, in recent years, economic growth has not transformed into employment growth, although the two processes are usually considered relative. Researchers have found that while in the 80s of last century, a three percent GDP growth produced a one percent increase in employment, in the 90s; only an eight percent GDP growth produced a similar employment increase [1]. Although poverty has been reduced by almost half since 1990, there are still a large number of people living in poverty.

Second, *inequality between rich and poor has even widened*, and presently the gap, particularly in OECD countries, is the largest in 30 years. Such inequality complicates the task of overcoming poverty, because while a 1% increase in income reduces poverty by 4.3% in countries with lower income inequality, in countries with higher inequality such an income increase only reduces poverty by 0.6% (according to a World Bank research) [2]. The number of billionaires in the world has doubled in the last decade; At the same time, according to a study by the international association of anti-poverty organizations Oxfam, financial situation of the 3.8 billion poorest people has not improved,. It is becoming increasingly clear that further progress in overcoming poverty depends not only on economic growth, but also on *how well the poor will be able to benefit from it*. The great strategist Roosevelt noted in the 1930s that "our progress is not tested by increasing the wealth of those who already have much, but by whether we are able to provide enough for those who have too little" [3].

Third, one of the challenges is now *the slowdown of economic growth* in both developing and developed countries. In the past, the basis of the positive dynamics of social development was the large-scale industrialization (reorientation of the economy from agriculture to industry and increasing productivity in these sectors). However, the problems of the XXI century indicate that the situation will develop differently. Presently, when people stop farming, they mainly move to informal employment in urban areas, where productivity is low too. The

possibilities for industrialization are largely exhausted, which makes people look for other levers to provide progress.

And this lever of economic development and growth can be an active involvement of each person in economic activities. Economist R. Hausmann notes that economic growth becomes unstable when a large part of the population does not participate in it [4]. Robert Solow (one of the authors of the paper on "Strategy for Sustainable Growth and Inclusive Development") notes that exclusion of some part of the population (by gender, age, and ethnicity) from receiving benefits leads to the loss of those people's abilities [5]. Thus, the economy is increasingly influenced by factors that were previously considered non-economic (ecology, social responsibility, and inclusion), which now acquire economic characteristics and dimensions.

Inclusion as a strengthening of the socio-economic component of sustainable development

Increasing imbalances between economic and social progress and resource provision (together with environmental damage) lead to wealth stratification, gaps in the socio-economic situation of urban and rural residents, unemployment, and inequality in access to education, medicine and other basic goods. And this happens despite the fact that the development of civilization since the 90s of the last century has been focused on sustainability and the recognition by the international community of *the concept of sustainable development as dominant*.

So how do the concept of inclusive development correlate with the concept of sustainable development?

Some scholars, comparing the principles of the concept of sustainable development with those of inclusive development, argue that "inclusive development is a new concept that has fundamental differences. Sustainable development creates the basis for inclusive development" [6]. At the same time, these scholars quote the main principles on which the concept of sustainable development is based, among which are "achieving equality and social justice; and ensuring social self-determination and cultural diversity", which corresponds to the principles of inclusiveness. As they rightly argue, "the Global Sustainable Development Goals are closely linked to the concept of inclusiveness," because both are developed based of the inclusive approach. They reflect the logic of transformation of the models of economic dynamics as "economic growth → sustainable development → inclusive development", suggesting that each subsequent model does not deny, but harmoniously develops the previous ones.

Then is "inclusive development a new concept" formed because of the transformation of previous ones, including the concept of sustainable development? The principles of inclusion (in particular, the achievement of equality and social justice) have already been defined in the concept of sustainable development. The author of this article believes that the concept of inclusive development harmoniously fits into the context of the concept of sustainable development (representing its part), and develops, updates and strengthens the socio-economic aspect of sustainable development. Actually, *inclusion is an area of compromise between the social and economic aspects of sustainable development* (Fig. 1).

Isolation of and modern emphasis on the concept of inclusive development once again testifies to the scale and dynamism of the concept of sustainable development as a dominant guideline for social development. In 1992, the UN Conference on Environment and Development established, at the conceptual level, the basic principles of sustainable development, which are its socio-economic and environmental balances. The process of transition to the model of sustainable development is permanent, transitions occur from one version of this development model to another, with setting individual components as priorities for particular periods.

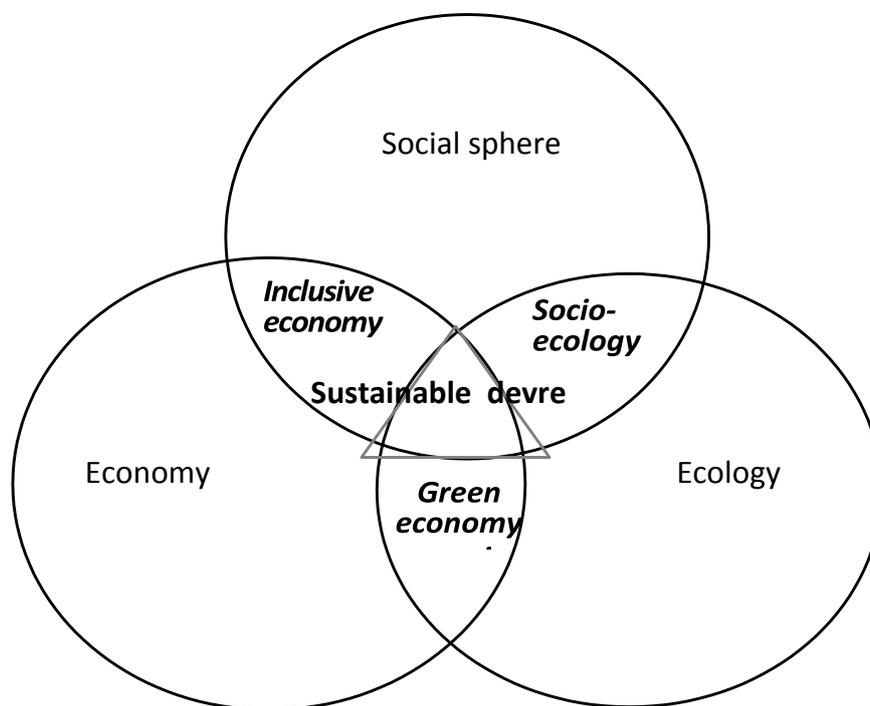


Fig. 1. Inclusion as a compromise area between the concepts of sustainable development

Source: adapted and supplemented by the author based on [7].

It is worth mentioning that after the approval of the concept of sustainable development, special attention was given to environmental aspects, and, over time, the concept of "green" economy was formulated. But at the same time, it was emphasized that it is illegal to consider sustainability as a way of environmentally sound management of natural resources (which can cause social and economic harm) [8] and that it is necessary to strengthen the social component of sustainable development. It is exactly the concept of inclusive development that reinforces the socio-economic component of sustainable development: people (all and especially vulnerable ones) must have a chance at life, including involvement in the economy (relying on their knowledge and innovation), and benefit from economic growth. To include this aspect, researchers of inclusiveness often use the term "inclusive sustainable development" (previously they used the term "environmentally sustainable development"). And although there is a certain essence tautology, such a combination reflects the priorities of particular aspects of sustainable development.

Increasingly, supporters of economic growth too point to the need for its inclusiveness (that is, involvement of a wider range of people in economic activities and distribution of economic benefits, and strengthening the responsibility for environmental consequences), thus balancing the position of deterministic growth, which often fail to mean prosperity for every member of society.

In the context of inclusion, of special interest is the renewal of the triad of sustainable development that follows from the 2030 Sustainable Development Goals, namely "people, planet, prosperity". That is, people are placed first (as the social component of sustainable development), then comes the planet (environmental component) and finally the prosperity (economic component). This triad is essentially formulated as a syllogism (logical inference,

where the third judgment follows from the first two). If people (at local, regional, or planetary level) enjoy the benefits more equitably (access to resources and benefits; justice; broad participation at all levels), have better education and more opportunities (in terms of infrastructure, innovation, security, and viable settlements) and manage natural resources in a sustainable way (production and consumption), then as a result, economic prosperity is higher. Simply put, if the capabilities of people and the resources of the planet raise the ability to meet human needs in the short and long term, then the descendants will get significant benefits for their sustainable prosperity (current inclusion and inter-generational inclusion).

Thus, the concept of inclusive development was formed in the course of **evolution of the concept of sustainable development**, which remains dominant in the XXI century. The internationally approved Sustainable Development Goals (a concept for the development of global civilization in the coming years) of 2030 declares the task of ensuring prosperity and a full life *for all people*. Justice and equal opportunities are an essential element of the strategies of sustainable development, as stated by the authors of the World Bank report [5, p. 62]. Implementation of an inclusive development model would promote sustainable growth [9].

Besides, the basic conceptual framework for sustainable development (a progress that meets the needs of the current generation without threatening the ability of future generations to meet their own needs) aims to **ensure inter-generational inclusion**. A sustainable future for everyone means human dignity, social integration and protection of the environment; it is a future in which economic growth does not aggravate inequality, but provides economic prosperity for all, and where the environment and labor markets are designed to make it possible for all to enjoy their rights and opportunities, and economic activities are environment friendly [10].

The skepticism of individuals about the practical feasibility of inclusion and the goals of sustainable development does not mean that we should stop striving for their implementation. This is a prism through which each country must consider the existing problems and evaluate actions; these are ideological guidelines for the self-organization of society, its members, business, etc.

Inclusion as an area of compromise between social and economic spheres of sustainable development is demonstrated by the inclusion in business activities. However, most often it is still just a question of social business, which approach seems unjustified, since other types of business can be inclusive too. For example, if a business is built based on the principle of solidarity, for example, when a vulnerable group of agri-food producers (small farmers) provides products to vulnerable consumer groups like schoolchildren, low-income families, etc., or when rural households, as small tour operators, provide tourism products and services to tourists with special needs.

Another aspect of inclusion in business is inclusiveness of the team, whose members are selected regardless of appearance, origin, gender, health status and so on. MacKinsey consultants claim that "groups not represented in the team mean the company's unearned profits", because monotonous teams in business decision making are not able to go beyond their life experience.

At the same time, inclusive employment should not be understood purely as creating conditions for employment of people with special needs, as it also involves flexible schedules and other working conditions suitable for a wide range of job seekers, depending on their needs (remote, hour based work, etc.) Inclusive business is characterized by the use of various forms of feedback, provision of employees with opportunities for professional development and so on. The subjects of such a socio-economic trade-off in the context of inclusiveness are both employers and employees.



One of the innovations of business development in the context of inclusion is the transition from social corporate responsibility to *social corporate activities* (preventive actions of business).

International guidelines for inclusive development

The first step towards conceptualizing, analyzing and engaging social inclusion was the UN report on "Building an Inclusive Society: Practical Strategies for Promoting Social Inclusion" in 2007 [11]. It quotes the definition of an inclusive society as a society for all, where everyone with their rights and responsibilities plays an active role (the definition was approved at the World Summit for Social Development, Copenhagen, 1995). Inclusive society is based on the reasonable values of justice, equality, human dignity, rights and freedoms, and the principles of inclusive diversity. Society provides for all its members appropriate mechanisms that enable citizens to participate in decision making that affects their lives and ultimately shapes their common future (see box).

Box

Main elements needed for the transition to inclusive society

- *The supremacy of law and the existence of legal institutions.*
- *Respect for the rights, dignity and privileges of everyone in society, support and security of people's responsibilities.*
- *Inclusive policies, institutions and programs that address the poor and consider gender aspects, and national and subnational levels.*
- *Equal opportunities for active participation in public, social, cultural, economic and political activities.*
- *A mature civil society (rights, responsibilities, participation, citizenship and mutual confidence).*
- *Equal access to information, infrastructure and facilities.*
- *Wider opportunities for marginalized and excluded people.*
- *Cultural pluralism, respect and recognition of diversity.*
- *Open space and opportunities for participation in the formulation of common goals and vision; the need for continuous dialogue.*
- *Efficient decentralized management of the economy of towns and villages with the participation of communities and their members.*
- *Fair distribution of economic and social resources and benefits.*

Five dimensions of social inclusion are proposed - from lower to higher levels:

- 1) *visibility*: being noticed and recognized;
- 2) *consideration*: problems and needs are taken into account in policy development;
- 3) *interaction*: access to social interactions;
- 4) *rights*: the right to act and demand realization of human and collective rights;
- 5) *resources*: availability of key resources for full participation in society.

The foundations of the concept of inclusive sustainable growth were developed by the Commission for Growth and Development in "The growth report. Strategies for Sustained Growth and Inclusive Development" of 2008. According to the authors, the emphasis is on sustainable growth not because such growth is the ultimate goal, but because it is necessary to solve the problems that concern people, that is, poverty reduction, employment, education, health, and opportunities for creativity. Inclusive growth is a necessary, and probably a sufficient condition for giving people a better chance to become productive workers and creative personalities [5, p. 62]. The World Bank defines inclusive growth as high and sustainable (on the condition that it includes poverty reduction), widespread in all economic sectors, involving a considerable part of labor potential and providing equal opportunities for access to

market and resources. The Organization for Economic Cooperation and Development pays considerable attention to the distributive aspects of welfare and anti-discriminational orientation of economic growth.

Researchers claim that with inclusive growth, a high level of investment, rapid innovation and robust GDP growth are achieved in parallel with the reduction of income inequality. Inclusiveness should not be seen as a constraint to growth that ensures the latter's moral acceptability. Actually, inclusiveness is a growth-enhancing strategy [4].

The European document "EUROPE 2020. A European strategy for smart, sustainable and inclusive growth" focuses on sustainable development, employment inclusion, and social and territorial cohesion.

Finally, the principles of inclusiveness are reflected in the UN Program "Sustainable Development: Goals and Agenda 2030" (approved to replace the "Millennium Development Goals by 2015"), which serves a guide for governments and citizens of the planet and stipulates:

- overcoming poverty in all its forms,
- promoting well-being and productive employment for all,
- providing universal access to resources (water, energy, ecosystems, etc.) and opportunities for all (inclusive education, innovation, justice, infrastructure, and sanitation),
- attaining gender equality, and
- reducing inequality within and between countries.

Summarizing the scientific opinions and international guidelines, we can identify the following **key principles of inclusive development**:

- broad social goals, comprehensive human development;
- reduction of inequality and poverty, ensuring cohesion (*social inclusion*);
- participation of all groups of citizens in economic life, and not just in the distribution of incomes (*economic inclusion*);
- benefits to the general population, especially children, women and the elderly (*inclusion of vulnerable groups*);
- careful use of natural resources by citizens and protection of the environment, public control over the process (*environmental inclusion*); and
- creation of equal basic conditions and chances for vital activities for urban and rural population, and elimination of disparities (*territorial inclusion*).

Institutions as well as people should be inclusive. Homo economicus (economic man as a rational egoist) in A. Smith's simplified model should change to homo inclusivus, which would indicate the emergence of a qualitatively new type of man (homo humanus). According to the Nobel Prize winner in economics J. Buchanan, human strives for freedom not in order to maximize utility, but to become the human he wants to be [12]. A positive change in the essence of a human who wishes to meet the modern requirements of homo inclusivus will mean intensifying his participation with other humans' in attaining what they wish to attain.

On the one hand, the correct institutions (guarantees of property rights, human rights, and personal and economic freedoms) are a necessary but insufficient criterion of inclusion. Because, on the other hand, it is exactly each person's proper behavior in society, consideration of values, self-discipline, recognition of the supremacy of law and the principle of remuneration, non-violence, and diligence that ensures the effectiveness of inclusive institutions.

Inclusion requires economic costs and sometimes seems contradictory

The logic of market economic system is subject to the need to consider people's individual interests as long as they serve the purposes of this system, that is, profit making. At the same time, as experience shows, the market system not only excludes a significant part of society (and not only the unemployed), but also considerably limits the interests of working people (in terms of wages, benefits etc.).

Along with meeting the basic needs for education, access to resources and public transport, etc. in the context of inclusion, it is important to provide all people with opportunities for employment, and the development of their individual abilities. Inclusion is associated with flexible labor markets (with insignificant restrictions on employment), low business taxes, incentives for innovation, high spending incurred by government, business and citizens on education, professional training, unemployment benefits, and health care and an equalizing social policy. It is obvious that creating a job for a person with special needs can sometimes be much higher than for a regular worker.

In addition, it is necessary to create an environment of social tolerance and cohesion. Of special interest are thoughts of researcher Simon Haihou on changing attitudes towards certain groups (disabled people, migrants) depending on economic factors. According to him, when the economic situation is favorable, labor force coming from abroad are welcome, while as soon as situation gets worse, the attitudes change [13].

The UN report on "Building an Inclusive Society: Practical Strategies for Promoting Social Integration" of 2007 notes that **the cost of inclusion is high, but the cost of exclusion and missed opportunities is even higher** (in terms of social conflicts, violence, division of society, etc.) [11].

Thus, there are a few factors important for inclusion. *First*, it is the general level of a country's well-being, and the higher it is, the more tolerant the attitude towards the vulnerable and deprived groups. *Secondly*, given the growing inequality in wealth, the approach "that the rich share with the poor" is important. But not in the literal sense, but in the form of participation (as partners, together with the government) in providing the vulnerable groups with access to resources in order to raise their chances in life, as well as their social responsibility and solidarity. *Third*, to overcome inequality and reduce barriers to social integration, the most important thing is political will and only then comes money.

In part, the positive effects of inclusion are obvious, for example, as to social and financial inclusion. But what about the system of total face recognition and tracking of citizens' behavior ("see everyone"), which is being introduced in several countries? Some see this as the end of personal freedom, others as the ability to control crime. By the way, this system made it possible for China and Singapore to overcome the current coronavirus epidemic in an orderly manner.

The thesis "equal rights for all", that is, equality of all before the law is indisputable, as is the desire to provide equal opportunities for all people. And if people are given economic freedom, isn't the inequality in their property a consequence of the difference in their abilities? So which is better from the standpoint of inclusion - equality in poverty or higher living standards in a stratified society? ¹ Sometimes not everything is clear.

¹ For example, Chinese sources report that back in the 1980s, many families ate once a day, but now all Chinese are provided with plenty of food. During this period, inequality in terms of Gini coefficient has increased, and experts argue that granting economic freedom allowed talented people to develop their abilities.

Strategies of inclusive development

In the context of inclusive sustainable development, there are well known strategies like "harmonious society" of China, or "equality of living conditions" of Germany. In France, inclusiveness is codified as a component of corporate social responsibility of the business-persons.

The strategy of a "harmonious society"², formulated by the Chinese leadership at the beginning of the XXI century, proclaims that the social basis for development should be a society where everyone can realize their potential, get their share and live in harmony with other people. The strategy focuses on concentrating efforts on creating cohesion and mutual assistance, encouraging the "movement to support the poor", and building a "middle-class society". In the context of this strategy, the positions of China's domestic and foreign policies were revised, in particular, the transition is underway from export policy to the creation of demand for manufactured goods on domestic market due to increased solvency of the Chinese people ("emancipation of consumption"). In order to overcome the dependence of the Chinese economy on Western technology markets, the transition from "Chinese production" to "Chinese creativity" and innovation is strongly supported. Particular attention is given to the development of small and medium-sized enterprises (small-scale production can be started just by declaration, and only after five years will the inspection begin).

There is reason to conclude that inclusion (as provision of citizens with access to resources, education, opportunities for small and medium-sized businesses, economic freedom, etc.) is a strong foundation for China's socio-economic prosperity. At the same time, it should be noted that inequality (in terms of Gini coefficient) in this country has increased.

Partly due to China's rapid economic development, the share of the world's population living on less than 1.9 USD per day declined from 29% in 1999 to 13% in 2012 [10]. However, disparities are still significant, particularly between urban and rural development: although the average annual growth of per capita income in urban and rural areas is the same (at 7%), the income of urban residents still exceeds that of rural residents three times.

Recently, in Germany, in the context of inclusiveness, a target guideline has been implemented - "equality of living conditions" - as a basis of the "general strategy". The Coalition Agreement of the parties of 2018, among the goals to be pursued by the government, mentions creation of "equal living conditions in viable communities in urban and rural areas, in the East and in the West." This means a broad public consensus that living conditions should not be very different. This goal should be presented in the Basic Law as a foundation for social unity. A commission of the federal government with representatives of the federal lands and leading associations on the issue of "equal living conditions" was created. This represents a new supportive system against growing inequalities between urban and rural areas.

To reach this goal, attention to rural development is being further strengthened, although for many years this area has been integral part in supporting the development of agricultural structures as it is. The development of the Special Framework Plan "Rural Development" is envisaged, whose cross-cutting tasks concern various departments. And this will be done in the context of the agricultural policy guideline "to preserve the vitality of rural areas". The

² The strategy of a "harmonious society" is based on the traditional understanding of the notion of "harmony" in Chinese culture. The word "harmony" expresses the key meaning of the existence of things at all levels - from an individual to the state and the world. The core of harmonious culture are the following principles: 1) "unity of Heaven and man"; 2) "unity of all people" (in the country); 3) "harmony inside man" (soul and body).



idea is to lay foundations for the prosperity of rural areas (despite the great variety of initial conditions) and ensure a decent standard of living for the rural population [14].

In France, inclusiveness is becoming an important component of corporate social responsibility. Under the 2001 New Economic Rules Act, French companies listed at the stock market were required to provide social and environmental information in their annual reports. This information should reflect data on: employment with an analysis of possible difficulties in hiring and information on staff reductions; organization of working hours; wages and their dynamics; working conditions and safety; training; integration and employment of people with disabilities; company income and social schemes, etc. As of the beginning of 2007, 1,500 companies signed the approved Diversity Document, pledging to maintain cultural and ethical diversity of their employees at all levels [15].

In 2017, the French Parliament became the first in the world to approve the Law on Corporate Social Responsibility for Business. Under this law, one hundred leading French corporations are required to identify potential risks to their workers and the environment and to implement measures aimed at protecting human rights and freedoms and preserving the environment. If a company does not develop such a plan for the year, it will be fined up to 10 million euros. If the company does not have a plan and at the same time infringes the rights of employees or harms the environment, the fine will increase to 30 million euros.

There are many more examples of inclusive approaches in various areas of public life, all of which testify to the international social movement based on inclusion. Scientists note that the destructive globalization should be replaced by the inclusive one, which leads to the inclusion of all elements of the civilizational system in the general development process [16].

The lessons for Ukraine are obvious - both in terms of building a harmonious society and the equivalence of living conditions in urban and rural areas, and in terms of strengthening corporate social activity of economic entities.

Conclusions

The inclusive approach has become especially relevant in the context of multi-vectoral trends of economic growth and employment (practice shows that economic growth often fails to produce expected rise in employment) and poverty, which aggravates inequality between people in terms of wealth and opportunities for development. This creates challenges for further economic progress and social cohesion. It is becoming increasingly clear that further social progress depends not only on purely economic growth, but also on how much the poor will be able to benefit from this growth.

The key principles of inclusive development are as follows: broad social goals and comprehensive human development; reduction of inequality and poverty, a proper cohesion (*social inclusion*); citizens' active participation in economic activities (*economic inclusion*); participation in the economical use of natural resources and environmental protection (*environmental inclusion*); formation of equal basic conditions and opportunities for residents in urban and rural areas (*territorial inclusion*), and inclusion between generations. The emphasis of economic inclusion lays in the creation of conditions of productive employment for all groups of the population, their involvement in economic activities and creation of added value, and hence their participation in the distribution of income. Only improper participation in the distribution of income via redistribution by various forms of state support ("passive inclusion") leads to the formation of "professional" dependents and their exclusion from active economic activities.

Inclusive development is an updated concept of sustainable development with an emphasis on the socio-economic aspect of sustainability. The concept of inclusive development

emerged in the course of evolution of the concept of sustainable development, which remains dominant for civilizational development in the XXI century. Transition to the model of sustainable development is permanent, from one version of this model to another, with featuring individual components as priorities in particular periods. At the same time, the economy is increasingly influenced by factors that were previously considered non-economic (environment, social responsibility, inclusion), and now begin to gain economic characteristics and dimensions.

Inclusion is a costly process and sometimes contradictory in terms of its effects, which requires further research. However, there is reason to agree that the cost of exclusion (that is, exclusion of a certain part of population) and thereby incurred socio-economic losses are much higher.

References

1. Felipe, Jesus and Hasan, Rana (2006, April). The challenge of job creation in Asia. *ERD Policy Brief. Economic and Research Department Series*, 44. Asian Development Bank. Retrieved from <https://www.adb.org/publications/challenge-job-creation-asia>
2. Ravallion, Martin (2013). How long will it take to lift one billion people out of poverty? Policy Research Working Paper, WPS6325. World Bank. Washington DC. <https://doi.org/10.1093/wbro/1kt003>
3. Roosevelt, Franklin Delano (1937, January 20). Second Inaugural address. <https://doi.org/10.1037/e592422010-033>
4. Hausmann: The economy needs inclusive growth. 10.11.2014. Retrieved from <https://www.vestifinance.ru/articles/49179> [in Russian].
5. The Growth Report. Strategies for Sustained Growth and Inclusive Development. Moscow: "Ves' mir", 2009 [in Russian].
6. Mantsurov, I.H. (2018). Inclusive development as a basis for countering the global challenges of today. *Ekonomika Ukrainy – Economy of Ukraine*, 10, 71-87. <https://doi.org/10.15407/economyukr.2018.10.071> [in Ukrainian].
7. Popova, O.L. (2009). Sustainable development of Ukraine's agrosphere: policy and mechanisms. Institute for economics and forecasting, NAS of Ukraine [in Ukrainian]
8. Documents XIX of the special session of the UN General Assembly (1997, June 23-27). New York. Retrieved from <https://www.un.org/ru/ga/sessions/special.shtml> [in Russian].
9. Zinchuk, T.O. (2017, June 27). An inclusive component of rural community development. In: *Intellectual economy in the context of social transformations: perspectives of public-private partnership: materials of the III international scientific and practical forum (part 1, p.16-22)*. Zhytomyr: Zhytomyr National Agro-Ecological University [in Ukrainian].
10. UNESCO (2016). Education for the benefit of the people and the planet: building a sustainable future for all. World Education Monitoring Report. Retrieved from [unesdoc.unesco.org › ark: › pf0000245752_rus](https://unesdoc.unesco.org/ark:/61906/0203/pf0000245752_rus) [in Russian].
11. Creating an Inclusive Society: Practical Strategies to Promote Social Integration. Final Report of the Expert Group Meeting. Division for Social Policy and Development, United Nations Department of Economic and Social Affairs. Paris.
12. Buchanan, J.M. (1979). What Should Economists Do? Indianapolis: Liberty Fund.
13. Life without exception: What we know about a world accessible to all (2017). Retrieved from <https://www.wonderzine.com/wonderzine/life/life/229016-be-inclusive> [in Russian].
14. Agriculture is at the heart of society. Determination of agrarian policy directions and some data on the current state of agriculture (2015). Berlin: BMEL [in Russian].

15. Statute for diversity in the workplace. Retrieved from <http://www/institute-montaigne.org/charte-de-la-diversite-dans-l-entreprise-2050.html> [in Russian].

16. Heyets, V.M., Hrytsenko, A.A. (2019). "New pragmatism" as an instrument of inclusive globalization (to the 70th anniversary of Professor GZV Kolodko). *Ekonomika Ukrainy – Economy of Ukraine*, 1, 3-15. <https://doi.org/10.15407/etet2019.01.005> [in Ukrainian].

Received 23.01.20.

Reviewed 24.02.20.

Signed for print 15.06.20.

Попова О.А., д-р екон. наук, професор
головний науковий співробітник
ДУ "Інститут економіки та прогнозування" НАН України"
ORCID 0000-0003-2642-9393
e-mail: olgopmail@gmail.com

ІНКЛЮЗИВНИЙ РОЗВИТОК: НОВА КОНЦЕПЦІЯ ЧИ ООНОВЛЕННЯ КОНЦЕПЦІЇ СТАЛОГО РОЗВИТКУ?

Обґрунтовано висновок про те, що концепція інклюзивного розвитку ви-кристалізувалася у процесі еволюціонування концепції сталого розвитку, а остання для цивілізаційного розвитку у XXI ст. залишається домінантною. Процес переходу до моделі сталого розвитку є перманентним, версії моделі з часом змінюються з позиціонуванням певних складових як пріоритетних (економіки, екології, соціальної сфери). Цілі досягнення рівності та соціальної справедливості були задекларовані концепцією сталого розвитку. Концепція інклюзивного розвитку оновлює і посилює соціоекономічний аспект сталого розвитку; інклюзія є зоною компромісу між соціальною та економічною сферами сталого розвитку. Крім цих сфер, варто реалізувати інклюзію й у сфері екології, територіальну інклюзію, інклюзію між нинішнім та майбутніми поколіннями.

Інклюзивний економічний розвиток – це прогрес, плодами якого користується все населення, причому завдяки своїй активній участі у суспільних процесах, і вигоди відчуває кожна особа у різних сферах свого життя. Формування умов солідарності, рівності шансів, доступу до ресурсів тощо для всіх людей є важливим елементом стратегії сталого розвитку. Відповідні інститути – це необхідний, але недостатній критерій інклюзії, оскільки їм має відповідати поведінка кожної особи у суспільстві. Тому для інклюзії важливо формувати середовище толерантності та солідарності.

Узагальнено ключові засади та міжнародні орієнтири інклюзивного розвитку. Наведено сучасні у контексті інклюзивного розвитку стратегії, що розроблені та реалізуються у країнах: побудови гармонійного суспільства (Китай), рівноцінності умов проживання у місті та селі (Німеччина) посилення корпоративної соціальної відповідальності великих господарюючих суб'єктів (Франція).

За переважання позитивних ефектів акцентовано увагу на деяких неоднозначностях інклюзії. З погляду забезпечення доступу і можливостей розвитку для громадян, зокрема їхнього ширшого включення в економічну діяльність, вона досить затратна, але не можна не погодитись з висновком, що вартість виключення та упущених вигод ще вища.

Публікацію підготовлено за виконання НДР "Інклюзивний сільський розвиток в Україні" (№ держреєстрації 0117U005465).

Ключові слова: інклюзивний розвиток, концепція сталого розвитку, соціальна інклюзія, економічна інклюзія, стратегії інклюзивного розвитку, інклюзивне суспільство