



Cover Page



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## INCLUSIVE GROWTH ON COMMUNITY DEVELOPMENT - INDIAN EXPERIENCE

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### Abstract

The inclusive growth in Indian expresses the comparative study of community approach is not a new thing for the world in general and India in particular. But it has been in the spot light recently for obvious reasons. From the beginning independent India has followed growth with equity, equality and social justice. A team of civil society groups in a session on inclusive growth in New Delhi in August 2007 has identified few key issues in marching towards inclusive growth. Poverty reduction and its related aspects have attracted the participants much. Most of them are unhappy over the poverty estimations and Government figures. They stressed the need for disaggregated data along social stratification, access to opportunities, access to assets etc. This research article to be discussed in Indian express with comparative study of community development.

**Keywords:** Policy Approach, Deprived Sections, Egalitarian Society, Capabilities Accessibility, Collective Objective.

### Introduction

“Almost half of the population of the world lives in rural regions and mostly in a state of poverty. Such inequalities in human development have been one of the primary reasons for unrest and, in some parts of the world, even violence”

**ABJ Abdul Kalam (Late)**

Space Scientist & Former President of India

The inclusive growth approach is not a new thing for the world in general and India in particular. But it has been in the spot light recently for obvious reasons. From the beginning independent India has followed growth with equity, equality and social justice. Not only India, but many countries of the world with active participation of state, market and civil society organizations as actors have strived to uplift the poorer sections with multi-pronged activities. India with its economic planning approach has relentlessly tried to establish egalitarian society by implementing various socio-economic welfare programs targeted towards vulnerable sections of the society. Among various partners which have to act agents to achieve such society, the state is the vital actor. It directly and indirectly intervenes and influences many activities of people that have strong imprint on their levels of living. As the subject of inclusive growth has been in lime light in 2014 during the election campaign with ‘India shining’ Vs ‘Aam Admi’ confrontation, before going into detailed debate whether our growth is inclusive or exclusive, it will be better to understand the definition and very concept of inclusive growth. The frame work of inclusive growth. Here, both growth and poverty eradication are pre-requisites to achieve inclusive growth. But the emphasis is on their sustainability in the long run and inclusion of all the deprived groups and sections of the society. Subir Gorkarn has proposed four basic parameters to identify or define inclusive growth. Opportunity, Capability, Access and Security

Is the economy generating vivid opportunities to the people to lead a reasonable life and increase their incomes over a period of time? Is the economy providing various means for people to create and enhance their capabilities to optimise available opportunities? Is the economy is able to bring opportunities and capabilities together thus the people can have better accessibility to the resources? Is the economy providing means for the people to protect themselves against a temporary or permanent loss of lively hood? These are the questions that need a willful answer from the actors of inclusive growth. The definitional consistency of inclusive growth not depends simply on higher growth rate but its sustainability and its scale, scope and contribution of it in influencing the economy in all above said four directions.

### Inclusive Growth

From this perspective it is clearly understandable that inclusive growth approach needs a long process with comprehensive outlook. In these four parameters, each one has its own significance. Thus, without a well knitted process to impact all of them, it will be a futile exercise. For example, income generation is the result of opportunity being exploited, exploiting an opportunity depends on capability and in turn capability depends on accessibility to resources. Thus, we can say that inclusive growth process and its success depends not only on its ‘actors’ but many numbers of factors including the motivation and performance of the individual himself. In other words, it is unreasonable to hold the growth or development process itself entirely accountable for the result. It is more appropriate to assess the effectiveness of the process in terms of whether or not it gives a largest number of people in progression a legitimate opportunity to earn income. Thus, it invariably involves all the stake holders that directly and indirectly influence the process of inclusive



Cover Page



DOI: <http://ijmer.in/doi/2021/10.11.74>

growth. Simply, a reduction in poverty and inequalities relatively in a short period may not be considered as a step forward towards attainment of inclusive growth. It means that enlargement of education and to attain health is certain to overcome educational backwardness and be access towards better opportunities, and also to attain physical and mental fitness for larger sections to achieve educated and healthy society.

Obviously in present knowledge-based societies accessibility to attainment of education and health by vast sections of the society will make it easier to achieve inclusive growth. Another important aspect is that not only the individual effort but collective objective forges ahead the process of inclusive growth. To quote Subir Gorkarn again he prefers to define the inclusive growth in nut shell as “the ability of the system to bring together opportunities and capabilities”. Whether the state or market mechanism that brings upon the result is a paradoxical question to answer. If market mechanism is efficient and ably supported by appropriate regulation can provide accessibility of resources to its citizens. Integrity, interaction and easy mobility are the core factors in this context. But ultimately the security factor that decides the real success. For that matter, ‘Creative destruction’ nature of market mechanism or capitalism as rightly stated by Schumpeter on one side and excess regulation or ‘encroachment’ by the state on the other as mentioned by Gunnar Myrdal can hamper the very process itself. It will be worthwhile to state here five principles ‘mantras’ identified by the economic survey of 2009-10. As a first step, the Government should initiate measures to channelise saving accruing out of high growth rate towards investible funds to the growing proportion of the population in the form of working age group. Secondly, efficiency improvements based on earlier achievements will enforce confidence in high-growth phase. Thirdly, availability of labour at reasonable wages and efficiency will open new avenues in various sectors and services in particular. Fourthly, rapid capacity addition to prevent overheating of the economy and finally, improvement and further strengthening of poor infrastructure to boost up economic growth. These five ‘Mantras’ have centered around the economic aspects and biased towards production side. The economic survey has neglected the necessity of a sound and solid correlation between the economic growth and socio-political, cultural and environmental opportunities and challenges. It also hasn’t given its eye towards participatory development approach, which is another pre-requisite for realisation of inclusive growth.

### **Inclusive Community Development**

Indian Government policies has identified few key issues in marching towards inclusive growth. Poverty reduction and its related aspects have attracted the participants much. Most of them are unhappy over the poverty estimations and Government figures. They stressed the need for disaggregated data along social stratification, access to opportunities, access to assets etc. They felt that in India desired results in achievement of inclusive growth basically depends on reduction in poverty levels in true sense. Whether it is collective assessment or individual assessment, no single poor person should be excluded from the data. The areas where in chronic and acute poverty exists, the official data is not available. It also opined that accountable evaluatory studies are not coming up regularly to identify excluded persons and sections time to time. The extent of exclusion and deprivation of food, clothing, shelter, education, health, jobs, markets, services and institutions needs to be understood. Another point it noted is that though India has strong safeguard measures to promote inclusive growth, they are not working well. Exclusion in the form regional, social and sectoral can be witnessed throughout the country. The delivery system is so poor that regions/areas with richly endowed natural resources have chronic and acute poverty to larger extent. There are many areas of concern which have to be addressed immediately.

### **Community Development**

The tribal areas are the worst affected areas where tribal communities are excluded from the mainstream of economic activity. They lack property rights; service delivery system is so weak that more than 90 percent are deprived of education and health facilities. They are highly prone for risks, crime, atrocities, land alienation, displacement and other problems. In spite of concerted developmental effort over six decades the state and civil society failed to identify and build capacities among tribal communities and to tap their hidden strengths and talents. It is also found that inspite of several mechanisms and policy approaches, we are unable to provide proper linkage and integration between agriculture and credit, which is the major area of concern in the country side. It has caused and causing for number of suicides by farming community. Dr. Swaminathan rightly pointed out recently that younger generation is reluctant to take up agriculture as their main activity as it is not so attractive as non-farm activities. Number of committees have suggested that there is every need of revamping agriculture in tune with changing times and provide non-agricultural employment opportunities to avert the agrarian crisis, with which it is possible to march forward in inclusive growth process in rural areas.

### **Policy for Community Development**

One more area is a greater relevance here is food security, where we are unable to provide food security to the millions of poorer sections of the society. In spite of various reforms in Public Distribution System (PDS), millions are living with half-filled or empty stomach. Malnutrition among children, women, SC, ST and vulnerable groups is still on high note. Deprivation of technology is another area of concern. It is established that application of latest and latent technologies in areas of activity will increase the opportunities in the form of jobs, incomes and improvements in levels of living. Low-cost mechanisms must be updated and made



Cover Page



DOI: <http://ijmer.in.doi./2021/10.11.74>

available to vast sections of society involved in every sphere of activity. It is also to note that institutional rigidities are acting as bottlenecks in harmonious percolation of fruits of higher growth to needy downtrodden people. In spite of strengthening of Panchayat Raj institutions through constitutional amendments people's participation is still bleak in Government sponsored programs. The secret of success lies in empowerment of people in many facets.

In our recent times Hon'ble Prime Minister of India, Mr. Narendra Modiji in his address to Annual conference held at New Delhi, has emphasised that good governance is the key to inclusive growth, he remarked that corruption is the foe of pro-poor growth strategy. He argued that if Indian economy is freed of institutional and administrative shackles, it can gallop like a tiger in all aspects. As major proportion of Indian population is now in the form of younger generation ambitions and aspirations of youth have to be taken into consideration and employability of youth has to rejuvenate. The rural areas have to get special consideration in each and every spectrum of development and thus it leads to fulfillment of inclusive growth strategy.

Identification of factors that articulate inclusive growth is obviously a cumbersome effort whether it is economic or political or social inclusion. But in true sense a culmination of these three aspects in inclusive growth strategy only fillips confidence in individual and leads overall development. Historically, it is proved that economic empowerment acted as catalyst for the social and political empowerment. As stated earlier it is the state that has to play a vital role in this context. With its planning strategy and budgetary approach, it has to support the individuals particularly the under-privileged. In other words, it is termed as financial inclusion. Each and every rupee spent by the state has to share by the citizens of the country irrespective of their affiliations. Those (including SC, ST categories, women mentally and physically disabled) sections who are unable to understand and reach various government sponsored programs have to be included in the process. For that matter employment that decides the remaining. Prime Minister Dr. Manmohan Singh aptly remarked that employment generation is one important pillar of any strategy of inclusive growth. He further expressed that we have to continue to focus on agriculture and accelerating growth and providing better incomes to the farmers. Thus, it will attract more and more investment into agriculture and that can prove ample job avenues to the rural youth. Another point he noted that focus should also be on manufacturing in creating more jobs and such approach has to take the stock of rural skills and talents and should absorb large surplus manpower of rural areas, in his words **"This is an axiom which all political leaders and opinion makers must realise if we have to provide a decent livelihood to all our people."** He emphasized the responsibility of corporate sector in working along with the state in forging ahead with strategy of inclusive growth. The better off sections of our society have to recognise their responsibility in expansion of economic activities, investment in human capabilities and in pursuit of socially, politically, environmentally and financially sustainable growth process.

### Eradication of Poverty

Indian experience in pursuit of inclusive growth dates back to the inception of economic planning process. In framing of constitution, itself our great leaders gave much emphasis to the establishment of egalitarian society, where we can march ahead with the objective of realising the socialistic pattern of society. From the first five year plan our planned strategy has revolved around reduction of poverty, provision of gainful employment and redistributive justice with more check on concentration of economic power on few hands and progressive taxation. Earlier policy measures in the form of land reforms, nationalisation of banks, group specific and area specific employment and welfare measures have had major impact on attainment of socio-economic equality. The major thrust has come from the fifth five-year plan in which a hoast of employment generation and poverty alleviation programs were initiated. Even today these programs are in continuation in one or the other name and form. From 1980's onward the economy has progressed with a new dimension and the growth rate in GDP reached new heights of over 6 percent for the first time and from that stage the economy has never looked back. This definitely benefited larger sections of the society who are in need of state support in realisation of their basic problems.

The phase of 1980-1990 decade has witnessed acceleration in wage and self-employment in order to empower the people by strengthening Panchayat raj institutions and direct funding to rural areas. All this has resulted in further declaration in poverty levels in general and rural areas in particular. The reforms period of 1990's and after math globalisation effects have caused a sea change (Paradigm shift) in priorities of the state. Market driven policies have resulted in set back to the long-term approach adopted since 1950's that has cherished a society with socio-economic equality and justice. Post reform period though helped to sustain the higher growth rate; the distributive justice agenda was pushed to back drop. Various studies have proved increase in both absolute and relative poverty levels across the country. The gap between the levels of development of developed, medium and low-income states also widened further. The World Bank studies have warned of mass poverty in developing nations including India, where more than 75 percent people could not afford to spend \$1.25 per day. The planning commission estimations for 2004-05 have shown poverty ratios as 28.3 for rural 25.7 for urban areas and 27.5 percent for all persons. The globalised economic policies though resulted in higher growth rate around 8 percent and above, it has been jobless growth, where millions of rural and urban populations suffered acute shortage of employment opportunities



Cover Page



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and it is observed that unemployment among educated youth is on alarming levels. The process of economic reforms has erupted crisis in major areas of economic activity and the agriculture sector has faced the wrath of the situation. Millions of farmers have committed suicide in the spate of global haunt in the hands of multi-nationals.

A ‘U’ turn in policy approach has been necessitated by worldwide protests by the affected people including India. Indian polity strangled between policy decisions. Ultimately people’s voice prevailed upon. It visibly came into force in many forums. The political battle of 2004 primarily based on inclusive growth. The eleventh five-year plan (2007-12) adopted Inclusive growth as its core area of concern. The approach paper has accepted/ realised the importance of bridging divides in the country in various forms. It realized that simple higher growth is not enough, but it should demonstrably bridge the divides and avoid exclusion or marginalization of larger segments of population in general and of rural areas in particular. These divisions barely visible between rural and urban, educated and uneducated, employed and under/unemployed, between different regions, states, districts and communities and finally between genders. It aptly identified the correlation between progressive reduction and ultimately eradication of poverty and bridging of these divides and a march towards inclusive growth. But poverty levels in India though in declining state, these divides are still strikingly in alarming way. In fact, continue to be a major problem in Bihar, Uttar Pradesh, Maharastra, Madhya Pradesh, Orissa and Tripura. The link between economic growth and poverty is obvious, but in majority states due to many inherent rigidities the fruits of economic growth haven’t percolated to millions of poor and down trodden.

### Community Development Programme

Thus, concerted efforts are on anvil by the central and state governments to bring the excluded sections into growth process. Strengthening of agriculture sector with specific packages, including lone waiving scheme expansion of credit structure, easy credit policy, restriction on input trade practices by T.N. C’s and regular revision of support prices and so on. To overcome the problem of massive rural unemployment, the Rural Employment Guarantee Act has been on active implementation and inspite of institutional setbacks, it is providing gainful employment and incomes to the rural poor and thus imbuing confidence among the rural poor. Efforts to enable health and education facilities to the poor providing basic infrastructure in rural and urban areas under PURA and Urban Development Programs (NARM) are also proving vital. As far as gender discrimination is concerned self-help groups in the form of ‘DWCRA’ groups are performing excellently in providing economic and social identity, individuality and empowerment of woman. These groups have made a phenomenal impact not only on lively hood of concerned families but also on various social groups in rural areas. Employment generation in urban and rural areas has been activated at national level with direct funding from central government under various schemes. Such schemes are tuned in a way to influence different sectors of the economy. It is also to be noted here that the central government and various state governments in their non methodology are implementing nutrition programs through ICDS, AAY, midday – meal scheme. The PDS has been restructured in a way to avoid misappropriation and side tracking.

Inspite of such valid efforts the problem of exclusion and deprivation is still on high note. Rectification of it needs further strengthening of rural and urban development programs in a more comprehensive and concerted way. It is the prime responsibility of the state to provide basic amenities to the taming millions. Protective measures for the upliftment of small and marginal farmers by establishing a proper linkage between credit-inputs-extension activity-production and marketing in a true sense is a pre-requisite for inclusion of these farmers, who are the highly vulnerable in rural society. It is also important to further strengthen rural infrastructure both quantitatively and qualitatively. It is the strong 35 percent of youth that decides the way and dynamics of growth.

### Conclusion

Thus, there should be an exclusive policy approach to provide opportunities and utilize their skills and talents towards the progress of the nation. Whether it is industry or services the policy approach has to take into consideration of those sections who deprived of opportunities and accessibility to resources and growth avenues. It is the decentralisation of industries and willful bias towards small industries that brings comprehensive change in rural and urban unemployed people in general and youth in particular. The inclusive growth approach has to take a long-term perspective and focus should be on productive employment rather than on direct income redistribution as a means of increasing incomes for excluded groups. But this is not to undermine the necessity of income distribution schemes by governments which will attenuate negative impacts of growth on poor. Many inherent problem and rigidities and globally imported crisis have acted as anti-agents in growth process. Thus, we are far away from egalitarian society, cherished by our great leaders. It is high time to awake and arise to realise such goal by implementing various programs in true spirit to bring all those excluded in growth, equity, equality and social justice process into main fold. It will be appropriate here to mention the strategy for inclusive growth by Twelfth five-year plan i.e (2012-2017) “to provide the mass of our people access to basic facilities such as health, education, safe (clean) drinking water etc, and that governments at different levels have to ensure the provision of these services”. I conclude this research paper with the words of Hon’ble Prime Minister of India, Mr. Narendra Modiji “An opportunity to work is good work for me, I put my soul into it. Each such opportunity opens the gates for the community development.”



Cover Page



DOI: <http://ijmer.in.doi./2021/10.11.74>

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