

# DIGITALES ARCHIV

ZBW – Leibniz-Informationszentrum Wirtschaft  
ZBW – Leibniz Information Centre for Economics

Borodina, Olena; Prokopa, Ihor V.

## Article

### Inclusive rural development : a scientific discourse

*Reference:* Borodina, Olena/Prokopa, Ihor V. (2019). Inclusive rural development : a scientific discourse. In: Economy and forecasting (1), S. 67 - 82.

<http://econ-forecast.org.ua/?>

[page\\_id=189&lang=uk&year=2019&issueno=1&begin\\_page=67&mode=get\\_art&flang=en](http://econ-forecast.org.ua/?page_id=189&lang=uk&year=2019&issueno=1&begin_page=67&mode=get_art&flang=en).

[doi:10.15407/econforecast2019.01.067](https://doi.org/10.15407/econforecast2019.01.067).

This Version is available at:

<http://hdl.handle.net/11159/6910>

#### Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics

Düsternbrooker Weg 120

24105 Kiel (Germany)

E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)

<https://www.zbw.eu/econis-archiv/>

#### Standard-Nutzungsbedingungen:

Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte.

<https://zbw.eu/econis-archiv/termsfuse>

#### Terms of use:

*This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence.*



**Olena Borodina<sup>1</sup>,**

**Igor Prokopa<sup>2</sup>**

## **INCLUSIVE RURAL DEVELOPMENT: A SCIENTIFIC DISCOURSE**

*The article considers the essential features of rural development as a multi-vector process, which not only involves economic growth in rural areas, but also requires its adaptation to human behavior, social and political structure of rural communities and their involvement in development processes. It also reflects systemic positive changes in rural areas, which are initiated "from bottom" and supported "from top". In this concept of rural development, inclusiveness is inherent.*

*The authors show that the development of the concept of "inclusive rural development" took place in the process of enrichment and specification of the theoretical concepts of sustainable development, inclusive growth and inclusive development in relation to the rural sector of society. This concept denotes a development whose result consists in the creation of proper conditions for the rural population for such purposes as: the use of land and other local resources in the economic activities; adequate distribution of the results of economic growth in the agriculture and other sectors of the rural economy; and participation in social and public life for the consolidation of communities and observance of human rights. Such development leads to the reduction of poverty, overcoming the economic, social and political exclusion of people residing in rural areas.*

*It is pointed out that ensuring the inclusive development is a function of the state regulation of national economy. To implement it in Ukraine, it is necessary to ensure, first of all, the implementation, in the regulatory and legal framework, of the global goals of sustainable development and the objectives for their achievement. That could be realized by adopting the Law on the Strategy for Sustainable Development until 2030, and, in the part of inclusive rural development, also the Law on the Basic Principles of the State Agrarian Policy and State Policy of Rural Development.*

*Key words: inclusiveness, economic growth, inclusive development, human rights, rural development, social inclusion, Goals of Sustainable Development*

JEL E24, E25, Q01

---

<sup>1</sup> **Borodina, Olena Mykolaivna** – Doctor of Economics, Corresponding Member of the NAS of Ukraine, Professor, Head of Department of Economics and Policy of Agrarian Reforms, State Institution "Institute for Economics and Forecasting, NAS of Ukraine" (26, Panasa Myrnoho St., Kyiv, 01011, Ukraine), olena.borodina@gmail.com; <https://orcid.org/0000-0002-9937-5907>

<sup>2</sup> **Prokopa, Ihor Vasylovych** – Doctor of Economics, Corresponding Member of the NAS of Ukraine, Professor, Chief Researcher, State Institution "Institute for Economics and Forecasting, NAS of Ukraine" (26, Panasa Myrnoho St., Kyiv, 01011, Ukraine), iprokopa@ukr.net

**Problem formulation.** Study of inclusive rural development leads to the occurrence of two-plain complexities. First, what is development and what is the difference between growth and development? Second, what does inclusiveness mean in regard to agriculture and rural area?

At the general (abstract) level, the difference between growth and development is clear. Growth is characterized by an economic effect and in the long run - an increase in per capita income. This is a narrowly defined technical concept that can be measured and in fact, is measured by statistical indicators. In return, development is not quite clearly defined, at least not so accurately as growth. Development leads to the situation when the level of welfare goes beyond the limits of simple income and inclusive attention is paid to the "distribution" of welfare in society. The best-known example of the difference between growth and development (in terms of indicators that can be measured) is the Human Development Index (HDI). As it is known, this indicator combines income per capita of the country with two other indicators: education (measured by literacy) and health (measured by life expectancy). HDI reflects the extension of the country's efficiency assessment in terms of income per capita considering other dimensions of human welfare.

In world science and practice, the conceptual framework of the term "rural development" identifies it as a multifaceted and interdisciplinary process that involves not only economic growth in rural areas but also requires its adaptation to human behavior, the social and political structure of rural communities and their involvement in the development processes. Moreover, considering the specifics of rural areas, rural development can be fulfilled upon condition that it is adapted to the biophysical and natural-resource potential of a specific area. It appears that the term "rural development" is associated with the process of development as a reflection of the systemic positive changes in rural areas initiated from the bottom and supported by certain political decisions from above. The above-mentioned suggests that this is a state policy in rural areas, which includes general economic, agricultural, human and social development; an essential role is also given to the processes of political partnership as an integral part of it. Such conception of rural development point at the inclusiveness of this process as an integral characteristic to it. ***The paper concentrates on*** the investigation of the general principles of inclusive rural development under the evolution of the concepts of sustainable development, inclusive growth, and inclusive development.

***Presentation of basic materials of the research.*** In the broadest term, *inclusion* is defined as the form of existence, coexistence of ordinary people and people with disabilities. It is supported or opposed by society and its subsystems. The members of society have the freedom of choice [1]. Implementation of the inclusive approach as an element of the model of "equitable" social development in the economy has been observed since the middle of the last century when new economic actors (developing economies) emerged in the world arena as a result of the collapse of the colonial system. Their attempts to establish control over development re-



sources were met by the resistance of existing international trade practices, the imperfection of the world financial system, and the method of management of "peripheral" territories. This caused an acute need for a new (inclusive) international economic order that could foresee ways to include these countries in the functioning of the world economy [2]. In the practice of international assistance to developing economies, measures of modernization found application in providing them with the necessary technologies and capital transfers, creation of new jobs, increase in incomes of households, "rejuvenation" of depressed sectors of the economy and human settlements including in particular rural areas, etc.

Along with that, the idea of inclusiveness has become increasingly widespread in the context of human rights. The need to ensure the protection of the most vulnerable population and the dignity of each person has been particularly actualized since the second half of the 1960s when the United Nations Declarations were adopted in 1966. One of the declarations determined political, the other – economic and social Human Rights [3]. However, unresolved economic problems impeded achieving this objective. In particular, the debt crisis of developing countries in the 1970s and the introduction of structural adjustment and financial discipline programs in the 1980s led to the reduction and further curtailment of subsidized health, education and poverty alleviation programs what caused expanding the crisis and social exclusion of certain segments of the population.

In the 1990s most developing economies preferred inclusive growth and the Green Revolution<sup>3</sup> rather than solving social and environmental problems. Under conditions of world globalization and instability, their choice was caused by the fears of the negative impact of changes in international financial and market systems leading to the concentration of efforts on the implementation of economic priorities while social and environmental development constructs were considered as an alternate. Subsequently, the achievement of global environmental standards received increasing attention: inclusive development requires better management of local resources since vulnerable population directly depend on their use.

---

<sup>3</sup> The "Green Revolution" is a complex of changes in the agriculture of developing countries (plant growing, expansion of irrigation, use of fertilizers, pesticides, machinery, etc.) which in the 70's of the twentieth century have led to a significant increase in world agricultural production. In 1968 the director of US Agency for International Development William Gaudi described these events as a "Green Revolution". In 1970 her "father" Norman Borlaug was awarded the Nobel Peace Prize for achievement in solving the food production problems in the world. In Europe and America it was noted that the "Green Revolution" was the "brainchild" of Ford and Rockefeller, who funded the implementation of relevant scientific and technological developments at the international research centers of agriculture in Mexico and the Philippines. These developments could only be used by the "prosperous farmer stratum". The Soviet Encyclopedia (1985) states that the "Green Revolution" "... causes such negative social consequences as the mass dispossession of land and destruction of the labor peasantry, the deepening of material inequality, the growth of unemployment and poverty resulting in a decrease in the capacity of the domestic market and as a result narrowing a base for the growth of agricultural production". The environmental consequences of the "green revolution" prove that it led to excessive chemicalization of agriculture, pollution of ecosystems, the emergence of problems with pesticides as sources of mutations and cancerous diseases in humans. At the same time, it did not solve the world hunger food problem. Even Norman Borlaug himself admitted that the "Green Revolution" was a temporary success in the struggle against hunger and hardships".



While inclusiveness did not find broad international support in political decisions and practices during the defined period, some banks of development drew attention to this approach and gradually introduced the idea of inclusiveness through accessible financial mechanisms. At the same time, public opinion was taken to the importance of solving environmental problems. These problems together with economic and social ones were recognized as the main components and dimensions of *sustainable development*. The complex implementation of the ideas of sustainable development was extremely complicated and sometimes impossible that resulted in the gradual expansion of compromise approaches. One of these approaches emerged from the concept of inclusive development. It focused on the poorest and most vulnerable social groups [4].

The idea of inclusiveness is currently being actively developed and advanced at the level of the most authoritative world organizations. In the final paper of the UN Summit 2015 "Transforming our world: the 2030 Agenda for Sustainable Development" the problem of inclusiveness is mentioned practically in all 17 adopted Sustainable Development Goals (SDGs) and in some of them the term "inclusive" is used directly. In Ukrainian interpretation, these words used as "all-embracing" and "general". The National Report "The Objectives of Sustainable Development: Ukraine" prepared by the Ministry of Economic Development and Trade and approved by the High-Level Interdepartmental Work Group for the Organization of the Process of Implementation of the SDGs for Ukraine is devoted to the implementation of the SDGs [5].

A number of above-mentioned provisions are about the issues of inclusive agricultural and rural development. However, these issues do not cover the whole range of the most urgent tasks related to overcoming the economic, social, and political exclusion of the rural population. Meanwhile, various civic organizations and movements around the world have long been engaged in large-scale actions to draw the attention of the international community to that the people living and working in rural areas often fall victim to systemic discrimination, human rights violations, and different abuses. As a significant share of peasants and other rural residents' incomes is related to agriculture, the liberalization of agricultural trade and the globalization of agri-food markets reduce their access to means of living. Many poor rural households experience significant permanent or periodic upheavals that make them reduce consumption and even sell land and property to stay abreast. Consequently, the rural population experiences excessive and persistent problems and is not able to pursue its rights in food production, rural development, and political inclusion.

Peasants from different countries across the world have exerted a joint effort to ensure that the Declaration on the Rights of Peasants and Other People Working in Rural Areas was approved by the UN General Assembly in New York on December 17, 2018 [6]. The adoption of this declaration is evidence that the countries-supporters tend to follow the provisions of the Declaration in the process of the improvement of national agricultural and rural development policy in order to protect such determinative rights of peasants. These rights will promote inclusive rural

development, in particular, rights to land, labor, social protection, decent income, food sovereignty, environmental safety, etc.

**Definition of concepts.** Although the term "inclusive development" was introduced into the scientific application in 1998, it became widely used only in 2008. It was often used as a synonym for the term "inclusive growth". But, identification of these concepts is incorrect since there are essential differences between the categories of "growth" and "development".

*Inclusive growth* is defined as "growth that not only creates new economic opportunities but also ensures equal access for all segments of the population, especially for vulnerable its representatives" [7]. The fundamentals of inclusive growth are the increase in income per capita resulted from economic growth and ensuring wide peoples' access to non-monetary components of welfare stimulated by active development of appropriate state policy with the participation of all stakeholders. However, excessive growth can lead to an excessive concentration of resources, the segmentation of labor markets, and the social exclusion of certain categories of people.

*Inclusive development* contemplates not only economic growth, but also the implementation of direct democracy principles (realization of civil, social, political rights) and the distribution of public goods (services of health care institutions, education, infrastructure, etc.) involving all members of society [4]. According to V. Kosiedovskyi inclusive is the pattern of economic development that unites society towards compliance with the standards and principles of human rights, provides everyone with an opportunity to participate in social and economic life and use the effects of economic growth, ensures non-discrimination and responsibility for the adoption and implementation of decisions. V. Kosiedovskyi notes that this definition is based on the generalization of scientific publications, the provisions of the documents of the United Nations Development Program, the reports of the World Bank, etc. Inclusive development leads to poverty alleviation and provides socially denied people with the opportunity to gain the benefits of economic growth [8].

When it comes to inclusive development, one may suggest inclusive welfare. The emphasis in this concept shifts from the flows (revenues) to the renewable resources of society – human and natural capital, population, institutional environment, and time. The analysis shows that positive economic growth is possible against the backdrop of a negative trend of inclusive welfare development: primarily human capital here compensates the loss of natural capital. This approach involves investing in the renewable potential to restore public welfare. Thus, the main attention is drawn not to rapid growth, but to the investment in the welfare of the population (including future generations) and the management of the ecosystem services on which it depends [9].

In publications concerned the study of inclusive development and inclusive growth, the following most important issues are often considered:

- solving the problems of the most marginalized social groups (poor, vulnerable, at-risk groups, women, the aged, etc.) in a non-discriminatory way towards reducing social inequality;



- "recovery" of unprofitable economic activities and depressed areas, in particular through support for development centers in suburban areas promoting the creation of job opportunities or investments in rural employment as long as a sufficient infrastructure facilities network is available;
- the creation of equal opportunities for participation of various segments of the population in social processes;
- targeted stimulation of the capacity building in the marginalized social groups to implement provided opportunities;
- knowledge building by organizing an effective educational process in the local (indigenous) population;
- the redistribution of social benefits particularly in the public road system, power-generating sector, health and educational services;
- the reorganization of existing power relations, the shift away from particularly technocratic approaches;
- the acknowledgment of customs and /or traditional rights (in particular by introducing legal pluralism);
- the expansion of self-sufficiency opportunities for the most vulnerable social groups [10].

In a society oriented towards inclusive development, agricultural growth cannot be a goal in itself or a source of currency returns and so on. In providing society with food and agricultural raw materials the growth is a basic precondition for rural communities and creates opportunities for rural communities to fulfill other important objectives as it creates reserves to support health care and the environment, education and other rural development goals.

The characteristics of inclusive development to some extent coincide with the essential features of *rural development* that is defined as a collection of processes aimed at improving welfare, quality of life, and living standards of the rural population based on the growth of the rural economy, preservation of the environment and expansion of the peoples' access to basic services [11, p. 3]. Rural development is successful when it relies on communities. In other words, when positive changes in rural areas are being made by rural communities on the basis of their assignment with property/use rights, effective use and control of local resources and provided reducing of poverty level ensuring not only more comfortable living [12, p. 3].

The common ground between inclusive development and rural development definitions is in that they both refer to the use of the results of economic growth to overcome poverty, raise the level and improve the quality of life and the participation of people and communities in the adoption and implementation of decisions regarding their livelihood. Simultaneously, the notion of inclusive development emphasizes the need to respect the civil, social and political rights of people and the economic and social inclusion of denied persons. These provisions should be taken into account in the description of inclusive rural development. It should also be taken into account that inclusiveness ensures access of all citizens not only to the results of economic activity but also to the resources necessary for its manage-

ment. Such resources in rural areas are primarily land. Thus *inclusive rural development* should be considered as the development resulted in guaranteeing and creating conditions for rural people to: use land and other local natural resources in an economic activity (not only for sale); an adequate distribution of the economic growth results in agriculture and other sectors of the rural economy; participation in social and public life to unify communities and protect human rights. It leads to poverty alleviation, overcoming the economic, social and political exclusion of people living in rural areas. Inclusiveness is a precondition for the real impact of rural people on local communities, giving them a greater chance of becoming masters, creative individuals, and productive workers.

**Assessment approaches.** Inclusiveness seeks to ensure a counterbalance to the neo-liberal development paradigm since it promotes the improvement of the social system by focusing on achieving the following results:

- Sustainable Development Goals;
- the norms acceptable in terms of human dignity;
- the observance of basic human rights;
- the perception and legalization of national traditions and customs.

Until recently the neoclassical theory of economic development did not have an unambiguous answer to the question: will inclusive development be simply a new conceptual idea, scientific term or become a sufficient foundation for sustained social transformations at the international level? The practice provides evidence in favor of the second part of this answer. In 2018 the 48th World Economic Forum (WEF) presented an evaluation system of the economic development of countries. This system was considered to be more modern than the indicator of gross domestic product (GDP) per capita which determines the country's position in the world. The system determines the Inclusive Development Index (IDI) [13]. According to the WEF, IDI should inform and promote society for sustainable and inclusive economic development. In other words, this aggregate indicator together with GDP includes 11 parameters and, therefore, it reflects the actual state of things in the country more accurately, not only its production capacity. Its 12 components are divided into three groups.

(i) *Growth and development:*

- GDP per capita (*dollars* in value of 2010);
- labor productivity – GDP per employee (*dollars*);
- healthy life expectancy (*years*);
- employment of population (%).

(ii) *Inclusiveness:*

- the coefficient of stratification of society according to income (starting from 0 without stratification to 100);
- poverty rate (%);
- the coefficient of stratification of society by the distribution of wealth (from 0, i.e. without inequality, up to 100);
- median income (*dollars*).



(iii) *Continuity of generations and sustainability of development:*

- adjusted net savings (*% of gross national income*);
- greenhouse intensity of GDP (kilograms of CO<sub>2</sub> emissions per dollar);
- government debt (*% of GDP*);
- the coefficient of demographic burden (*%*).

At first, the group indexes are formed from all of these indicators and then the final one is their average.

According to the final index in developed countries the GDP per capita (here and below: Purchasing Power Parity) and according to the index of inclusive development in 2018 the leading positions occupied following countries: Norway, Luxembourg, and Switzerland. Being only 12th in GDP, Iceland took 2nd place in terms of inclusiveness. There are also unexpected leaders among developing countries as well. Azerbaijan (26th for GDP) was in 3rd place. The 1st places in both cases occupied the European countries: Lithuania, Hungary, and Latvia.

The advanced economic state USA was in the 23rd place (out of 30) in terms of inclusiveness among developed countries. This result is explained by a large national debt, the lack of long-life expectancy, stratification by income and at the same time a very high level of inequality (86th position out of 100) in the distribution of wealth. Brazil is one of the BRICS countries appears in 37th place among the developing countries. There are also serious problems with the inequality and size of the national debt.

Ukraine ranked 49th among 79 developing countries and 78th among 103 countries with an inclusive development rate. The index of inclusiveness of the country is 3,42 points, which is 6,8% less than in 2013. This reflects a decrease in the number of people who are actually included in the economic growth and benefit from it.

According to I. Mantsurov, who took apart the components of the IDI in Ukraine, its economy has constantly softened over the last five years. IDI here cannot be classified as such that meets the international standards of inclusive growth [14, p. 84]. GDP per capita, the productivity of social work, adjusted net savings are much lower than those in the developing country group leaders and the average values of the respective indicators of this group. According to the indicator of the stratification of society by the level of wealth, Ukraine occupies one of the last places in the specified group of countries. The author concludes: this proves that wealth concentrated by several families does not work for the development of production and does not generate sufficient income for a general population and, as a consequence, reduces the inclusiveness of growth [14, p. 79-80].

The above mentioned IDIs are chosen to build the corresponding index at the level of national economies (countries). In order to assess inclusive *rural* development in countries or at the regional and local levels within countries, these indicators require some adaptation or interpretation considering the characteristics of the rural sector of society and the national statistical system. In Ukraine, for example, it is important to include mainly monofunctional (agrarian) nature of the rural



economy, the highly polarized dual structure of the agricultural sector, the demographic and settlement characteristics of the rural areas in different regions, the poor rural infrastructure, and other factors. Obviously, they should be reflected in the indicators that characterize peoples' inclusion in the economic, social and political processes in rural areas.

Among the factors influencing the deepening of inequality, causing the exclusion of individuals and groups, and constraining the opportunities for inclusive development in general and inclusive rural development, the following should be mentioned:

1) an unequal distribution of assets (land, water resources, economic capital) and local energy resources (for example, through agrarian transformations and ineffective land reform), an implementation of state policies that affect vulnerable population (for example, policies to stimulate the development of international and national parks, which leads to the restriction of access to natural resources for whose living space has been identified as a territory allocated for park placement), etc.

2) unequal access to:

- educational services (affecting the ability to ensure proper material well-being that in turn determines the level of labor productivity);
- services of health care institutions (influencing the ability to properly participate in public processes) and other infrastructure (affecting the possibility of buying and selling goods);
- banking institutions (affecting the ability to implementation of investment activities);
- labor markets (reflecting on the impact on the minimum wage, the procedure for dismissal, discrimination of certain groups, migration, etc.);

3) the limitation of participation in the development, adoption, and implementation of policy decisions (affecting participation in society, legitimacy, and accountability) leads to disproportions in the financial flows between integrated into the public life peoples and disadvantaged population.

***The transition to inclusive development.*** Most scholars argue that the market is not able to provide conditions for inclusive development. This is the target of the state keeping a constant focus on an individual whose interests are met through the implementation of human rights policy including principles of its participation in development. At the end of the last century the UN recommended to focus on the adoption and implementation of the principles of effective governance aimed at promoting integration that involves striking a balance between efficiency and equity / transparency; ensuring constitutional protection against discrimination; assistance in the adoption of human rights laws and their implementation; strengthening of related parties participation in political processes and guaranteeing their legitimacy; the harmonization of the provisions of national legislation, the procedure for taking political decisions and the realities of market capitalism, since their confrontation leads to the destruction of the traditional rights of the local population [15].



In this context, Food and Agriculture Organization of the United Nations (FAO) developed the recommendations concerning responsible state regulation of land tenure [16], since land relations and protection of land right are of crucial significance for securing inclusive development. Thus, reforming of land relations and management of water resources should include the pluralistic nature of property rights realization and must be implemented in the interests of rural communities.

Today, there is the need being actualized to implement global SDGs and tasks for their achievement that, as noted above, have a strong inclusive focus, into the regulatory framework and practice of national economies. Regarding the regulatory framework, this can be achieved in Ukraine through the adoption of the Law on the Strategy for Sustainable Development of Ukraine until 2030 and, regarding the inclusive rural development – through the Law on the key principles of the government agricultural policy and rural development policy. Relevant bills [17, 18] are registered in the Verkhovna Rada of Ukraine.

It should be noted that the provisions of the Draft Sustainable Development Strategy for Ukraine by 2030 that to a greater or less extent aimed at maintaining inclusiveness in the development of agriculture and rural areas are as close as possible to the corresponding objectives of the global SDGs. This includes, in particular, operational objective 2.1 ("to promote sustainable development of the agro-industrial complex") according to which it is foreseen in 2030 to double incomes of small agricultural producers, in particular women, family farms, breeders and fishermen by ensuring guaranteed and equal access to land, other manufacturing resources and agricultural inputs, knowledge, financial services, markets and opportunities for increasing value added, and employment in non-agricultural sectors. There are certain tasks to achieve operational objective 3.2 (poverty reduction) such as: to reduce the proportion of rural households that suffer because of the lack of a hospital near the house – 10%, insufficient provision of urgent medical services – 15%, the lack of regular daily transport connections with other settlements and developed infrastructure – 10%; to support the legislative process and to encourage the active participation of all people in social, economic, and political life, regardless of their age, gender, health status, place of residence and economic or other status.

As to the draft Law on the Main Principles of State Agricultural Policy and State Policy of Rural Development the inclusive agricultural and rural development here is presented poorer. It is noted that the state's objectives are to stimulate the development of family farms and other farming households and to create an effective system of state support for small agricultural producers, including the promotion of their unification. There are certain declared priorities: increasing employment and minimizing social exclusion, improving living standards and improving ecosystems in rural areas. In general, the directions and ways for achieving these objectives are revealed, but they are not specified in the context of inclusiveness. It can be hoped that such specification might be made during the consideration of the bill in the Committees of the Verkhovna Rada, especially if the Sustainable Devel-



opment Strategy for Ukraine by 2030 will then come into force. This will be encouraged by the fact that Section 4 of the Strategy ("Implementation of the Strategy") provides a regular examination of the laws and regulations for compliance with their principles of sustainable development to create an appropriate legal framework and stimulate financial and economic mechanisms.

In scientific circles, the transition to inclusive development is seen mainly through the prism of regulatory, economic, and infrastructural measures of the government that should become the result of its activity. Regulatory mechanisms could provide access to basic resources, benefits and ensure employment opportunities for the representatives of economically and socially excluded groups. Spatial planning tools could be used to attract and enhance the development of depressed areas. It is advisable to develop a special regulatory policy for micro-enterprises, especially in rural areas, in order to formalize and legalize their activities and assist them in adapting to existing rules and regulations. Comprehensive programs for promoting entrepreneurship through special economic and other measures could promote the improvement of inclusive development. Taxes and subsidies could be used to cross-subsidize and redistribute the financial resources of a society. Share of this process should be the opening of greater access to financial services through microlending.

In order to provide social support for the implementation of this policy, the organization of appropriate educational measures targeting all sections of the population is essential. Fair trading schemes will enhance consumer consciousness. Various forms of joined management (political partnership), governance of community and non-governmental organizations at the local level are of great importance to the inclusive policy. Incentives for improving the quality of life of the denied population will be encouraged by investment in infrastructure and the restoration of depressed areas (regardless of their status (rural/urban). Inclusive development policy should also be based on a combination of provisions of various social policy documents aimed at overcoming the negative effects of inequality and ensuring social integration of the population.

### **Conclusions**

The idea of inclusiveness as a principle for the inclusion of people and their communities in different aspects of social life and development has a long history. Currently, under the implementation of the sustainable development concept, it is becoming widespread with an emphasis on enforcement of human rights and the access of all segments of the population, especially vulnerable its representatives to participate in social and public life.

The problem of inclusiveness is particularly relevant to the development of rural society. In the modern world people living and working in rural areas often become victims of discrimination, violations of private rights and different abuses. The adoption in 2018 by the UN General Assembly of the Declaration on the Rights of Peasants and Other People Working in Rural Areas is confirmation of the violations. Greater economic and social inclusion of the rural population and their rights



will be facilitated by the introduction of special rural development policy as a system of state's regulatory measures providing "bottom-up" initiation and support of "positive" changes in economic, agricultural, human, social, and political partnerships in rural areas.

It is necessary to distinguish among the concepts of "inclusive development" and "inclusive growth", which are often used as synonyms. Inclusive development envisages not only economic growth and equal access to its results but also the implementation of the direct democracy principles and the distribution of public goods involving all members of society in these processes. Inclusive rural development should provide the opportunity for rural peoples to use their land and other resources, results of economic growth in agriculture and other sectors of the rural economy, to participate in socio-political processes, to mobilize public communities underway of human rights observance, and to cause poverty alleviation and overcoming the economic and social exclusion of people.

The transition to inclusive development in Ukraine requires a favorable institutional environment and the implementation of appropriate regulatory, economic, and infrastructural measures. Its legislative environment requires the implementation of global SDGs in the national legal environment. The achievement of these goals and objectives in state agricultural policy and state policy of rural development requires adequate consideration. Regulatory mechanisms should enable representatives of the excluded groups to access the main resources and benefits, and to employment opportunities. Economic measures should be realized through the implementation of entrepreneurship promotion programs, including increased access to financial resources through microlending. Investments in the development of infrastructure and the restoration of depressed areas will contribute to improving the quality of life of the vulnerable population.

### References

1. Inclusion. Wikipedia. Retrieved from <https://uk.wikipedia.org/wiki/Inklusion> [in Ukrainian].
2. Prebisch, R. (1996). A critique of peripheral capitalism. *CEPAL Review*, 1(1), 9-71. Retrieved from [https://repositorio.cepal.org/bitstream/handle/11362/12273/253\\_en.pdf?sequence=1&isAllowed=y](https://repositorio.cepal.org/bitstream/handle/11362/12273/253_en.pdf?sequence=1&isAllowed=y)
3. UNDP (1997). Human Development Report 1997. Oxford: Oxford University Press. Retrieved from [http://hdr.undp.org/sites/default/files/reports/258/hdr\\_1997\\_en\\_complete\\_nostats.pdf](http://hdr.undp.org/sites/default/files/reports/258/hdr_1997_en_complete_nostats.pdf)
4. Sachs, I. (2004). Inclusive Development Strategy in an Era of Globalization. *Policy Integration Department, World Commission on the Social Dimension of Globalization Working Paper*, 35. Geneva: International Labour Office. Retrieved from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.464.6665&rep=rep1&type=pdf>



5. Ministry of Economic Development and Trade of Ukraine (2017). Sustainable Development Goals: Ukraine. National Report. Retrieved from <http://www.ua.undp.org/content/ukraine/uk/home/library/sustainable-development-report/sustainable-development-goals--2017-baseline-national-report.html> [in Ukrainian].
6. About the plenary session of the UN General Assembly on December 17, 2018. Retrieved from <https://www.un.org/press/en/2018/ga12107.doc.htm> [in Ukrainian].
7. Ali, I. and Son, H.H. (2007). Measuring inclusive growth. *Asian Development Review*, 24(1), 11-31. Retrieved from [https://think-asia.org/bitstream/handle/11540/1704/Volume%2024\\_No%201\\_2007\\_02.pdf?sequence=1](https://think-asia.org/bitstream/handle/11540/1704/Volume%2024_No%201_2007_02.pdf?sequence=1)
8. Kosiedowski, W. (2016). Koncepcja rozwoju inkluzywnego i jej realizacja w Europie Środkowo-Wschodniej. *Rocznik Instytutu Europy Środkowo-Wschodniej*, 5, 74. Retrieved from [http://www.iesw.lublin.pl/rocznik/articles/RIESW\\_1732-1395\\_14-5-276.pdf](http://www.iesw.lublin.pl/rocznik/articles/RIESW_1732-1395_14-5-276.pdf) [in Polish].
9. Inclusive Wealth Report 2012: Measuring progress toward sustainability. Retrieved from <http://www.ihdp.unu.edu/docs/Publications/Secretariat/Reports/SDMs/IWR%20SDM%20Low%20Resolution.pdf>
10. Pouw, Nicky and Gupta, Joyeeta. Inclusive Development: A Multi-Disciplinary Approach. Retrieved from [https://www.researchgate.net/profile/Nicky\\_Pouw/publication/315265627\\_Inclusive\\_Development\\_A\\_Multi-Disciplinary\\_Issue/links/5a0e043baca27244d28586cd/Inclusive-Development-A-Multi-Disciplinary-Issue.pdf](https://www.researchgate.net/profile/Nicky_Pouw/publication/315265627_Inclusive_Development_A_Multi-Disciplinary_Issue/links/5a0e043baca27244d28586cd/Inclusive-Development-A-Multi-Disciplinary-Issue.pdf)
11. Directory for village and settlement leaders (2014). All-Ukrainian Association of Village and Village Councils, National University of Bioresources and Natural Resources of Ukraine, Project AgroInvest. Kyiv [in Ukrainian].
12. Community-based rural development policy in Ukraine (2015). Institute for Economics and Forecasting, NAS of Ukraine. Kyiv [in Ukrainian].
13. The Inclusive Development Index 2018: Summary and Data Highlights. The World Economic Forum, committed to improving the state of the world. Retrieved from [http://www3.weforum.org/docs/WEF\\_Forum\\_IncGrwth\\_2018.pdf](http://www3.weforum.org/docs/WEF_Forum_IncGrwth_2018.pdf)
14. Mantsurov, I.H. (2018). Inclusive development as a basis for counteracting the global challenges of the present. *Ekonomika Ukrainy – Ukraine economy*, 10, 71-87 [in Ukrainian].
15. Agenda for development. UN General Assembly Resolution A/RES/51/240 of 15 October 1997. Retrieved from <https://undocs.org/en/A/RES/51/240> [in Russian].
16. FAO (2013). Voluntary Guidelines for Responsible Management of Ownership and Use of Land, Fisheries and Forest Resources in the Context of National Food Security. Rome. Retrieved from <http://www.fao.org/docrep/016/i2801r/i2801r.pdf> [in Russian].
17. Draft Law on the Strategy of Sustainable Development of Ukraine until 2030. Retrieved from [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=64508](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=64508) [in Ukrainian].



18. Draft Law on the Basic Principles of State Agrarian Policy and State Policy for Rural Development. Retrieved from [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=64742](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=64742) [in Ukrainian].

*Received 22.02.19.*

**Бородіна, Олена Миколаївна**

д-р екон. наук, член-кореспондент НАН України, професор  
завідувач відділу економіки і політики аграрних перетворень  
ДУ "Інститут економіки та прогнозування НАН України"  
вул. Панаса Мирного, 26, Київ, 01011  
olena.borodina@gmail.com  
<https://orcid.org/0000-0002-9937-5907>

**Прокопа, Ігор Васильович**

д-р екон. наук, член-кореспондент НААН України, професор  
головний науковий співробітник  
ДУ "Інститут економіки та прогнозування НАН України"  
вул. Панаса Мирного, 26, Київ, 01011  
iprokopa@ukr.net

**ІНКЛЮЗИВНИЙ СІЛЬСЬКИЙ РОЗВИТОК:  
НАУКОВИЙ ДИСКУРС**

Розглянуто сутнісні ознаки сільського розвитку як багатовекторного процесу, що передбачає не тільки економічне зростання у сільській місцевості, а й вимагає його адаптації до людської поведінки, соціальної та політичної структури сільських спільнот та їх залученості у процеси розвитку, відображає системні позитивні зміни на селі, що ініціюються знизу і підтримуються згори. У такому розумінні сільського розвитку інклюзивність є притаманною йому ознакою.

Показано, що становлення поняття "інклюзивний сільський розвиток" відбувалось у процесі збагачення і конкретизації стосовно сільського сектора суспільства теоретичних концепцій сталого розвитку, інклюзивного зростання та інклюзивного розвитку. Ним визначається такий розвиток, результатом якого є створення сільським жителям умов для: використання в господарській діяльності землі та інших місцевих ресурсів; адекватного розподілу результатів економічного зростання в сільському господарстві та інших галузях сільської економіки; участі в суспільному і громадському житті для згуртування громад і дотримання прав людини. Такий розвиток веде до скорочення бідності, подолання економічного, соціального та політичного вилучення людей, які мешкають у сільській місцевості.



Зазначено, що забезпечення інклюзивного розвитку є функцією державного регулювання національного господарства. Для її виконання в Україні необхідно насамперед забезпечити імплементацію в нормативно-правову базу глобальних Цілей сталого розвитку та завдань щодо їх досягнення шляхом ухвалення закону про Стратегію сталого розвитку до 2030 року, а в частині інклюзивного сільського розвитку – також закону про основні засади державної аграрної політики та державної політики сільського розвитку.

***Ключові слова:** інклюзивність, економічне зростання, інклюзивний розвиток, права людини, сільський розвиток, соціальне залучення, Цілі сталого розвитку*

**Бородина, Елена Николаевна**

д-р екон. наук, член-корреспондент НАН України, професор  
заведующая отделом экономики и политики аграрных преобразований  
ГУ "Институт экономики и прогнозирования НАН Украины"  
ул. Панаса Мирного, 26, Киев, 01011  
olena.borodina@gmail.com  
<https://orcid.org/0000-0002-9937-5907>

**Прокопа, Игорь Васильевич**

д-р екон. наук, член-корреспондент НААН України, професор  
главный научный сотрудник  
ГУ "Институт экономики и прогнозирования НАН Украины"  
ул. Панаса Мирного, 26, Киев, 01011  
iprokopa@ukr.net

**ИНКЛЮЗИВНОЕ СЕЛЬСКОЕ РАЗВИТИЕ:  
НАУЧНЫЙ ДИСКУРС**

Рассмотрены сущностные признаки сельского развития как многовекторного процесса, который предполагает не только экономический рост в сельской местности, но и требует его адаптации к человеческому поведению, социальной и политической структуре сельских сообществ и их вовлеченности в процессы развития, отражает системные положительные изменения в селе, инициируемые снизу и поддерживаемые "сверху". В таком понимании сельского развития инклюзивность является присущим ему признаком.

Показано, что становление понятия "инклюзивное сельское развитие" осуществлялось в процессе обогащения и конкретизации относительно сельского сектора общества теоретических концепций устойчивого развития, инклюзивного роста и инклюзивного развития. Оно определяет развитие, ре-





зультатом которого выступает создание сельским жителям условий для: использования в хозяйственной деятельности земли и других местных ресурсов; адекватного распределения результатов экономического роста в сельском хозяйстве и других отраслях сельской экономики; участия в общественной и общинной жизни для сплочения общин и соблюдения прав человека. Такое развитие способствует сокращению бедности, преодолению экономического, социального и политического исключения людей, проживающих в сельской местности.

Акцентируется, что обеспечение инклюзивного развития является функцией государственного регулирования национального хозяйства. Для ее выполнения в Украине необходимо прежде всего обеспечить имплементацию в нормативно-правовую базу глобальных Целей устойчивого развития и задач по их достижению путем принятия закона о Стратегии устойчивого развития до 2030 года, а в части инклюзивного сельского развития – также закона об основах государственной аграрной политики и государственной политики сельского развития.

***Ключевые слова:** инклюзивность, экономический рост, инклюзивное развитие, права человека, сельское развитие, социальное привлечение, Цели устойчивого развития*