

Conceptual and Practical
Aspects of Public
Administration of Inclusive
Local Development:
International Practices

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Abstract

The thesis is devoted to the inclusive development, as a new paradigm for organizing social processes, involves the widespread realization of socio-economic potential and the involvement of a wide range of individuals in the process of solving cases both national and local. The purpose of this thesis is to study and systematize the main aspects of foreign experience in the field of institutional and regulatory support for inclusive local development. It was disclosed the content and mechanism of inclusive development as a direction of the pan-European development strategy. In the thesis it was determined the peculiarity of the current state of organizational and legal adjusting for inclusive development by the example of EU countries. We concluded that public administration for inclusive local development is a new paradigm that defines a set of principles, goals, traits and contours of public policy implementation in a specific way that will help achieve high standards of public and political development.

Key words: public administration of inclusive local development, public administration, inclusive local development, inclusive development, inclusive

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growth, inclusion.

The general articulation of the issue and its connection with the important research and practice tasks.

As a new paradigm of organization of social processes, the inclusive development involves the expanded realization of social and economic potential and the involvement of a wide range of people in the process of resolving cases of both national and local nature. The greatest effect can be achieved at the local level where all processes are of direct importance to those involved in the management of public affairs, and efficiency is determined quickly and as objectively as possible. That is why the issue of public governance of inclusive development in democratic countries is gaining momentum as a problem of a practical nature.

Because of this, there is a need to study foreign experience in this area of state formation but taking into account the conceptual features of inclusive development at the local level. This will significantly increase the effectiveness of Ukraine's state regional policy, as well as create the necessary basis for the accumulation of economic growth potential at the national level.

Recent research and publications analysis.

The problem of inclusive development is devoted to a sufficient number of works mainly by foreign scientists, such as : A. Sen, J. Gomez, R. Gomez, S. Klasen, T. McKinley, R. Ranieri, R. A. Ramos, L. A. Winters, R. Deighton-Smith, A. Erbacci, C. Kauffmann, J. Gupta, C. Vegelin.

Instead, Ukrainian researchers are increasingly paying attention to the problem of inclusive development but mainly in terms of economic development of the state. In particular, we are talking about the works T. Zatonatska, S. Kozhemyakina, L. Fedulova, I. Taranenko, A. Basiluk, O. Zhulin, O. Kovalchuk.

Regarding the public management of inclusive local development, today it is an almost unexplored segment of the science of public administration, which requires conceptual and theoretical understanding and the creation of practical tools to regulate the multilevel relations of this development.

The paper objective.

The purpose of this article is to study and systematize the main conceptual and practical aspects of international experience in the field of public governance of inclusive local development.

The paper main content.

The concept of inclusive development for the Ukrainian practice of public administration is an extremely new phenomenon which has already found its fragmentary embodiment in the field of public management of educational processes. Instead, this form of organization of social and political processes has not become more widespread and used due to many reasons, but the main one is the lack of legal support and terminological certainty. As well as sustainable development in its day, the inclusive development provides for concepts recognized in Western democracies, and therefore they are traditionally implemented in Ukraine as a borrowing of foreign experience. Therefore, the method of such implementation is characterized as centralized, with elements of obligation dictated by the desire of the state to increase the welfare of the population through the introduction of such a concept as inclusive development. In other words, the introduction of the inclusive development shall be from top downward i.e. at the initiative of the state or the political elite who sees this as an opportunity to achieve the required level of competitiveness in the social, economic and international political spheres.

To understand the essence of the inclusive development, it is necessary to turn

to the process of evolution of this concept (Tab. 1).

Table 1. Formation of the concept of “inclusive development”

Source, author	Essence, definition
The Growth Report: Strategies for Sustained Growth and Inclusive Development (the author's team consisted of: D. Leipziger, R. Solow, M. Spencer)	For the first time in the report of the World Bank Commission “The Growth Report: Strategies for Sustained Growth and Inclusive Development” such categories as “inclusive sustainable growth”, “inclusive development” appear. Their definition is not given in the report, although researchers acknowledge that these are new trends in global economic processes, which include the following components: macroeconomic growth and stability, market allocation (market transnationalization), intensification of indirect government participation in achieving social development goals, leadership of civil society institutions, expansion of economic opportunities [1, p. 17-19].
O. Denk	The category of “inclusive growth” appears meaning the economic growth process governed by the state though with direct extensive involvement of civil society institutions and at the core directed at solving the most acute social problems [2, p. 12-19].
International Policy Centre for Inclusive Growth	The inclusive development is recognized as a social and economic process quality achieved through the implementation of structural reforms by governments in several developing countries which have achieved sustainable and inclusive growth along with poverty reduction and improved access to public goods and services. Such policies included overcoming poverty and social inequality by mitigating trade-offs and strengthening the capacity of the social protection system which enabled states to achieve the maximum possible solution to poverty in the medium term [3, p. 19-25].
R. Boarini, L. De Melo, A. de Serre, F. Martin, P. Schreiber	The first comprehensive definition of the category “Inclusive growth” is given. The inclusive growth is economic growth that is equitably distributed throughout society and creates opportunities for all people. The inclusive growth initiative was launched in 2012 during the period of peak unemployment and growing inequality in both developing and economically developed countries. The definition of inclusive growth is concerned with determining the level of social capacity of the population, economic security and the degree to which governments achieve high standards of well-being. Inclusive growth policy involves identifying, analyzing, and exploiting synergies between different areas of public policy and governance that mutually reinforce or compensate when more socially significant challenges need to be addressed [4, p. 7-14].

Global Monitoring Report 2014/2015	World Bank researchers conclude that there is a new model of public administration “inclusiveness of growth” providing for that government influence in the form of structural reforms of economic and social nature aimed at increasing macroeconomic indicators may also affect the distribution of non-profit, non-economic results, including education, employment, health and the environment. In other words, the inclusive development is seen as the result of interrelated social and economic reforms that involve increased state participation in social processes [5, p. 71-82].
Organization for Economic Co-operation and Development (OECD)	Public policy to ensure higher growth and greater integration in areas such as macroeconomic stability and growth, labour market, education, competition and goods regulation, innovation and entrepreneurship, financial markets, infrastructure and public services, local government and regional policy. This policy may be achieved by expanding the capacity of territorial communities to solve the most acute social problems through their own and delegated resources by showing the greatest initiative [6, p. 8-16].
EU Horizon 2020 Development Strategy	The inclusive growth is a condition of state development ensuring sustainable social and economic growth with an emphasis on the involvement of citizens, civil society institutions, academics, social partners, public authorities, business, innovative sector and social entrepreneurs [7].

If we analyze the evolution of the category of “inclusive development” by foreign research conclusions, we may conclude that this is a format of social and political interaction between the state and civil society which marked the actual inability of the state, on its own and using only its administrative resources and imperative tools of government decisions, to solve the problems of poverty, social inequality, inefficiency of resource allocation effectively. The state actually attracts, or rather delegates, albeit partially, the responsibility for solving these problems to society itself.

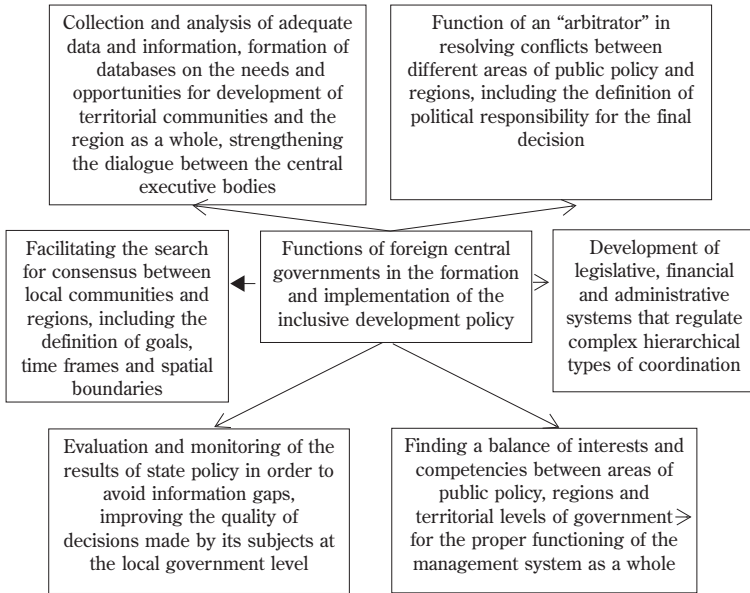
In turn, according to V. S. Tolubyak and A. Yu. Zhukovskaya, “the key idea of the inclusive development is that economic policy priorities should be re-focused on more effective counteraction to insecurity and inequality that accompany technological change and globalization. It is sustainable all-encompassing

progress accompanied by an increase in the income of the population while increasing its economic opportunities, security and quality of life, that should be recognized as the main goal of economic development, and not GDP growth, as previously thought [8, p. 164-165]. Instead, S. O. Yermak points out that “the inclusive growth as an innovative vector of social and economic development is based on the involvement of all resources, primarily human capital, which, in turn, have access not only to the creation of a total national product, but also to the respective share thereof” [9, p. 12-13]. Thus, inclusive development is a multifaceted phenomenon that demonstrates the actual quality of the Government’s implementation of social and economic living standards, which in turn is embodied in the level of security of the population and overcoming the most important problems of social and economic development (Fig. 1).

Also, the inclusive development is ensured by the involvement of citizens in political decision-making processes and in the processes of activation and realization of economic, social and other potentials primarily at the community level, mainly through stimulating employment, self-employment, economic activity of citizens, NGOs, economic agents.

In modern conditions, the practice of public administration in European countries is aimed at the development of territorial communities.

At this stage in Europe, there is a change in the model of inclusive development management. Thus, the approach to governance from the standpoint of “governance” is becoming widespread, not as “government” but as “governance”, in which government, business and civil society are interconnected. From our point of view, this concept means the transition from management as a vertical control system “from top downward” to its identification with the process which is aimed at horizontal interaction. As a result, it becomes possible to include the entire system of public authorities, including territorial communities, as well as



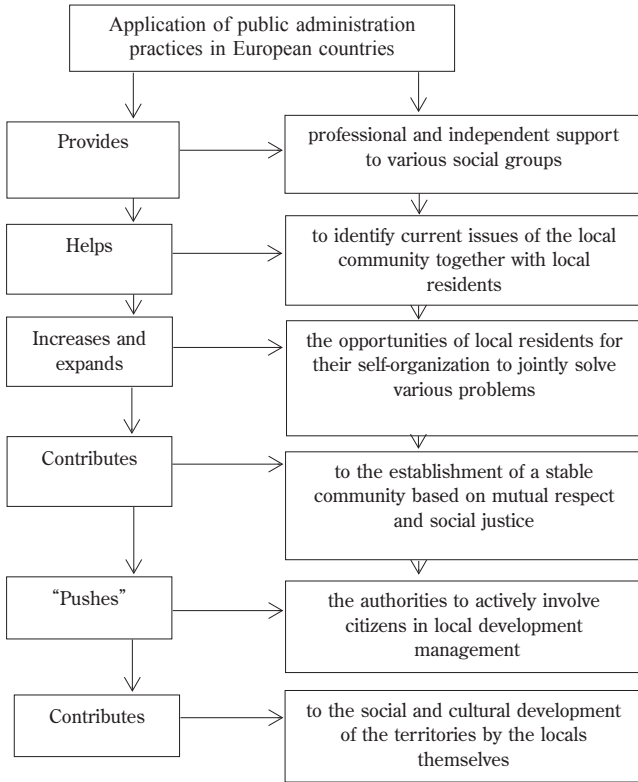
Source: compiled by the author on the basis of [10; 11].

Fig. 1. Functions of foreign central governments in the formation and implementation of the inclusive development policy.

the involvement of stakeholders in the development and implementation of public policy (Fig. 2).

Analyzing the European experience, of course, it should be understood that with all their similarities, European countries have their own unique personality. Therefore, the strategic goal of public management of inclusive development at the local level is to eliminate the shortcomings of modern public policy in local communities by ensuring and using the systemic social and cultural potential of management enhancing the activity of local communities based on their full awareness of their values and development strategies.

From the point of view of international experience in the development and implementation of the concept of inclusive local development, special attention



Source: compiled by the author on the basis of [11; 12].

Fig. 2. Application of public administration practices in European countries.

should be paid to the experience of the European Union which consistently implements the ideas of this concept in practice, doctrinally combining them with a set of new areas to support the rapid transition of the Western European economy to an innovative model of development. In particular, the EU’s comprehensive social and economic development program – the so-called Lisbon Strategy, which began in 2000 – is now complemented by a number of emphases. In 2010, a new, third version of this Strategy was approved – “Europe 2020” focused on implementation by the end of this decade: smart growth (development of the economy

based on knowledge and innovation); sustainable growth (building an economy based on the appropriate use of resources, ecology and competition); inclusive growth (promoting employment, social and territorial consensus) – i.e. to achieve innovative economic development. In order to monitor the results that Europe is going to achieve by 2020, the following indicative targets have been set: 75% of the population aged 20 to 64 should be employed; 3% of EU GDP should be invested in research and development; achieved a 20% reduction in environmental pollution, as well as a 20% increase in energy efficiency and the share of renewable energy sources; the share of young people with incomplete secondary education has been reduced from 15% to 10%; the number of people living below the poverty line has been reduced by 20 million [23; 33].

Conclusions of the research. It can be concluded that in order to improve public governance of inclusive local development, countries should focus on developing more inclusive policies in education, entrepreneurship and business, employment and public health, environmental protection and other areas. For example, coordinated measures to improve the education system for the population can serve as a basis for providing individuals with opportunities to increase human potential and create favourable conditions for its development.

Improving the quality of life and health of the population is possible by providing access to quality health services for various segments of the population. Supporting labour activity of the population, possibly by increasing the population's adaptation to changes in the labour market. To do this, social protection mechanisms and a comprehensive revitalization policy must be used. The most striking example is the concept of unconditional basic income which implies monthly payments to low-income citizens (mostly students, the unemployed, workers, and other low-income groups). This initiative causes a lot of controversy, however, in some countries it is already practiced. For example, in Finland, from 2017 to 2019,

more than 2,000 unemployment benefit recipients were paid a basic income of € 560 per month.

The next direction is business support. With the help of state regulation, it is necessary to increase productivity, reduce the gap between the most and least productive firms, to stimulate entrepreneurship and the formation of sustainable production.

The relevant principles, approaches and mechanisms of public administration of inclusive local development require attention in further researches.

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