ABSTRACT
This article defines the various levels of growth and distinguishes between the concepts of growth and development. The views of different researchers on these aspects are defined. The various factors which affect sustainable growth and development are discussed briefly. Certain things which need to be done for India to have inclusive growth have also been suggested.
Key Words: Inclusive Growth, Development, Poverty Alleviation.

1. INTRODUCTION
As per Government of India estimates (2013)[1], in 2011-12 about 22% of Indians consisting of close to 270 million individuals were below the poverty line. Hence, one of the main aims of developing countries like India has been poverty alleviation through inclusive development, where growth of both income as well as non-income parameters are planned with decreasing inequality of distribution. The International Bank for Reconstruction and Development and The World Bank report (2008)[2] states that in the last 30 years absolute poverty has fallen substantially, almost entirely due to sustained growth. In a very poor country, it is arithmetically impossible to reduce poverty without growth. But some kinds of growth reduce poverty more effectively than others. The distribution of income can change as average incomes rises, becoming more or less equal.

The expansion of smallholder farming, for example, cuts poverty quickly, raising the incomes of rural cultivators and reducing their food bill. Growth in labour-intensive manufacturing also raises the incomes of the poor. The expansion of capital-intensive mining industries, on the other hand, can result in jobless growth, making little impression on poverty.

2. LITERATURE REVIEW
For development to occur there has to be growth, which can be defined as the increase of real per capita income. This is a narrowly defined technical concept that is measurable and is indeed measured by statistical agencies the world over. However, this does not indicate the quality of growth and the effect it has on poverty alleviation. Then there is pro-poor growth which is specifically targeted at the poor. The next level is what is termed as inclusive growth, which not only is growth of the poor but also results in lower inequality. Growth can be pro-poor without being inclusive, since it can be accompanied by falling poverty but rising inequality.

In general, evidence showed that while the attainment of high per capita growth and lower inequality would almost ensure the accomplishment of the mission to eradicate extreme poverty, growth alone does not guarantee that everyone will benefit equally. Some level of growth is a necessary condition for poverty reduction. However, it is clear that growth by itself is not a sufficient condition. In other words, growth may overlook the poor or marginalized groups resulting in inequality (Rauniyar and Kanbur, 2009)[3].

If inequality in the overall distribution falls with growth, this would have some claim to be labeled as inclusive growth. If there is growth and a fall in overall inequality, poverty will fall and hence growth will be pro-poor as well. But if there is growth and an increase in inequality, then we could have the case that poverty falls because the growth effect dominates the inequality effect. In this case growth is pro-poor, in the sense that poverty has fallen; but it is not inclusive, in the sense that inequality has risen. Thus, inclusive growth is necessarily pro-poor, but non-inclusive growth (in the sense of inequality increasing with growth) is not necessarily anti-poor, provided it is not too non-inclusive (i.e., the inequality rising effect does not dominate the growth effect on poverty). However, making the same rate of growth more inclusive (inequality falling more or not increasing so much) must make that growth more pro-poor. And, since there is a range of possibilities for distributional change associated with any given growth rate, inclusiveness itself can be more or less pro-poor—certain types of inequality (i.e., those that increase middle level incomes) reduce poverty by less than other types of inequality decrease (i.e., those that increase the lowest incomes). Thus, the focus of policy for
poverty reduction must be growth with as much inclusiveness as possible and with as much inclusiveness of the poorest as possible (Kanbur and Rauniyar, 2009)[4].

The same framework which is applied to income could in principle be also applied to non-income dimensions of well-being. The same issues would arise along this dimension of inclusiveness. There could be an improvement in the average level of literacy, with little or no improvement in literacy below the minimum cut off. On health, average life expectancy across all individuals could improve, but with little or no improvement below some acceptable minimum. Inequalities in health outcomes have become a matter of growing interest in developing and developed countries alike, and some conceptual energy has been devoted to measuring health inequality (Foster and Allison, 2004)[5]. Then, if development, beyond growth, is to do with improvements in average levels of attainments along dimensions other than income, inclusive development is to do with the distribution of these improvements. Inclusive development occurs when average achievements improve and inequalities in these achievements fall. By analogy with the income case, pro-poor development can be considered to have occurred when improvements in average attainments are accompanied by improvements of achievements below a critical threshold. Thus, when development is inclusive, it is also pro-poor. But development can be pro-poor even though it is not inclusive, inequality in this non-income dimension increases, provided that this increase in inequality is not large enough to offset the impact on non-income poverty of the average improvement along this dimension (Kanbur and Rauniyar, 2009)[6].

The concept of development differs from growth in expanding the focus from income alone to other dimensions of well-being, in particular education and health. Development is not at all well-defined as growth and at different times the term has been used to refer to (i) just economic growth, (ii) changes in economic structure of production (rising share of industry and then services from an agricultural base), (iii) spatial distribution of population (increasing urbanization), (iv) improvements in social indicators of education and health, etc. Inclusive development thus refers to the improvement of the distribution of well-being along these dimensions at the same time as the average achievement improves (Kanbur and Rauniyar, 2009)[7].

A move from just growth to inclusive development involves two steps — a move to evaluate the distribution as well as the average level of well-being along any dimension considered, and a move to include dimensions other than income in the assessment of performance. The move from growth to inclusive growth takes only the first step, staying focused on the income dimension. The move from growth to development takes only the second step, by bringing in non-income dimensions but staying focused on average achievements. Inclusive development as a concept invites and requires both steps to be taken (Kanbur and Rauniyar, 2009)[8].

The poverty reduction strategy of the Asian Development Bank recognized that economic growth can effectively reduce poverty only when accompanied by a comprehensive program for social development. It focused on human capital development, social capital development, gender and development, and social protection. Human capital development refers to access to education, primary health care, and other essential services. Social capital development means increasing the opportunity of the poor for participation in decision-making and self-managed community services such as in the creation of community-based groups in microfinance, health, and natural resources management. Gender and development involves improving the status of women through health and welfare programs and promoting their participation in the development of society. Social protection addresses the vulnerabilities and risks of age, illness, disability, natural disasters, economic crises, and/or civil conflict (Rauniyar and Kanbur, 2009)[9].

There is a direct relationship between rural infrastructure and inclusive growth. Literature shows that investment in infrastructure like rural roads and electricity grids servicing the main production centers helps in growth. However, there are evidences of a huge inequality in infrastructure investments in rural and urban areas. Rural roads connecting villages to each other and to small market towns, and these small market towns to district headquarters improves the infrastructure. It also has a direct effect on the health and education system of the rural population.

Ali and Yao (2004)[10] opined that quality of infrastructure is an enabling factor which drives inclusive growth and sustainable poverty reduction. They found that inadequate infrastructure raises the cost of doing business and discourages domestic and foreign private investment. In India, Ali and Yao found how dynamic small- and medium-size enterprises (SMEs) contribute to inclusive growth through direct and indirect linkages of infrastructure. Quality infrastructure helps in enabling business and investment climate, which are important for catalyzing domestic and foreign investments, adopting new technologies, and raising productivity. These are crucial in carrying out modernization of agriculture and to scale up the development of rural economies. Agricultural growth may be driven by technological change, technical extension services, and increased demand for agricultural outputs, and rural employment. Developing rural economies through developments in SME industry and rural markets require the support of infrastructure such as rural electrification, transport, communications, and water supply.

Bolt (2004)[11] recognized the role of agriculture and rural economy at the core of inclusive growth considering that about a third of the population in Asia’s developing countries was rural-based and depended on agriculture for a living. The study found that accelerating agriculture and rural development has the potential for regenerating the rural economy and hence, a critical component of an inclusive growth strategy. Some of the important factors that could drive agricultural and rural-based opportunities included yield-improving technology, high value commodities and non-farm goods, and services that provided value-addition. Lessons from past experience highlighted the importance of
a policy environment that provided for the right incentives; well-functioning markets to increase productivity, employment, incomes, and demand; public and private institutions that would ensure product and markets work; and infrastructure connectivity to expand markets. Land rights, access to finance, and provision of public goods and services such as irrigation, research, and extension required focused attention.

3. DISCUSSIONS AND CONCLUSION

More than half of India’s population depends on agriculture, which is expectedly concentrated in the rural areas. One-fourth of the rural population, which counts up to one-sixth of the total population, lives in poverty. Thus, in India for development to be inclusive, the rural areas need special attention. If the life of the Indian farmer improves both from the point of view of his income as well as other non-income aspects like access to better health and education facilities, the development can be termed to be inclusive.

The Indian Government should come up with new pro-poor projects for application of modern techniques in agriculture sector, mainly aimed at increasing quality, volume and frequency of the output. Most of the parts of our country lack in rural infrastructure for both storage of the agricultural output as well as road networks for physical transfer of the same to the market place. The third important aspect is a proper system for selling of the farmers’ produce, which would be both efficient and non-corrupt. Moreover, application of latest techniques in agriculture would help in retaining the next generation to be part of this sector; else, the exodus of young folk for employment in other sectors would continue to be a major challenge.

The farmers and their families would be much better off if they are literate. It is observed that better roads and more schools in rural areas would help more number of children getting educated. The Indian Government has already schemes like midday meals and free education for girls in place to encourage the cause.

Another way of planning for inclusive development would be by encouraging in labour-intensive projects pertaining to the social sector. Encouraging local contractors and labourers for construction of roads and buildings would also improve the quality of life of rural India.

Thus, the process of inclusive development is a continuous one, which proceeds at a slow and steady pace. It needs to be carefully planned in order to use the strengths of the rural folk to make them stand on an even stronger platform.

REFERENCES

[7] Ibid.
[8] Ibid.

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