

### Inclusive Development & Bangladesh

**“Economic growth does not mean anything unless it is inclusive growth”- John Green**

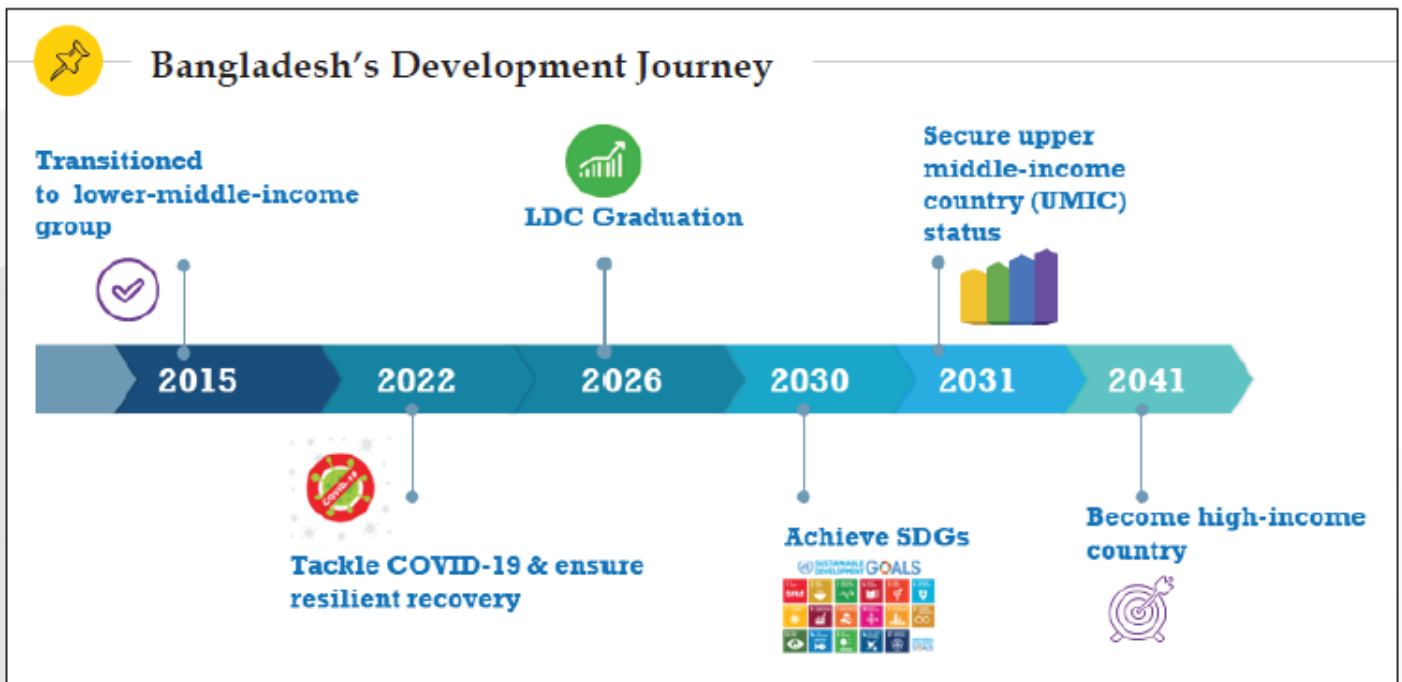
Since independence in 1971, Bangladesh has achieved significant economic growth and social progress, but the benefits have not been shared equitably across all groups in society, and there is the demand that inclusive development should be at the core of the country's development agenda.

Inclusive development refers to a holistic approach to economic, social, and environmental progress that aims to ensure that the benefits of development are shared by all members of society, particularly those who are marginalized or disadvantaged.

It is an approach that seeks to eliminate inequalities, reduce poverty, and promote sustainable development while taking into account the diverse needs, abilities, and circumstances of different groups within a society.

**"Inclusive growth is not only an economic imperative; it is a moral imperative as well. It is about ensuring that every individual, regardless of their background or circumstances, has the chance to participate in and enjoy the benefits of development." - Christine Lagarde**

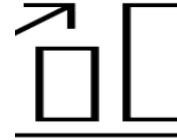
### The 4 pillars of Inclusive Growth Index



**Key Indicator of Inclusive Development of Bangladesh:**

Year	Poverty Rate %
1972	88%
2023	18.7%

Source: BBS



Sector	In 1972	In FY 22-23
Per capita GDP	\$91	\$2657
Per Capita Income	\$129	\$2765
Poverty rate	88%	18.7%
Literacy rate	47%	76.4%
Ave. life expectancy	46.51	72.3 years

Source: BBS, WB, Finance Ministry

**Sustainable Development Goal (SDG) 1— "ending poverty in all its forms, everywhere"** which is the first criteria for inclusive development of Bangladesh.

**There are several positive aspects of inclusive development:**

**Reduced Inequality:** Inclusive development helps to address socioeconomic disparities by providing opportunities and resources to marginalized and vulnerable populations. This can lead to a reduction in income inequality and an improved quality of life for a broader range of people.

**Sustainable Growth:** By involving a wide range of stakeholders in the development process, including marginalized communities, indigenous groups, and women, inclusive development promotes sustainable growth that takes into account the long-term well-being of both people and the environment.

**Social Cohesion:** Inclusive development fosters a sense of belonging and shared purpose among various societal groups. When people feel that they are part of the development process, it can lead to greater social cohesion, harmony, and stability within a society.

**Enhanced Innovation:** Involving diverse perspectives and experiences can lead to more innovative solutions to complex problems. When people from different backgrounds collaborate, they bring unique insights that can drive technological, social, and economic innovations.

**Human Capital Development:** Inclusive development emphasizes education and skill-building for all segments of society, leading to the overall improvement of human capital. When people have access to education and training, they can contribute more effectively to the development of their communities and countries.

**Stronger Democracy:** When marginalized groups are included in decision-making processes, it strengthens democratic institutions and governance. Inclusive development supports a more representative and participatory democracy, where the voices of all citizens are heard.

**Resilience to Crises:** Inclusive development can enhance a society's resilience to various challenges, including economic downturns, natural disasters, and health crises. When diverse groups are empowered and involved, they can collectively respond and adapt more effectively to unexpected events.

**Improved Social Services:** Inclusive development often leads to better access to essential services such as healthcare, sanitation, and clean water. This contributes to improved overall well-being and public health.

**Cultural Diversity Preservation:** Inclusive development recognizes and values cultural diversity. It supports the preservation of traditional knowledge, practices, and languages, ensuring that cultural heritage is not lost in the process of development.

**Global Collaboration:** Inclusive development encourages collaboration among nations, regions, and communities. By sharing knowledge, resources, and best practices, countries can work together to address global challenges such as climate change, poverty, and inequality.

Inclusive development is not only a moral imperative but also a strategic approach that can lead to more sustainable, equitable, and prosperous societies. By focusing on the strengths and contributions of all members of society, it paves the way for a brighter and more inclusive future.



**Negative aspects or downsides of Inclusive Development:** Complexity and Costs, Conflict and Resistance, Uneven Outcomes, Capacity and Expertise, Implementation Challenges, Cultural Sensitivity, Resistance to Change etc.

**Challenges of Inclusive Development:** There are several challenges associated with Inclusive Development:

**Income and Wealth Inequality:** One of the central challenges of inclusive development is addressing income and wealth inequality. Economic growth does not necessarily translate into improved living standards for all segments of society. Often, marginalized groups, such as low-income individuals and rural populations, are left behind.

**Access to Basic Services:** Inclusive development requires ensuring access to basic services like education, healthcare, sanitation, and clean water. However, disparities in access to these services can persist due to factors such as geographic location, social identity, and economic status.

**Unemployment and Underemployment:** Even in economies experiencing growth, unemployment and underemployment can persist. Inclusive development necessitates creating job opportunities that provide decent wages and stable employment conditions for all members of society.

**Gender and Social Inequality:** In many societies, women and other marginalized groups face unequal access to resources, education, and economic opportunities. Inclusive development must address gender-based discrimination and social inequalities to create an environment where everyone can thrive.

**Geographic Disparities:** Inclusive development seeks to bridge the gap between urban and rural areas, ensuring that both benefit from economic growth. However, infrastructure and development projects often concentrate in urban centers, leaving rural communities with fewer opportunities.

**Lack of Social Safety Nets:** A lack of adequate social safety nets can hinder inclusive development. Vulnerable populations need support during times of economic instability, such as job losses or economic downturns.

**Financial Inclusion:** Access to financial services, such as banking and credit, is crucial for economic empowerment. However, many marginalized individuals lack access to these services, limiting their ability to save, invest, and participate in economic activities.

**Education Disparities:** Inclusive development requires quality education for all. However, inadequate educational infrastructure, lack of trained teachers, and barriers to education for disadvantaged groups can hinder progress.

**Discrimination and Exclusion:** Discriminatory practices based on factors like ethnicity, race, religion, or disability can exclude certain groups from participating fully in economic activities. Inclusive development must challenge and dismantle these barriers.

**Environmental Sustainability:** Inclusive development should be sustainable, both environmentally and socially. Balancing economic growth with environmental conservation is a challenge, as certain development practices can have negative ecological impacts.

**Lack of Political Will:** Achieving inclusive development often requires policy changes, investment in social programs, and efforts to address systemic inequalities. Without strong political will and commitment, progress can be slow or limited.

**Data and Monitoring Challenges:** Tracking the progress of inclusive development initiatives requires accurate data collection and monitoring. In some regions, data may be lacking or unreliable, making it difficult to assess the impact of policies and programs.

### **Recovery of Inclusive Development:**

Recovering inclusive development requires a comprehensive and multi-faceted approach that addresses various social, economic, and political dimensions. Here are some strategies to promote and recover inclusive development:

#### **Equitable Economic Growth:**

- Prioritize sectors that have the potential to create jobs and uplift disadvantaged communities.
- Encourage small and medium-sized enterprises (SMEs) and startups to stimulate local economies.
- Invest in vocational and skill development programs to enhance employability.

#### **Social Safety Nets:**

- Strengthen social safety nets to protect vulnerable populations during times of economic downturn.
- Implement targeted cash transfer programs to provide direct support to those in need.
- Enhance access to quality healthcare and education for all citizens.

#### **Infrastructure Development:**

- Invest in basic infrastructure like roads, electricity, and water supply in marginalized areas.
- Improve transportation networks to connect remote regions to urban centers, opening up economic opportunities.

#### **Financial Inclusion:**

- Promote access to financial services, such as banking and microfinance, for underserved communities.
- Encourage the development of community-based financial institutions.

#### **Education and Skills:**

- Revamp education systems to ensure quality education for all, focusing on skill development and lifelong learning.
- Bridge the digital divide by providing access to technology and digital literacy training.

**Gender Equality:**

- Promote gender equality by removing barriers to women's participation in economic and political activities.
- Implement policies that support work-life balance, parental leave, and equal pay for equal work.

**Inclusive Governance:**

- Ensure participatory decision-making processes that include input from all segments of society.
- Foster transparency, accountability, and responsiveness in government institutions.

**Community Empowerment:**

- Support community-driven development projects that address local needs and priorities.
- Encourage the involvement of community members in planning, implementing, and evaluating projects.

**Environmental Sustainability:**

- Integrate sustainability into development plans to avoid exacerbating environmental degradation and climate change.
- Promote sustainable agricultural practices and responsible resource management.

**Private Sector Engagement:**

- Encourage businesses to adopt ethical practices and invest in local communities.
- Foster partnerships between the private sector, civil society, and government to drive inclusive growth.

**Conflict Resolution and Peacebuilding:**

- Address underlying social and political conflicts that hinder development, focusing on sustainable peacebuilding efforts.

**Recommendations and the National Priority Areas for Inclusive Development:**

Proposed recommendation	National Priority Areas Under 8FYP (and SDGs)
Instituting an effective taxation system along with an appropriate redistributive policy mechanism	Inclusive economic growth through macroeconomic stability (SDG-8)
	International Cooperation and Partnership (SDG-17)
	Governance (SDG-16)
Creating an adequate number of productive jobs and upgrading the skillset of the labour force is a critical condition for addressing inequality in the medium to long term	Reducing Poverty and Inequality (SDG-1 & 10)
	Employment (SDG-8)
	Gender and Social Inequality (SDG-5 & SDG-9)
Strengthening the social protection system	Reducing Poverty and Inequality (SDG-1 & 10)
Addressing gender disparities across-the-board	Gender and Social Inequality (SDG-5 & SDG-9)
Climate change mitigation and adaptation initiatives	Reducing Poverty and Inequality (SDG-1 & 10)
	Health and Well Being (SDG-3)
	Gender and Social Inequality (SDG-5 & SDG-9)
	Environment, Climate Change and Disaster Management (SDG-13, 14 & 15)

**“Inclusive development is an equitable development approach”- USAID**

In conclusion, inclusive development stands as a paramount approach to fostering sustainable and equitable progress in societies around the world. Recovering inclusive development requires collaboration among governments, civil society, international organizations, and the private sector.