

FEATURES OF INCLUSIVE GROWTH OF NATIONAL ECONOMY

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Introduction. In modern society, the content of the category “economic growth” is rethought, first of all, from the point of view of the sources of its formation, and secondly, from the position of quantitative and qualitative characteristics of the assessment of its results at different levels of the state economic system. The main trend in the development of the national economy of advanced countries is an inclusive approach to ensuring economic growth in society. Inclusive growth is fundamentally different from the traditional policy of economic growth, because it is based on the assertion that the increase in income and GDP occurs automatically and is directly proportional to the result of gradual economic growth in society. Key elements of inclusive growth are investment in human capital, job creation, structural transformation, progressive tax policy, social protection, non-discrimination, social inclusion and participation, and strong institutions.

Overview of recent sources of research and publications. Inclusive development was explored by a number of foreign scholars in their papers. Among them are D. Asmaglow, D. Robinson, E. Rainett, S. Golander, R. Boling, S. Bedos, E. Duflo. The study of the inclusive economic growth influence on the social and economic development of Ukraine was also dealt with domestic researcher’s works, in particular T. Zatonak, S. Kozhemiakin, I. Taranenko, A. Bazyluk, Yu. Barva.

Formulation of the problem.

The existing socio-economic model of Ukrainian economies has a low development potential and cannot provide a significant increase in gross domestic product. To ensure gross domestic product growth rates of at least 10% per annum, it is necessary to choose new vectors of socio-economic development of the state and regions. The weak internal potential of certain territories and industries, the lack of adequate infrastructure and incentives for the comprehensive development of the labor market create serious barriers to economic growth in Ukraine. Therefore, the search for ways of inclusive economic development in Ukraine based on the mobilization of all available resources and improving the existing infrastructure is relevant and formed the goal of the study.

The main material and the results of the study. Today, the policy of economic growth of most countries is fundamentally based on the introduction of innovations and high-tech development of industry.

At the same time, the main consumer segment of the results of this economic growth policy is the population with a high level of income and unstable demand. Given the long process of crisis in the global economy and the economy of individual countries, we should consider a vector of another development, which is designed for the low-income segment and meet their needs, taking into account opportunities and desires. An acceptable trajectory of this development by the world community of scientists has defined an inclusive orientation (inclusive – involvement), which means involvement in solving the problems of economic development of all segments of the population with the maximum use of their capabilities [1]. In this regard, the significance of studies processes of the influence of inclusive growth on the development of the national economy is being updated.

Economic, environmental and socio-political challenges of our time show that traditional models of economic growth do not fully solve the global problems of employment, equality and fair distribution of

income in society.

Modern civil society is impossible without the active involvement of all members in various types of activities, respect for the rights and freedoms of each individual person, and ensuring guarantees of security and equality.

Given the above, it is possible to distinguish the following types of socio-economic development [1, 2]:

1. Segregation (lat. segregatio – separation) – is based on the division of people in society into categories based on the difference in social statuses, which leads to a limitation of the sphere of life and interaction.

2. Integration (lat. integratio – replenishment, restoration) – involves the adaptation of members of society to a single socio-economic system.

3. Extraction (lat. extractum – extract) - the division of society into its constituent parts using the created conditions in which they are distributed unequally.

4. Inclusion (eng. inclusion) is the process of increasing the degree of participation of all citizens in society through access to opportunities and an equitable distribution of labor results [5].

Inclusive growth of the national economy is fundamentally different from standard economic growth, since it has broader goals than increasing household income and GDP. The main goals of inclusive economic growth are to shift the focus on human development and improving its well-being, reducing poverty and inequality; increasing the involvement and active participation of all segments of the population in entrepreneurship. To date, there is no single definition of the concept of "inclusive growth." Thus, the World Bank defines "inclusive growth" as the process of attracting a significant part of human capital to work and self-realization, characterized by equal opportunities in access to the market and resources. The main emphasis in this definition is on productive employment for all population groups than on income distribution [3].

There are two models of inclusive economic development [1,4]:

1. The American model – the priority in development is ensuring equal opportunities for all members of society (USA, China).

2. The European model – focuses on equality in access to labor results as a result of their uniform distribution (European countries).

Each of these models has its advantages and disadvantages:

1. The American model is extremely stimulating and creates the prerequisites for the country's development through innovation, but it does not solve the problems of poverty and income stratification of the population.

2. The West European model focuses on the most fair distribution of income among all citizens (especially the Scandinavian countries), but the level of innovation is much lower than in the American model, due to low motivation and lower costs for educational and scientific sphere [2, 14].

The policy of inclusive development of the economy should be based on the assertion that each subject of market relations is important, unique, valuable to society and has the ability to satisfy their needs. Inclusive economic development is a multifactorial and multilevel process, the basis of which is the economy of maximum employment and interaction of all entities in the context of humane development of society [5, 6]. An inclusive model of economic development of post-Soviet countries should provide for the creation of maximum opportunities for personal development, participation in all spheres of the country's life, employment and equal access to labor results. The priority of inclusive development is to improve the quality of life of the population through the formation of an economy with high employment and society with its minimal stratification [7, 9].

An inclusive model of economic growth should harmonize human, natural and productive capital not only in quantitative but also in qualitative parameters. The model of inclusive development of the national economy is presented in Figure 1.

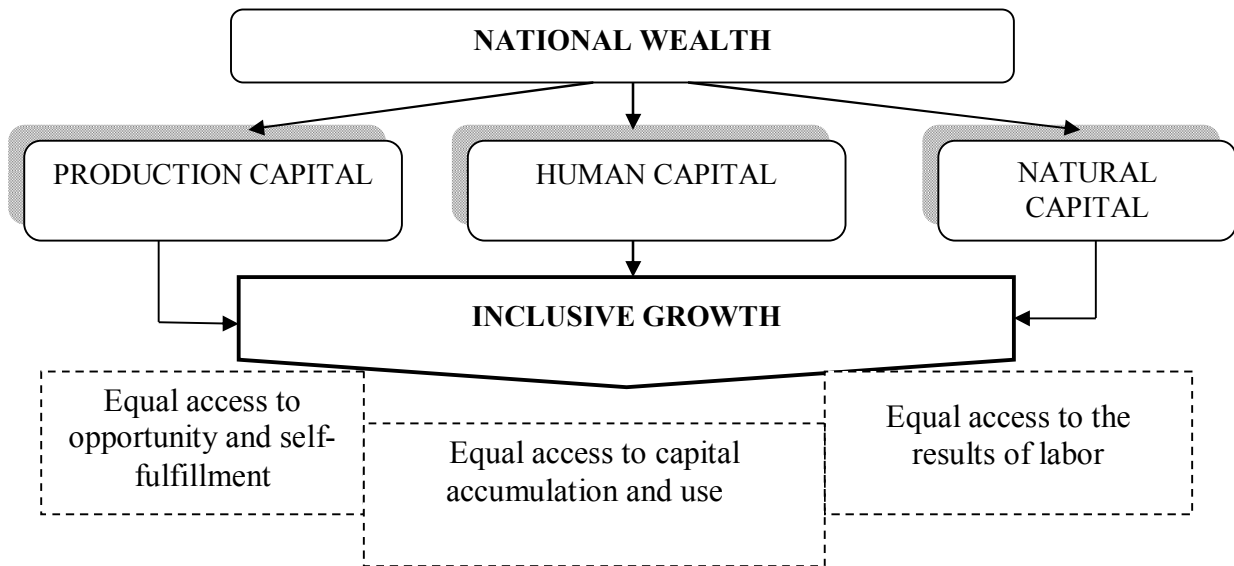


Fig. 1. Model of inclusive development of the national economy

According to the authors of this scientific article, inclusive economic development is a concept that provides fair opportunities and equal rights for economic participants, accompanied by benefits brought to each sector of the economy and different sectors of society. This approach extends the traditional models of economic growth and includes focusing on equality, the distribution of capital, the ecological state of the environment, social protection and food security [1, 9, 15].

Figure 2 shows the structural model of inclusive development of the national economy, which is based on the transition of the economic system from innovative and sustainable to inclusive development.

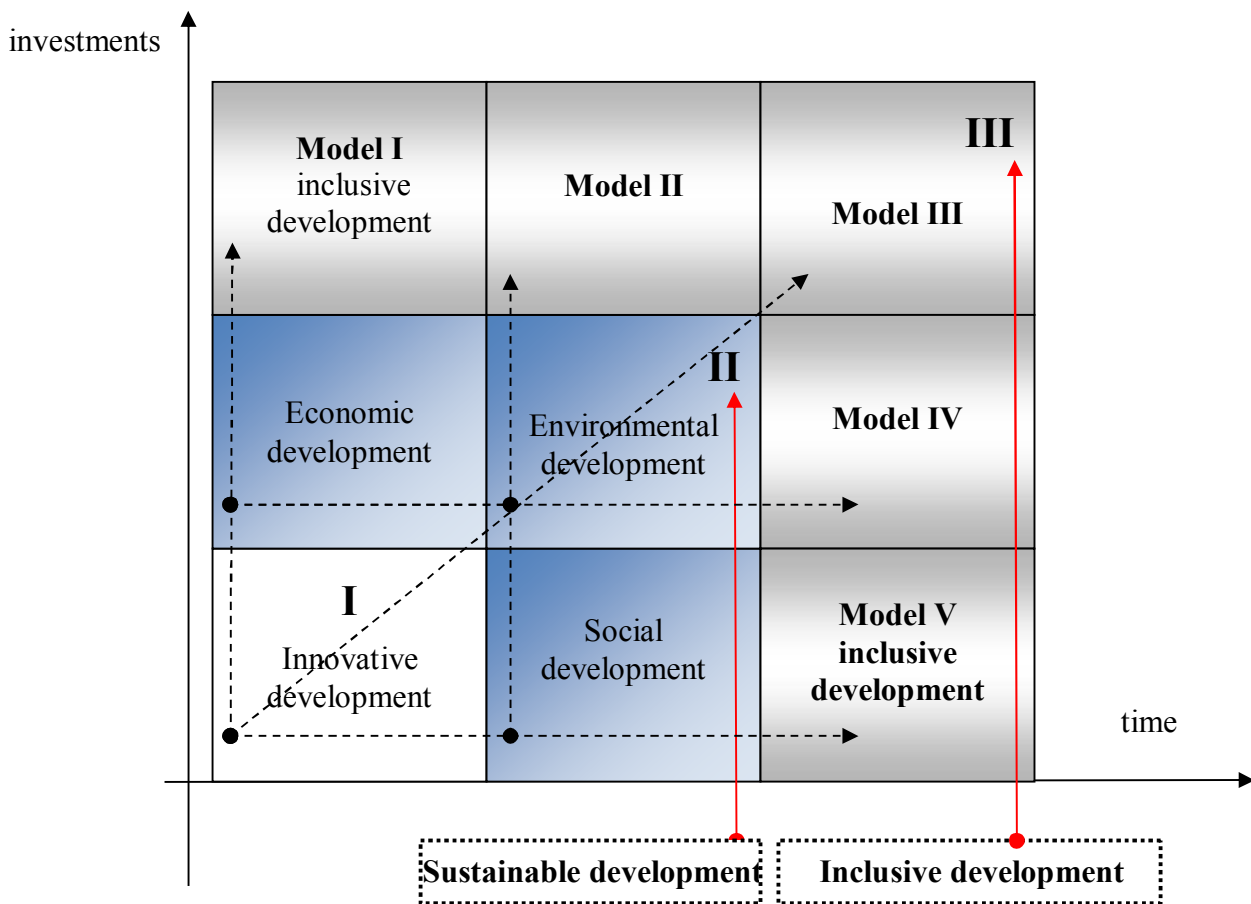


Fig. 2. Structural model of inclusive development of the national economy

Source: developed by the author

The main indicators of achieving the level of development of the national economy:

I – "innovative development" – an increase in investment in education, science, various kinds of research and the creation of a competitive innovative product.

II – sustainable development (including economic, social and environmental types of development, as well as innovative development) [3]:

- the formation of a socially-oriented development model, providing opportunities, motivations and guarantees for workers, quality and working conditions, decent wages [8,10];

- ensuring guarantees of equality of workers and equal opportunities to achieve material and social well-being in enterprises [4];

- rational use of natural resources based on the observance of the national interests of the country and their conservation for future generations, as well as raw materials to reduce production costs;

- the formation of a personnel policy with the aim of constantly increasing jobs and maintaining stability and decent working conditions, providing comprehensive support, including material support;

III – inclusive development (this development includes all of the above types of development): allows you to attract most of the workforce to effective economic activity, improving living standards [11].

The authors identify five main types of inclusive development of the national economy. Moreover, the sequence of their implementation depends on the availability of investment resources and the level of production potential of the national economy.

I model – this is innovation and economic development (increase in labor productivity and capital-labor ratio, increase in social responsibility of business, increase in wages);

II model – this is social and environmental development (creation of safe working conditions, health promotion and environmental conservation).

III model – this is innovation and environmental development (the introduction of various kinds of innovations is aimed more to environmental protection and improving the ecosystem);

IV model – this is ecological and economic development (limit of the level of economic growth of industry and agriculture, environmental barriers, the shift to cleaner production).

V model – this is socially-innovative development (the creation of new jobs for all sections of the population, government incentive programs, support and development of the labor market, individual system of motivation).

Thus, the fundamental difference between the new concepts is the following: inclusive growth of the national economy assumes that the well-being of society consists not only of the growth of real GDP and material incomes of the population, but also includes such spheres of human life as education, healthcare, personal safety, ecology and a lot others.

The key objective of an inclusive growth and development model is to ensure equal access to markets, resources and an impartial regulatory environment for various social groups; the formation of mechanisms for ensuring productive employment; increasing incomes and poverty alleviation; developing new approaches to consuming limited resources and achieving inclusive growth in the long run. In this paper, it is concluded that inclusiveness is a key aspect of the economic growth of the national economy. The vectors for the development of inclusivity belong to the social (in the center - people), economic (sustainable and balanced development, responsible consumption), innovation (investment in education and science) and environmental spheres.

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Скрильник Андрій Сергійович, кандидат економічних наук, доцент.
Катюха Сергій Євгенійович. Полтавський національний технічний університет імені Юрія Кондратюка. **Особливості інклюзивного зростання національної економіки**. Систематизовано пріоритети інклюзивного розвитку національної економіки. Визначено, що інклюзивне зростання національної економіки принципово відрізняється від стандартного економічного зростання, оскільки має більш широкі цілі, ніж збільшення доходів населення й обсягу ВВП. Доведено, що основними цілями інклюзивного зростання економіки є зміщення акценту на розвиток людини та підвищення його добробуту, зниження рівня бідності та нерівності; підвищення залученості й активна участь усіх верств населення в підприємстві. Доведено, що інклюзивний розвиток економіки це концепція, яка забезпечує справедливі можливості та рівноправність для економічних учасників, супроводжується вигодами, принесеними кожному секторові економіки та різним верстам суспільства. Такий підхід розширює традиційні моделі економічного зростання і включає зосередження уваги на рівності, розподілі капіталу, екологічному стані навколишнього середовища, соціальному захисті та продовольчій безпеці. Наведено структурну модель інклюзивного розвитку національної економіки, яка базується на переході економічної системи від інноваційного та стійкого до інклюзивного розвитку. Автори виділяють п'ять основних типів інклюзивного розвитку національної економіки. Причому послідовність їх реалізації залежить від наявності інвестиційних ресурсів та рівня виробничого потенціалу національної економіки. Визначено принципові відмінності нової концепції інклюзивного зростання, зокрема інклюзивне зростання національної економіки передбачає, що добробут суспільства полягає не тільки в збільшенні реального ВВП і матеріальних доходів населення, але й включає такі сфери життя людини, як освіта, охорона здоров'я, особиста безпека, екологія та багато інших.

Ключові слова: національна економіка, економічне зростання, включення, сталий розвиток, інклюзивний розвиток.

UDC 338.22

Skrylnyk Andrii, PhD in Economics, Associate Professor. **Katiukha Serhii**. Poltava National Technical Yuri Kondratyuk University. **Features of Inclusive Growth of National Economy.**

International human rights standards are based on the idea of each person participating in public life on the basis of equality and non-discrimination. Ensuring inclusive growth today is the main strategic vector for the development of the national economy of the leading countries. The paper systematizes the priorities of inclusive development of the national economy. The content, components and types of models of inclusive development of the national economy are disclosed. The authors proposed macroeconomic indicators of the achievement of the level of development of the national economy on an innovative, sustainable and inclusive basis.

Key words: national economy, economic growth, inclusion, sustainable development, inclusive development.

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Скрильник Андрей Сергеевич, кандидат экономических наук, доцент. **Катюха Сергей Евгеньевич**. Полтавский национальный технический университет. **Особенности инклюзивного роста национальной экономики.** Систематизированы приоритеты инклюзивного развития национальной экономики. Определено, что инклюзивный рост национальной экономики принципиально отличается от стандартного экономического роста, поскольку имеет более широкие цели, чем увеличение доходов населения и объема ВВП. Доказано, что основными целями инклюзивного роста экономики являются смещение акцента на развитие человека и повышение его благосостояния, снижение уровня бедности и неравенства; повышение вовлеченности и активное участие всех слоев населения в предпринимательстве. Доказано, что инклюзивное развитие экономики это концепция, которая обеспечивает справедливые возможности и равноправие для экономических участников, сопровождается выгодами, принесенными каждому сектору экономики и различным слоям общества. Данный подход расширяет традиционные модели экономического роста и включает сосредоточение внимания на равенстве, распределении капитала, экологическом состоянии окружающей среды, социальной защиты и продовольственной безопасности. Представлена структурная модель инклюзивного развития национальной экономики, основанной на переходе экономической системы от инновационного и устойчивого к инклюзивному развитию. Авторы выделяют пять основных типов инклюзивного развития национальной экономики. Причем последовательность их реализации зависит от наличия инвестиционных ресурсов и уровня производственного потенциала национальной экономики. Определены принципиальные отличия новой концепции инклюзивного роста, в частности инклюзивный рост национальной экономики предполагает, что благосостояние общества заключается не только в увеличении реального ВВП и материальных доходов населения, но и включает такие сферы жизни человека, как образование, здравоохранение, личная безопасность, экология и многие другие.

Ключевые слова: национальная экономика, экономический рост, включения, устойчивое развитие, инклюзивный развитие.